

### COMPANY UPDATE

## SEA (SE US)

E-Commerce Benefitting From Better Monetisation And Leading Market Share

SEA's share price has appreciated >15% since it turned profitable for the first time in 4Q22. Though GMV growth may slow down, Shopee's continued dominance in its established markets and growth in new markets should allow it to continue increasing commission fees and expanding its logistics structure. Hence, we expect margins to improve moving forward. Also, we see limited threat from the new competitors in Southeast Asia for now. Maintain BUY and target price of US\$94.34.

### WHAT'S NEW

#### E-COMMERCE STATISTICS – GROSS PROFIT AND EBITDA REMAIN ROBUST QOQ IN 1Q23

Year to 31 Dec (US\$m)	1Q22	4Q22	1Q23	yoy % chg	qoq % chg
Revenue	1,516.5	2,102.7	2,067.1	36.3	(1.7)
Gross profit	323.1	949.0	1,018.2	215.1	7.3
Adjusted EBITDA	(742.8)	196.1	207.7	(128.0)	5.9

Source: Sea, UOB Kay Hian

- Improved EBITDA and profitability.** Shopee is gaining traction in its new South American markets, while higher monetisation in its core Southeast Asian markets supports revenue growth. From 2022, it has been optimising costs with cutbacks on brand marketing and shipping subsidies in its established markets. The success of this strategy is evident from its achievement in 4Q22, when it became the first e-commerce company in Southeast Asia to report positive net quarterly income. We also observe improvements in gross profit and adjusted EBITDA qoq in 1Q23 which is seasonally the lowest quarter per the table above, which reinforces sustainability in the business model.
- Still leading in market share.** Shopee, a prominent and leading e-commerce platform in Southeast Asia, achieved an impressive GMV of US\$47.9b in 2022, securing its position as a frontrunner in the market, while Lazada followed with a GMV of US\$20.1b. On 19 Jul 23, Alibaba further injected US\$845m (S\$1.1b) into Lazada. This brings the total injections to US\$2.8b (S\$3.8b) since May 22, giving Lazada dry powder for higher spends such as marketing which may put Shopee's growth plans at risk. Despite external factors, we firmly believe that Shopee will maintain its market leadership, underpinned by its sizable merchant and customer base.
- Moreover, Shopee's localisation setup in each country it enters has proven to be highly effective, providing excellent support and tailored solutions to cater to diverse localisation requirements.** For instance, Shopee Singapore had 13.6m visits in Feb 23, as compared with Lazada Singapore's 5.8m visits. Despite starting its Singapore operations three years after Lazada, Shopee Singapore's higher online traffic to date demonstrates its effective strategies. Per McKinsey & Co, the Southeast Asian e-commerce market is projected to triple at a CAGR of 22% from 2023 to 2026 to reach US\$230b in GMV.

Click [here](#) for Blue Top dated 24 Jul 23

### KEY FINANCIALS

Year to 31 Dec (US\$m)	2021	2022	2023F	2024F	2025F
Net turnover	9,955	12,450	13,765	15,742	17,860
EBITDA	(1,583)	(1,133)	1,343	1,791	2,679
Operating profit	(1,583)	(1,133)	1,343	1,791	2,679
Net profit (rep./act.)	(2,045)	(1,496)	959	1,272	2,059
Net profit (adj.)	(2,045)	(1,496)	959	1,272	2,059
EPS (US\$ cent)	(383.4)	(268.1)	167.4	205.6	319.9
PE (x)	n.m.	n.m.	35.9	29.3	18.8
P/B (x)	4.3	5.9	4.7	3.6	2.7
EV/EBITDA (x)	n.m.	n.m.	21.3	16.0	10.7
Dividend yield (n.a.)	n.a.	n.a.	n.a.	n.a.	n.a.
Net margin (%)	(20.5)	(12.0)	7.0	8.1	11.5
Net debt/(cash) to equity (%)	(98.2)	(73.0)	(75.1)	(72.8)	(72.5)
Interest cover (x)	(15.7)	n.a.	n.a.	n.a.	n.a.
ROE (%)	n.a.	n.a.	14.6	14.3	16.6
Consensus net profit	-	-	1,272	1,694	2,325
UOBKH/Consensus (x)	-	-	0.75	0.75	0.89

Source: SEA LTD, Bloomberg, UOB Kay Hian

n.m.: not meaningful; negative P/E, EV/EBITDA reflected as "n.m."

## BUY

(Maintained)

Share Price	US\$60.16
Target Price	US\$94.34
Upside	+56.8%

### COMPANY DESCRIPTION

SEA has developed an integrated platform consisting of digital entertainment, e-commerce and digital financial services, each localised to meet the unique characteristics of its markets.

### STOCK DATA

GICS sector	Communication Services
Bloomberg ticker:	SE US
Shares issued (m):	521.2
Market cap (US\$m):	34,096.2
Market cap (US\$m):	34,096.2
3-mth avg daily t'over (US\$m):	320.7

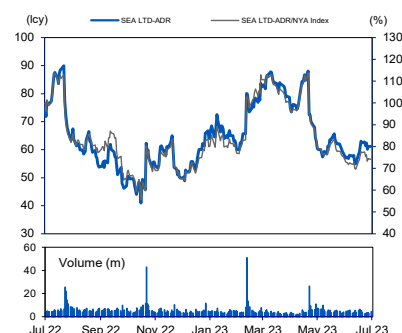
### Price Performance (%)

52-week high/low	US\$89.97/US\$40.92			
<b>1mth</b>	<b>3mth</b>	<b>6mth</b>	<b>1yr</b>	<b>YTD</b>
(0.2)	(24.0)	(8.7)	(27.9)	15.6

### Major Shareholders

	%
Forrest Li	25.2
Tencent	18.6
FY23 NAV/Share (US\$)	12.91
FY23 Net Cash/Share (US\$)	9.69

### PRICE CHART



Source: Bloomberg

### ANALYST(S)

**John Cheong**  
+65 6590 6623  
johncheong@uobkayhian.com

**Jacquelyn Yow Hui Li**  
+603 2147 1995  
jacquelyn@uobkayhian.com

**Heidi Mo**  
+65 6590 6630  
heidimo@uobkayhian.com

• **Increased focus on logistics capability for cost efficiency in Southeast Asia.** During SEA Limited's (SEA) 1Q23 results briefing, management highlighted its focus on expanding its logistics network and integrating its in-house logistics arm, Shopee Express. While working with third-party logistics (3PL), Shopee has also been introducing automation into its workflow to improve efficiencies. In a 2022 McKinsey survey, 50% of respondents stated that delays in deliveries were the greatest drawback of e-commerce purchases in Southeast Asia.

• According to management, these initiatives should reduce average delivery times by more than half a day across its markets. With return rates for e-commerce sales ranging from 15-20%, building on its logistics arm will ensure a better and faster return experience to attract and retain customers. We also note that Shopee has been improving monetisation of this arm, such as increasing seller shipping fees in Singapore from 1 Jun 23. This allows Shopee to capture opportunities in the Southeast Asia logistics value chain. As e-commerce becomes increasingly prevalent, we reckon that such value-added services will drive margin expansion for the e-commerce segment.

• **Keen competition poses limited threat in Southeast Asia.** Shopee has a dominant market position in SEA-6, grossing US\$47.9b in GMV and holding 30-50% of regional traffic share in 2022. This can be attributed to its effective cost-cutting (eg employee lay-offs: around 500 cuts in Shopee Indonesia in Mar 23) and increased commission rates (across all operating markets). However, besides the presence of major player Lazada as discussed above, two companies from China are challenging the dynamics of the e-commerce industry. These entrants pose limited threat to Shopee's position for now:

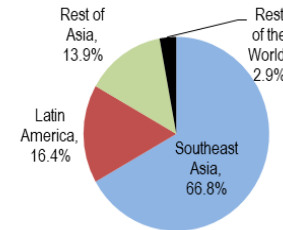
a) TikTok Shop is the e-commerce marketplace of short-form media platform TikTok. The app expanded to six Southeast Asian countries in 2022, swiftly growing its GMV to US\$4.4b per Momentum Works. With Indonesia as TikTok's second largest market (about 113m users), it accounted for 57% of its 2022 GMV (US\$2.5b). Though TikTok Shop can leverage on the large TikTok user base, its GMV is a mere 13% of Shopee's GMV in Indonesia. Additionally, we note that TikTok Shop has raised its commission rates to be in line with other e-commerce players in Jun 23, which will likely slow TikTok Shop's growth. Hence, we believe the impact that TikTok Shop has on Shopee's market share is limited.

b) Pinduoduo, China's e-commerce giant, first launched Temu in the US in Sep 22, and has rapidly expanded to 22 other countries like Australia and France with the help of its low prices and aggressive marketing gaining market awareness. Its most recent launch was in Japan on 1 Jul 23, marking its first move into Asia. Its "Southeast Asia, Japan and Korea cross-border e-commerce platform seller study" has been sent to sellers, sparking rumours of its entrance into the Southeast Asian market.

• **Gaining traction in Brazil.** In Jan 23, Shopee closed operations in Poland, following four Latin American markets (Chile, Colombia, Mexico and Argentina), France, Spain and India. This raised doubts in its ability to succeed in Brazil, one of the newer markets it entered in late-19. However, we note that Shopee has achieved significant milestones in Brazil. In Apr 22, Shopee Brazil reached 2m local sellers on its marketplace, beating competitors like Magazine Luiza and Americanas that had 160,000 and 122,000 local sellers at the time. Since then, the number has grown by 50% to 3m in Mar 23. According to Statista, revenue from Brazil's e-commerce market is expected to grow to US\$71.7b by 2027 (five-year CAGR of 14.1%). Its three leading players – Magazine Luiza, Casas Bahia and Americanas – brought in a total of US\$9.3b in sales, making up 36.6% of the top 100 online stores' 2022 revenue in Brazil per ecommerceDB. As for Shopee, its net sales per ecommerceDB's estimates amounted to US\$428m, accounting for 1.7% of the same pool. As the leading e-commerce app in Latin America by monthly active users, we opine that Shopee has huge potential in Brazil as it scales up operations and grows its presence via:

a) **New commission structure and increased take rates.** Shopee Brazil announced a 2% increase in its take rate from 1 Sep 22, charging sellers a 14-20% commission (12-18% previously). Furthermore, from 1 Jun 23, commission has also increased by BRL\$2 per item (valued above BRL\$4) sold, and by half the product value for items valued below BRL\$4. These moves will improve Shopee's unit economics in Brazil, which last reported contribution margin loss per order of US\$0.34 in 1Q23.

SEA'S REVENUE BREAKDOWN BY GEOGRAPHY (2022)



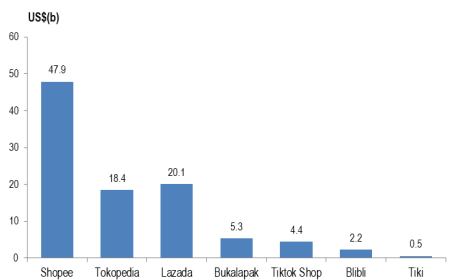
Source: Sea, UOB Kay Hian

SHOPEE SINGAPORE SELLER SHIPPING FEES

Delivery method	Before 1 Jun 23	After 1 Jun 23	
		Local sellers on Coins Cashback/ Free Shipping Program	All Other Sellers
Standard Delivery	\$1.51-9.41	\$1.51-9.41	\$2.31-9.57
Ninja Van	\$2.03	\$2.03	\$2.22
Shopee Xpress (Self Collect)	\$1.5-2.03	\$1.5-2.03	\$2.31-2.46
uParcel	\$2.01-\$9.01	\$2.01-\$9.01	\$2.01-15.74

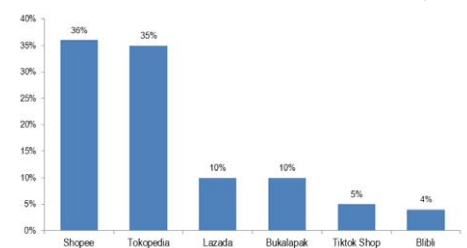
Source: Sea, UOB Kay Hian

E-COMMERCE GMV IN SOUTHEAST ASIA (2022)



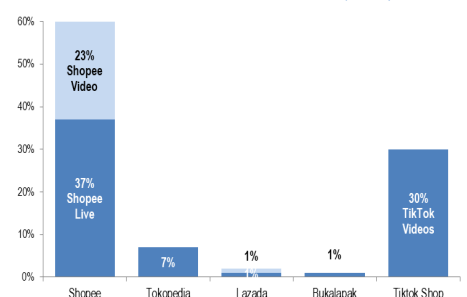
Source: Momentum Works, UOB Kay Hian

E-COMMERCE GMV % SHARE IN INDONESIA (2022)



Source: Momentum Works, UOB Kay Hian

MOST POPULAR INTERACTIVE FEATURE IN INDONESIA E-COMMERCE MARKET (2022)



Source: Snapcart, UOB Kay Hian

b) **Wider logistics network.** Shopee Brazil's recent expansion of its logistics structure – from six to eight distribution centres across the nation – allays concerns over its ability to succeed in the newly-entered market. The expansion reportedly increases the number of cities it serves by 40% and reduces average delivery time in Brazil's Northeast. As of date, delivery times for local and international orders are up to 25 days and 50 days respectively. Based on UBS' consumer survey in Brazil, Shopee is seen as lagging on delivery speeds compared with competitors. Hence, this initiative should place Shopee in a more favourable position.

- **Commission fees of Southeast Asia e-commerce players have increased and indicate that competition by undercutting rates is not prevalent.** Based on the latest commission fees gathered across the major e-commerce platforms, we note that all the players have increased their rates, with even newcomers like TikTok Shop not undercutting rates too excessively vs the incumbents. This indicates that undercutting commission rates is likely not the key strategy being employed by the key players in the industry.

**COMMISSION FEES OF SOUTHEAST ASIA E-COMMERCE PLAYERS**

Platform	Commission Rates	Platform	Commission Rates
TikTok Shop (Jun 2023)	Average: 2.2%	Tokopedia (Feb 2023)	Average: 2.8%
Malaysia	2%	Regular Merchant	1-3.8%
Philippines	0.7-2.5%	Power Merchant	2-4.5%
Indonesia	1.9-4.3%		
Singapore	Waive commission	Blibli (Mar 2023)	2.35-8%
Bukalapak (Jun 2023)	Average: 4.9%	Lazada (May 2023)	Average: 4.1%
Super Seller	1.5-6%	Malaysia	0-9%
Non-super Seller	6%	Marketplace sellers	0-4.24%
		LazMall seller	2-9%
Shopee (Apr 2023)	Average: 4.1%	Philippines	1-7%
Malaysia	0-9%	Marketplace sellers	1-5%
Marketplace sellers	0-4.24%	LazMall seller	3-7%
ShopeeMall	2-9%	Indonesia	2.8-8.32%
Philippines	3.5-6.7%	Regular Seller	2.8-4%
Marketplace sellers	3.5-5%	Super Seller	3.3-4.7%
ShopeeMall	3.36-6.7%	LazMall seller	4.32-8.32%
Indonesia	2.5-6.5%	Singapore	0-5%
ShopeeMall	2.5-6.5%	Marketplace sellers	0-2.16%
Singapore	0-5.4%	LazMall seller	3-5%
Marketplace sellers	0-2.16%		
ShopeeMall	3.24-5.4%		
Thailand	2%		
Vietnam	3%		

Source: TikTok Shop, Bukalapak, Sea, Tokopedia, Blibli, Lazada, UOB Kay Hian

**STOCK IMPACT**

- **Resilient amid competition.** We expect stable margins for its e-commerce arm, Shopee, with higher transaction-based fees from its operating markets and increased contributions from value-added services (especially related to logistics). We reckon that the logistics services cost leadership strategy – increasing capacity and integrating the in-house logistics arm and automation to their delivery centres – would enhance the segment's margin. Management has also guided that Shopee Brazil is expected to achieve breakeven soon with its strong growth and marked presence. We have estimated 15% yoy 2023 revenue growth for the segment.

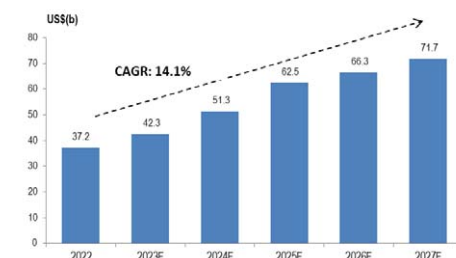
**EARNINGS REVISION/RISK**

- **Maintain earnings.** We maintain our earnings forecast for SEA at US\$935m, US\$1.27b and US\$2.06b for 2023-25 respectively, where 2023 may be its first ever annual net profit.

**VALUATION/RECOMMENDATION**

- **Maintain BUY with a target price US\$94.34** on the back of its potential first annual net profit in 2023 with first positive operating income from its e-commerce and DFS segments. Given the current macro headwinds like rising global inflation dampening appetites for e-commerce, we expect the share price to trade sideways, buoyed by positive earnings momentum moving forward.

**BRAZIL E-COMMERCE MARKET, 2022-27**



Source: Statista, UOB Kay Hian

**SOTP VALUATION SUMMARY**

	2023F net profit/ sales (US\$m)	Valuation Method	Valuation (x)	Fair Value (US\$)
Digital Entertainment	1,833 (net profit)	PE	9.0	29.59
E-Commerce	9,821 (sales)	PS	2.2	38.76
Digital Financial Services	579 (net profit)	PE	25.0	25.95
<b>Total (rounding off)</b>				<b>94.34</b>

Source: UOB Kay Hian

### PROFIT & LOSS

Year to 31 Dec (US\$m)	2022	2023F	2024F	2025F
Net turnover	12,450	15,245	15,742	17,860
EBITDA	(1,133)	1,317	1,791	2,679
Deprec. & amort.	0	0	0	0
EBIT	(1,133)	1,317	1,791	2,679
Associate contributions	11	0	0	0
Net interest income/(expense)	70	2	29	79
Pre-tax profit	(1,334)	1,112	1,613	2,551
Tax	(168)	(184)	(347)	(500)
Minorities	6	7	7	8
Net profit	(1,803)	935	1,273	2,059
Net profit (adj.)	(1,803)	935	1,273	2,059

### CASH FLOW

Year to 31 Dec (US\$m)	2022	2023F	2024F	2025F
Operating	(2,124)	2,011	2,403	2,210
Pre-tax profit	(1,501)	1,112	1,613	2,551
Tax	(168)	(184)	(347)	(500)
Deprec. & amort.	0	405	417	423
Associates	11	0	0	0
Working capital changes	(616)	(183)	(1,042)	(1,079)
Non-cash items	149	861	1,762	814
Other operating cashflows	n.a.	n.a.	n.a.	n.a.
Investing	(201)	(449)	(438)	(449)
Capex (growth)	0	(416)	(397)	(398)
Investments	(201)	0	0	0
Proceeds from sale of assets	0	0	0	0
Others	0	(33)	(41)	(51)
Financing	(329)	644	4	1,028
Dividend payments	0	0	0	1
Issue of shares	0	686	567	643
Proceeds from borrowings	(12)	(88)	0	0
Loan repayment	0	0	0	1
Others/interest paid	(317)	46	(563)	383
Net cash inflow (outflow)	(2,654)	2,205	1,969	2,789
Beginning cash & cash equivalent	10,838	7,597	9,802	11,771
Changes due to forex impact	n.a.	n.a.	n.a.	n.a.
Ending cash & cash equivalent	7,597	9,820	11,789	14,578

### BALANCE SHEET

Year to 31 Dec (US\$m)	2022	2023F	2024F	2025F
Fixed assets	1,388	1,418	1,422	1,428
Other LT assets	2,909	2,956	2,982	3,031
Cash/ST investment	7,597	9,820	11,789	14,578
Other current assets	5,109	4,117	4,259	4,716
Total assets	17,003	18,311	20,451	23,752
ST debt	88	0	0	0
Other current liabilities	6,847	5,723	4,832	4,240
LT debt	3,339	4,148	4,148	4,148
Other LT liabilities	918	918	918	918
Shareholders' equity	5,716	7,434	10,473	14,374
Minority interest	95	88	81	73
Total liabilities & equity	17,003	18,311	20,451	23,752

### KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
<b>Profitability</b>				
EBITDA margin	(9.1)	8.6	11.4	15.0
Pre-tax margin	(10.7)	7.3	10.2	14.3
Net margin	(14.5)	6.1	8.1	11.5
ROA	n.a.	5.3	6.6	9.3
ROE	n.a.	14.2	14.2	16.6
<b>Growth</b>				
Turnover	25.1	22.5	3.3	13.5
EBITDA	n.a.	n.a.	36.0	49.5
Pre-tax profit	n.a.	n.a.	45.0	58.2
Net profit	n.a.	n.a.	36.2	61.8
Net profit (adj.)	n.a.	n.a.	36.2	61.8
EPS	n.a.	n.a.	26.0	55.6
<b>Leverage</b>				
Debt to total capital	37.1	35.5	28.2	22.3
Debt to equity	60.0	55.8	39.6	28.9
Net debt/(cash) to equity	(73.0)	(76.3)	(73.0)	(72.6)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.

## Disclosures/Disclaimers

This report is prepared by UOB Kay Hian Private Limited ("UOBKH"), which is a holder of a capital markets services licence and an exempt financial adviser in Singapore.

This report is provided for information only and is not an offer or a solicitation to deal in securities or to enter into any legal relations, nor an advice or a recommendation with respect to such securities.

**This report is prepared for general circulation.** It does not have regard to the specific investment objectives, financial situation and the particular needs of any recipient hereof. Advice should be sought from a financial adviser regarding the suitability of the investment product, taking into account the specific investment objectives, financial situation or particular needs of any person in receipt of the recommendation, before the person makes a commitment to purchase the investment product.

This report is confidential. This report may not be published, circulated, reproduced or distributed in whole or in part by any recipient of this report to any other person without the prior written consent of UOBKH. This report is not directed to or intended for distribution to or use by any person or any entity who is a citizen or resident of or located in any locality, state, country or any other jurisdiction as UOBKH may determine in its absolute discretion, where the distribution, publication, availability or use of this report would be contrary to applicable law or would subject UOBKH and its connected persons (as defined in the Financial Advisers Act, Chapter 110 of Singapore) to any registration, licensing or other requirements within such jurisdiction.

The information or views in the report ("Information") has been obtained or derived from sources believed by UOBKH to be reliable. However, UOBKH makes no representation as to the accuracy or completeness of such sources or the Information and UOBKH accepts no liability whatsoever for any loss or damage arising from the use of or reliance on the Information. UOBKH and its connected persons may have issued other reports expressing views different from the Information and all views expressed in all reports of UOBKH and its connected persons are subject to change without notice. UOBKH reserves the right to act upon or use the Information at any time, including before its publication herein.

Except as otherwise indicated below, (1) UOBKH, its connected persons and its officers, employees and representatives may, to the extent permitted by law, transact with, perform or provide broking, underwriting, corporate finance-related or other services for or solicit business from, the subject corporation(s) referred to in this report; (2) UOBKH, its connected persons and its officers, employees and representatives may also, to the extent permitted by law, transact with, perform or provide broking or other services for or solicit business from, other persons in respect of dealings in the securities referred to in this report or other investments related thereto; (3) the officers, employees and representatives of UOBKH may also serve on the board of directors or in trustee positions with the subject corporation(s) referred to in this report. (All of the foregoing is hereafter referred to as the "Subject Business"); and (4) UOBKH may otherwise have an interest (including a proprietary interest) in the subject corporation(s) referred to in this report.

As of the date of this report, no analyst responsible for any of the content in this report has any proprietary position or material interest in the securities of the corporation(s) which are referred to in the content they respectively author or are otherwise responsible for.

**IMPORTANT DISCLOSURES FOR U.S. PERSONS**

This research report was prepared by UOBKH, a company authorized, as noted above, to engage in securities activities in Singapore. UOBKH is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution by UOBKH (whether directly or through its US registered broker dealer affiliate named below) to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). All US persons that receive this document by way of distribution from or which they regard as being from UOBKH by their acceptance thereof represent and agree that they are a major institutional investor and understand the risks involved in executing transactions in securities.

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through UOB Kay Hian (U.S.) Inc ("UOBKHUS"), a registered broker-dealer in the United States. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through UOBKH.

UOBKHUS accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to and intended to be received by a U.S. person other than a major U.S. institutional investor.

The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of UOBKHUS and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

**Analyst Certification/Regulation AC**

Each research analyst of UOBKH who produced this report hereby certifies that (1) the views expressed in this report accurately reflect his/her personal views about all of the subject corporation(s) and securities in this report; (2) the report was produced independently by him/her; (3) he/she does not carry out, whether for himself/herself or on behalf of UOBKH or any other person, any of the Subject Business involving any of the subject corporation(s) or securities referred to in this report; and (4) he/she has not received and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. However, the compensation received by each such research analyst is based upon various factors, including UOBKH's total revenues, a portion of which are generated from UOBKH's business of dealing in securities.

Reports are distributed in the respective countries by the respective entities and are subject to the additional restrictions listed in the following table.

General	This report is not intended for distribution, publication to or use by any person or entity who is a citizen or resident of or located in any country or jurisdiction where the distribution, publication or use of this report would be contrary to applicable law or regulation.
Hong Kong	This report is distributed in Hong Kong by UOB Kay Hian (Hong Kong) Limited ("UOBKHHK"), which is regulated by the Securities and Futures Commission of Hong Kong. Neither the analyst(s) preparing this report nor his associate, has trading and financial interest and relevant relationship specified under Para. 16.4 of Code of Conduct in the listed corporation covered in this report. UOBKHHK does not have financial interests and business relationship specified under Para. 16.5 of Code of Conduct with the listed corporation covered in this report. Where the report is distributed in Hong Kong and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKHHK (and not the relevant foreign research house) in Hong Kong in respect of any matters arising from, or in connection with, the analysis or report; and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Hong Kong who is not a professional investor, or institutional investor, UOBKHHK accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.
Indonesia	This report is distributed in Indonesia by PT UOB Kay Hian Sekuritas, which is regulated by Financial Services Authority of Indonesia ("OJK"). Where the report is distributed in Indonesia and contains research analyses or reports from a foreign research house, please note recipients of the analyses or reports are to contact PT UOBKH (and not the relevant foreign research house) in Indonesia in respect of any matters arising from, or in connection with, the analysis or report.
Malaysia	Where the report is distributed in Malaysia and contains research analyses or reports from a foreign research house, the recipients of the analyses or reports are to contact UOBKHM (and not the relevant foreign research house) in Malaysia, at +603-21471988, in respect of any matters arising from, or in connection with, the analysis or report as UOBKHM is the registered person under CMSA to distribute any research analyses in Malaysia.
Singapore	This report is distributed in Singapore by UOB Kay Hian Private Limited ("UOBKH"), which is a holder of a capital markets services licence and an exempt financial adviser regulated by the Monetary Authority of Singapore. Where the report is distributed in Singapore and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKH (and not the relevant foreign research house) in Singapore in respect of any matters arising from, or in connection with, the analysis or report; and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Singapore who is not an accredited investor, expert investor or institutional investor, UOBKH accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.
Thailand	This report is distributed in Thailand by UOB Kay Hian Securities (Thailand) Public Company Limited, which is regulated by the Securities and Exchange Commission of Thailand.
United Kingdom	This report is being distributed in the UK by UOB Kay Hian (U.K.) Limited, which is an authorised person in the meaning of the Financial Services and Markets Act and is regulated by The Financial Conduct Authority. Research distributed in the UK is intended only for institutional clients.
United States of America ('U.S.')	This report cannot be distributed into the U.S. or to any U.S. person or entity except in compliance with applicable U.S. laws and regulations. It is being distributed in the U.S. by UOB Kay Hian (US) Inc, which accepts responsibility for its contents. Any U.S. person or entity receiving this report and wishing to effect transactions in any securities referred to in the report should contact UOB Kay Hian (US) Inc. directly.

Copyright 2023, UOB Kay Hian Pte Ltd. All rights reserved.

<http://research.uobkayhian.com>

RCB Regn. No. 197000447W