Phoslock Environmental Technologies Ltd (ASX:PET)

Listed shares:	*540.9 million ord fp*
10.5¢ perf. options:	*21.3 million, expiring 20 Dec 2019*
Total securities:	*562.2 million*
Share price:	*38¢ as at 4 Feb 2019*
Market cap:	*$205m on listed shares, $214m fully diluted*

Further progress

- The December quarterly report issued on 31 January revealed encouraging progress with business both in China and internationally. However the numbers showed record negative cash flow of $4.4m from operating activities, leaving cash of just $4.9m. But this was due to a large build-up in trade receivables which was reversed in January when $7.5m was received from Chinese debtors, leaving a cash position of $12m at the end of that month.

- My estimates for the December half year include sales of $9.3m (as disclosed), EBITDA of $2.1m and net profit of $0.7m. For the 2018 calendar year (which won't be reported) the numbers would be sales of $19.0m, EBITDA of $4.0m and net profit of $0.3m.

- Hereafter the company moves to a calendar year basis and 2019 looks exceptionally well positioned for growth. I allow for sales of $34m up 79%, EBITDA of $11.2m and net profit of $8.3m. The profit estimate is broadly midway between my previous June year estimates for FY19 ($5.5m) and FY20 ($12.7m). These estimates are without company guidance and will be revised when that becomes available later this month.

- High growth should continue for the foreseeable future. I have net profit increasing 77%, 47% and 25% in the three years beyond the current year, so that by 2022, for example, net profit would be $29m, eps would be 5.1¢ and dividends of 3.1¢ could be declared.

- My DCF-based valuation is almost like "How long is a piece of string" but for what it's worth, now stands at 82¢. This is down 6¢ from previously, mainly reflecting the likelihood that more cash will be tied up in receivables than I had previously estimated.

- Stepping back from the numbers, PET has further cemented its strategic ties in China with Zhigang Zhang becoming deputy chairman, a second water treatment executive from BHZQ joining the board, and Chinese interests probably accounting for 10-15% of the shares.

- The potential for the company is recognised by investors to some degree but I would have thought the share price could be significantly higher in 12 months.

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Phoslock Environmental Technologies Ltd (PET)

Share price 38.0¢, current issued shares 540.9 mill, mkt cap $206m

Dec yrs from '19	J17a	J18a	D19e	D20e	D21e	D22e
Profitability ($m)						
Sales revenue	3.8	15.7	34.0	52.1	71.4	86.4
Cost of sales	2.5	7.7	16.7	25.5	35.0	42.3
Gross profit	1.3	8.0	17.3	26.6	36.4	44.0
Margin	35%	51%	51%	51%	51%	51%
Interest income	0.0	0.0	0.1	0.1	0.2	0.2
Other income	0.4	0.5	0.4	0.4	0.4	0.4
General expenses	3.2	5.6	6.6	7.2	7.8	8.4
EBITDA	-1.5	3.0	11.2	19.8	29.1	36.2
Cost finance/opts	1.8	1.9	0.5	0.0	0.0	0.0
Depn/Impairmt	0.1	0.1	0.2	0.2	0.3	0.3
Pretax profit	-3.4	0.9	10.4	19.6	28.8	35.9
Income tax	0.0	0.8	2.1	3.9	5.8	7.2
Net profit excl. mi	-3.4	0.0	8.3	15.7	23.1	28.7
EPS (¢)	-0.8	0.0	1.5	2.8	4.1	5.1
EPS (¢) fully dilute	0.0	0.3	1.6	2.8	4.1	5.1
PE			24.2	13.6	9.3	7.4
Growth in dil EPS			372%	77%	47%	25%
DPS(¢) declared fc	0.0	0.0	0.0	0.0	1.0	3.1
Cash flow ($m)						
From operating activities						
Sales receipts	3.7	7.2	25.4	41.5	60.4	76.7
Paymts to supplie	-6.5	-11.4	-20.5	-34.0	-44.0	-51.6
Other	-0.2	-0.4	-2.0	-2.9	-4.7	-6.3
Total	-3.0	-4.6	2.9	4.6	11.7	18.8
From investing activities						
Capex	-1.0	-0.6	-0.5	-0.5	-0.6	-0.6
Other	0.0	-0.1	0.0	0.0	0.0	0.0
Total	-1.0	-0.7	-0.5	-0.5	-0.6	-0.6
From funding activities						
Debt	1.5	-1.5	0.0	0.0	0.0	0.0
Equity	2.4	9.7	3.5	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	-2.8	-11.5
Total	3.9	8.2	3.5	0.0	-2.8	-11.5
Cash position						
Change from abov	-0.1	3.0	5.9	4.1	8.3	6.8
Forex movements	0.0	0.1	0.0	0.0	0.0	0.0
Closing	1.2	4.3	10.8	14.9	23.2	30.0
Balance sheet ($m)						
Current assets						
Cash	1.2	4.3	10.8	14.9	23.2	30.0
Receivables	1.2	11.5	25.9	36.9	48.2	58.2
Inventories	0.9	1.8	3.3	5.1	7.0	8.5
Other	0.1	0.6	0.6	0.7	0.7	0.8
Total	3.4	18.1	40.6	57.5	79.1	97.4
Non-current assets						
Plant & equipmen	1.0	1.5	1.9	2.1	2.4	2.7
Other	0.0	0.8	0.8	0.8	0.8	0.8
Total	1.1	2.3	2.7	2.9	3.2	3.5
Current liabilities						
Payables	0.3	4.5	5.8	6.4	7.0	7.6
Debt	1.8	0.3	0.0	0.0	0.0	0.0
Provisions	0.4	0.4	0.6	0.6	3.5	9.4
Income tax	0.0	1.1	1.1	1.1	1.1	1.1
Total	2.5	6.3	7.6	8.2	11.7	18.1
Non-current liabilities						
Debt	0.0	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.1	0.1	0.1	0.1
Total	0.0	0.0	0.1	0.1	0.1	0.1
Equity						
Issued capital	41.6	51.3	63.7	63.7	63.7	63.7
Reserves	2.0	4.0	4.0	4.0	4.0	4.0
Retained earnings	-41.4	-41.1	-32.1	-16.4	1.0	12.5
Shareholder equit	2.1	14.2	35.6	51.3	68.6	80.1

Valuation ($m) as at 31 December 2018			
Discount rate	*5%*	*10%*	*15%*
Operations	1,051	453	231
Future equity raisings net of buybacks	3	3	3
Cash 31 Dec 2018	5	5	5
Debt 31 Dec 2018	0	0	0
Total	1,059	461	239
$ per share fully diluted	1.88	0.82	0.42

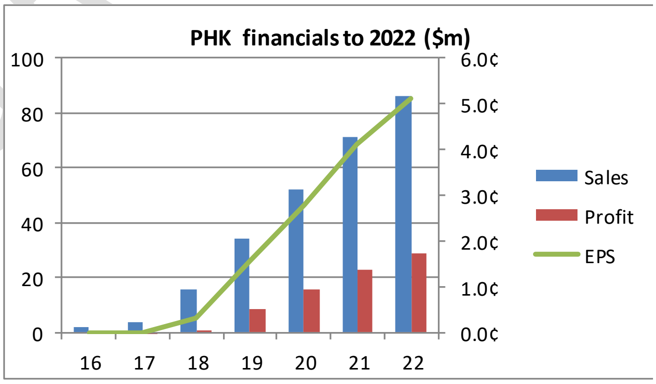
Valuation based on DCF of future cash flows.
NCF prior to dividend payments grows 10% pa beyond 2025.
Per share data based on 562.2 million shares after exercise of options.
Central valn of 82¢ equates to PEs of 53.7 and 29.4 on 2019 & 2020 eps.

Increase in valuation over time at a discount rate of 10% pa and revenue growth of 10% pa beyond 2025

As at 31 Dec	*2018*	*2019*	*2020*	*2021*	*2022*
Operations	453	510	577	624	668
Future net equity raisings	3	0	0	0	0
Cash	5	11	15	23	30
Debt	0	0	0	0	0
Total	461	521	592	647	698
$ per share fully diluted	0.82	0.93	1.05	1.15	1.24

Valuation ($/share) as at 31 Dec 2018 at a range of discount rates and of growth rates beyond 2025

		Discount rates		
		5%	*10%*	*15%*
Growth rate 5% pa	*5%*	1.12	0.55	0.32
Growth rate 10% pa	*10%*	1.88	0.82	0.42
Growth rate 15% pa	*15%*	3.46	1.33	0.61



Company description

Phoslock is an environmental company specialising in engineering solutions and water treatment products to remediate impaired lakes, rivers, canals and drinking water reservoirs. Although headquartered in Sydney its key focus is in China where its factory and engineering staff are based.

One of its key products is PHOSLOCK, a clay-based product containing lanthanum which inhibits the formation of blue green algae by binding with phosphorus. This is exported from China to around the world. Other products such as zeolites (to reduce nitrogen levels) and certain bacteria are important in China.

Most revenue is derived in China which offers substantial growth potential given that State's determination to remedy its severe water problems.

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Quarterly report to 31 December 2018

PET experienced a deficit of $4.4m from operating activities during the quarter due to poor conversion of sales revenue into receipts. This was due in part to a delay in issuing the final invoice for the wetlands project to major customer BHZQ, causing a large increase in receivables from $11.5m to what I estimate was about $17m. This was unwound in January with sales receipts for the month being $7.5m, leaving a receivables position of $10m as at 31 January.

Figure 1: PET quarterly cash flow statistics

	Dec Q 2017	Mar Q 2018	Jun Q 2018	Sep Q 2018	Dec Q 2018
Cash from operating activities					
Receipts from customers	1,954	2,013	2,148	3,264	745
Product and operating costs	-1,366	-960	-2,042	-3,787	-3,960
Staff costs	-694	-763	-782	-797	-809
Advertising & marketing	-32	-51	-44	-158	-113
Research & development	-133	-71	-168	-106	-137
Admin and corporate	-499	-639	-514	-837	-584
Leased assets	-44	-172	-61	-74	-54
Interest received	3	4	1	2	3
Interest paid	-13	-	-	-	-
Income tax paid	-97	-265	-336	-651	-
Government grants	362	-	-	-	484
Other	-4	1	-	-	-
Total	-563	-903	-1,798	-3,144	-4,425
Cash from investing activities					
Intellectual property	-26	-34	-18	-32	-31
Purchase of fixed assets	-42	-92	-240	-82	-44
Other	-	-	-	-	-
Total	-68	-126	-258	-114	-75
Cash from financing activities					
Equity capital	5,489	178	-	5,536	3,308
Borrowings	-1,000	-	-	-316	-
Capital raising costs	-61	-	-	-201	-
Other	-	-	-	-	-
Total	4,428	178	0	5,019	3,308
Cash position					
Opening balance	3,305	7,109	6,493	4,370	6,112
Net cash flow	3,797	-851	-2,056	1,761	-1,192
Forex adjustments	7	235	-67	-19	7
Closing balance	7,109	6,493	4,370	6,112	4,927

Source: Company reports

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Profit estimate for December 2018 half year

There was no guidance issued for the half year, except that revenue for the period was $9.3m including international business of $1.5m (and by deduction China was $7.8m). PET also stated that the gross profit margin exceeded 50%.

The revenue was in line with the company's guidance issued at the AGM on 22 November, being $27-30m for the year ending 30 June 2019, of which one third was expected in the first half (i.e. $9-10m). The gross profit margin was also much as I had expected – I allow for a margin of 51%.

My current estimate of EBITDA for the half year is $2.1m after allowing for general expenses of $3.1m, while my net profit estimate is $0.7m after options expense $0.9m, depreciation $0.1m and income tax $0.4m.

I estimate trade receivables were $16.6m at period close, which equates to a remarkable 87% of the $19.0m of sales invoiced in the preceding 12 months. This compares unfavourably with the trade receivables position at 30 June 2018, that being 71% of sales recorded in the 12 months prior to that date.

Projection for 2019 calendar year

Sales revenue 2019

Without guidance from the company, at this point any projection I make is a stab in the dark. I have chosen a figure of $34m, being $27.5m within China and $8.5m internationally.

In its quarterly PET stated that within China:

- the second $7m Beijing wetlands project was completed in the December half year but work continues on the Beijing canal project.
- PET China has recently signed four agreements with construction companies to undertake sub-contracting work on projects requiring lake and river remediation and wetlands construction, bringing the pipeline for 2019 to eight confirmed or soon to be confirmed projects, all requiring the full range of PET products and services.
- PET is examining a number of potential acquisitions to complement and/or add to their existing business in China. Several MOUs have been signed but no formal offers have yet been made. I understand some (or all) of these comprise purchase of quarries supplying bulk fill to PET projects. Whether such acquisitions will add to revenue in addition to reducing costs is not clear.

Turning to the International business:

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- PET is significantly increasing its marketing resources with a key focus on lakes in Europe and North America.
- Proposals have been finalised to treat 7 water bodies in the UK, the Netherlands and Belgium during 2019 with sales expected to be between $2m and $3m depending on the application method.
- Agreement has been reached with US licensee SePRO Corporation, who have committed to a substantial increase in phoslock purchases.
- SePRO was recently awarded a pilot project in Florida where blue-green algal blooms are chronic. The application will commence in March and if successful, should lead to large applications.
- Sales are continuing in Brazil and Australia.

Some of these projects in China and internationally may carry over into the following year if the past is any guide but the key point is that there has been a substantial step-up in the level of business.

Profit 2019

My EBITDA estimate is $11.2m. This is a combination of gross profit margin of 51%, other revenue of $0.4m and general costs of $6.6m.

My forecast of net profit is $8.3m after deducting a $0.5m "deemed expense" for the options, depreciation of $0.2m and income tax of $2.1m. The net profit equates to diluted EPS of 1.5¢ after adding back the options expense.

Both the options expense and the income tax expense are pure guesses. Of course, the ATO dismisses the options expense – quite rightly – as an accounting artifice, so the expense is not deductible for tax purposes.

Cash position 2019

My current estimate of the cash position at the end of the year is $10.8m. It allows for net cash flow of plus $2.9m from operating activities, of minus $0.5m from investing activities (ignoring the potential for acquisitions but I believe these would be relatively small) and of plus $3.5m from financing activities, the latter from exercise of the remaining 10.5¢ performance options.

That cash from operations appears low, doesn't it? But the key parameter, outside of the profit itself, is when payment of PET invoices is made by customers within China. I have had to assume the same thing will happen each year – that customers will delay payment until January of the following year. That will tie up a lot of working capital, on the books each December and released each January. So through an assumption that trade receivables at end-2019 will equate to 75% of sales revenues in the year, I allow for group trade receivables to be $25.5m at end-2019, up $8.9m.

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Longer term projections

Profitability

The company's profit level is determined primarily by sales revenues. My projections of these are shown in Figure 2, with my previous estimates also included albeit they were for June years. Allowing for the change in financial year, the new sales estimates are possibly more conservative than previously.

On the other hand, I allow for a profit margin of 51%, whereas previously it was 50%. The trend in recent periods has been in excess of 50% so I thought an adjustment would be appropriate. I should add that PET includes a component of depreciation within cost of sales, but I exclude it for simplicity and because I want to derive EBITDA.

Other revenue includes $350,000 of government tax rebates relating to qualifying R&D expenditures, plus interest income gradually rising as cash balances increase.

General expenses are put at $7.2m in 2020 and rising at $0.6m annually.

Figure 2: New revenue and profit projections

	2019	2020	2021	2022	2023
Sales revenue projections					
China	27.5	44.0	61.6	75.2	88.7
International	6.5	8.1	9.8	11.2	12.6
Total	34.0	52.1	71.4	86.4	101.2
Previous (Sep 2018, June yrs)	29.5	44.9	61.3	78.2	92.7
Revision	+15%	+16%	+16%	+10%	+9%
Annual sales revenue growth					
China	142%	60%	40%	22%	18%
International	50%	25%	20%	15%	12%
Average	116%	53%	37%	21%	17%
Previous (Sep 2018, June yrs)	88%	52%	36%	28%	19%
Gross profit					
Current projection	17.3	26.6	36.4	44.0	51.6
Previous (Sep 2018, June yrs)	14.8	22.5	30.6	39.1	46.4
Revision	+18%	+18%	+19%	+13%	+11%
Net profit after tax					
Current projection	8.3	15.7	23.1	28.8	34.3
Previous (Sep 2018, June yrs)	5.5	12.7	18.8	25.2	30.6
Revision	+52%	+23%	+23%	+14%	+12%

All figures in $m unless otherwise indicated

Source: My estimates

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Dividends and capital returns

I allow for dividend payments to commence in 2021, the year in which retained earnings turn positive, which is a little earlier than my previous forecast. I allow for 1¢ to be declared in 2021, 3.1¢ in 2022, and so on, using a 60% payout ratio.

In my previous research reports I had allowed for minor capital returns to be made in 2020 (0.8¢) and 2021 (1.5¢) ahead of first dividend payments. That would have cost $4.5m and $6.5m, respectively. For simplicity I have removed this assumption. That is not is not to say capital returns won't be implemented.

Cash flow

A summary of annual cash flows is shown in the table on page 2. The key is the level of cash generated from operating activities, and the key to that are the payment terms that customers in China dictate to PET. In response to the disclosure in the quarterly report I have had to sharply increase the funds tied up in receivables as at 31 December each year.

I covered this issue in my commentary for 2019, wherein I now allow for end-year trade receivables to equate to 75% of sales revenues recorded in the year, which equates to trade receivables of $25m, up $8.9m.Of course that will be largely unwound in January 2020 as customers pay their invoices, but this pattern will repeat in future years.

Figure 3 shows the detail of my spreadsheet for trade receivables with the input variable from 2019 being the proportion of sales represented in the closing position of trade receivables (highlighted in blue). Over the years the position gets very large and it becomes one of the biggest components of the balance sheet

Figure 3: Trade receivables

	Jun 18 Year	Dec 18 Half Year	Dec 19 Year	Dec 20 Year	Dec 21 Year	Dec 22 Year
Opening balance	0.8	11.1	16.6	25.5	36.4	47.8
Change	10.3	5.5	8.9	11.0	11.3	10.1
Closing balance	11.1	16.6	25.5	36.4	47.8	57.9
Sales in prior 12 mths	15.7	19.0	34.0	52.1	71.4	86.4
Proportion of sales	71%	87%	75%	70%	67%	67%

Source: Company releases and my estimates

In cash flow terms, of course, it soaks up a lot of cash.

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Valuation and share price target

Valuation

My central DCF-based valuation, basis 31 December 2018, is sitting at 82¢, down 6¢ from the previous valuation. As was the case previously, it assumes net cash flow prior to dividends will grow at 10% annually beyond 2025, and is after applying a discount rate of 10% p.a.

The downwards revision in valuation was influenced largely by the receivables position as commented on elsewhere in this report. The fact that a large part of the receivables is unwound in January each year does not mean this amount can be added to the valuation, unfortunately.

The valuation will increase in future years and for example my estimate as at 31 December 2019 would be 93¢. As at the end of 2020 it would be $1.05.

I would caution that these valuations are sitting in a wide range of possibilities dependant on not just growth rates and long term discount rates, as is detailed on page 2 of this report, but a whole host of other factors. To take just two factors:

- The central valuation assumes end-year trade receivables at 67% of the sales revenue for the year, from 2022 onwards. If I assume 60% of sales, the valuation at 31 December 2018 would be 85¢ not 82¢.
- The central valuation assumes a gross profit margin of 51%. If I assume a 50% margin, the valuation at 31 December 2018 would be 79¢ not 82¢.

In summary, the valuation should be taken as very approximate.

Share price target

At the current share price the forward PE's (basis 2019 and 2020) are 24.2 and 13.6. These are more than justified by the longer term growth outlook, so there is some scope for further price appreciation, but I would think perhaps not quite as much as the price suggested by the DCF valuation at this point in time.

But looking out a year and assuming for the sake of the exercise that my earnings projections are correct, the forward PEs (basis 2020 and 2021) at the current share price would be 13.6 and 9.3. These would be too low given the growth potential. I would think a share price of perhaps 80¢ could be justified, which would place the stock on forward PEs of 29 and 20. The justification would be derived not just from the valuation (it would be 93¢ by then) but also by increased investor confidence in the story and by the continued strong earnings growth outlook. The PE to growth (PEG) ratios at a share price of 80¢ would be 0.7 in 2020 and 0.6 in 2021.

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Corporate

Recent changes

On 21 August 2018 the company's name change took effect on the ASX. Prior to that the company's name was Phoslock Water Solutions Ltd (ASX: PHK).

On 6 December 2018 it was announced that PET would change its financial year from June to December[1]. In February 2019 it will issue a financial report for the six months to 31 December 2018 and will hold its AGM in May.

Since my last report dated 19 September 2018 there have been some significant changes to the board of directors and to the equity capital structure, and these are summarised under separate headings below.

Directors

The board now comprises:

Laurence Freedman	non-executive chairman
Zhigang Zhang	non-executive deputy chairman
Robert Schuitema	managing director and company secretary
Ningping Ma	non-executive director
Brenda Shanahan	non-executive director

Zhigang Zhang was appointed deputy chairman of PET on 5 December 2018. He is CEO and general manager of BHZQ[2], PET's main customer, and has been a non-executive director of PET since June 2017.

Ningping Ma was appointed to the board on 5 December. An engineer by background, he is an executive director and deputy general manager of BHZQ and is more involved than Zhigang Zhang with the day to day management of that enterprise.

There has been no change to senior management, which comprises:

Robert Schuitema	managing director and company secretary
Andrew Winks	general manager, global operations
Nigel Traill	international sales
Tingshan Liu	general manager, Phoslock Beijing
Zhao Peng Hai	manager, Changxing factory
Yan Fai Hui	group accountant

[1] This was something I had advocated in previous research notes.
[2] BHZQ is 60% owned by Beijing Enterprises Water Group Limited (BEWG) which is the largest water services group in Asia. Minority shareholders in BHZQ include Zhigang Zhang (and Ningping Ma?).

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Equity structure

I can't find the relevant announcement but sometime in August or September 2018 it was revealed that Zhigang Zhang holds only two thirds of China Environmental Corporation (Australia) Pty Ltd (CEC), through a company named ZZL Pty Ltd (ZZL) also registered in Australia. The other one third is owned by other interests, presumably including Ningping Ma. Ownership of the PET securities then held by CEC, being 32.5 million shares and 30 million 10.5¢ performance options, was transferred to ZZL Pty Ltd and the other parties.

On 15 October it was announced that the vesting conditions for 50 million of the 10.5¢ performance options had been met. These comprised the 30 million issued to China Environmental Corporation (CEC) and the 20 million issued to Phoslock Beijing employees[3]. Since then:

- Zhigang Zhang through ZZL exercised his 20 million options on 7 November and sold 5 million existing shares in a block trade at 40¢ to fund the deal, increasing his shareholding from 21.7 million shares to 36.7 million shares.
- Ningping Ma[4] (and others?) exercised their 10 million options on 26 October.
- Beijing employees have exercised 13.7 million options, being 1.5 million on 27 November and 12.2 million on 18 January. This leaves 6.3 million options remaining to be exercised by Beijing employees. They expire on 20 December 2019 and I assume they will be exercised by 30 June 2019.

The 15 million 10.5¢ performance options issued to Australian employees are yet to vest. The conditions are that between 10 April 2017 and 30 June 2019 aggregate sales must be at least $25m, or aggregate pretax profits must be at least $4m. I note that sales were $15.7m in the year to June 2018, and the company's disclosure that sales for the six months to 31 December 2018 were $9.3m, which adds to $25m even without including the few weeks between 10 April 2017 and 30 June 2018. So the performance hurdle has probably already been met, if not by 31 December 2018 then certainly by 31 January 2019. The options will expire on 20 December 2019 and I assume they will be exercised during that half year.

Holders of these options include: Robert Schuitema 3 million; Andrew Winks 2 million; and Nigel Traill 2 million.

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[3] In the 2018 annual report these were shown to be owned by Tingshan Liu as to 20 million and Zhao Peng Hai as to 1 million. This cannot be strictly true, except under some legal definition whereby Tingshan Liu is acting for the others.

[4] Ningping Ma currently holds 5.3 million shares, so if he did hold all those 10 million options, he sold some of his new shares to fund the exercise.

Shareholders and director holdings

The current top 10 shareholders are shown in Figure 4:

Figure 4: Top 10 shareholders (estimated)

Registered owner	Beneficial owner[1]	Holding (million)	Holding (%)	as at annual report or current
Link Traders (Aust) P/L	Laurence Freedman	88.214	16.3%	both
ZZL Pty Ltd	Zhigang Zhang	36.667	6.7%	current
E. Clucas & L. Weston		16.307	3.0%	annual report
Sail Ahead Pty P/L	Robert Schuitema	11.042	2.0%	both
Lensweek P/L		10.131	1.9%	annual report
Hongmen P/L	Zhongming Hong	9.075	1.7%	annual report
HSBC Custody Nominees		8.229	1.5%	annual report
Quizete P/L		7.617	1.4%	annual report
David Colbran		7.200	1.3%	annual report
Newvest P/L	Graeme Newing	6.249	1.2%	both

1. In most cases the beneficial owners include family members, not listed here for simplicity.
Source: Annual report disclosure dated 18 September 2018, and subsequent PET announcements

There are a number of directors and senior executives who hold smaller positions, as shown in Figure 5.

Figure 5: Other holdings

Name	mill shares	when
Ningping Ma	5.312	current
Brenda Shanahan	1.000	current
Nigel Traill	4.247	annual report
Andrew Winks	1.720	annual report
Tingshan Liu	0.500	annual report

Source: Annual report disclosure dated 30 June 2018, and subsequent PET announcements

Tingshan Liu's holding would be considerably higher now, assuming he has exercised his options and not sold down.

Disclaimer

This analysis is cursory in nature and is not intended to be relied upon by third parties, who should make their own enquiries. The report does not contain investment advice.

Any views expressed in this report are purely my own unless otherwise indicated.

Disclosure

I have not received any remuneration from any person for this report.
Associated entities own 6.2 million shares in PET at the time of writing.

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