

Thailand Morning Cuppa

Top Story

Strategy – Thailand

Thailand Strategy

Clouds Looming Ahead; Stay Defensive

Disrupted budget disbursements. The validity of the THB3.2trn budget for fiscal year 2020 is now under question, after a Bhumjaithai Party MP admitted to voting for the bill without being present in the chamber. Also, it was discovered that two Palang Pracharat Party MPs inserted more than one card into the ballot box during the vote on the bill, claiming that there were problems with the voting devices supplied to all seats, on 10-11 Jan. House of Representatives Speaker Chuan Leekpai said that since the construction of the MPs' chamber is not yet completed, lawmakers had to use the Senate's meeting room which had only 318 voting machines – ie insufficient for all 498 MPs. As such, the MPs had to share voting machines. The Constitutional Court may take 15-60 days to decide on the validity of the bill. Deputy Prime Minister Wissanu Krea-ngam said the problem can be dealt with in a number of ways, if the bill is deemed invalid by the Constitutional Court. Section 143 of the Constitution stipulates that if the House of Representatives cannot complete deliberation on a bill within 105 days of it reaching the House, the bill shall be deemed as approved. If the MPs' action is ruled as unconstitutional, it will not affect the salary payments of government officials, but funding for projects will be deliberated on via a case-by-case basis.

Analyst: Kasamapon Hamnilrat +662 088 9739

Today's Report: [Strategy – Thailand : Clouds Looming Ahead; Stay Defensive \(28 Jan 2020\)](#)

Previous Report: [Strategy – Thailand : Building Blocks For a Better Future \(12 Dec 2019\)](#)

Other Story

Hospitality (Neutral)

Facing More Headwinds

Sector Update

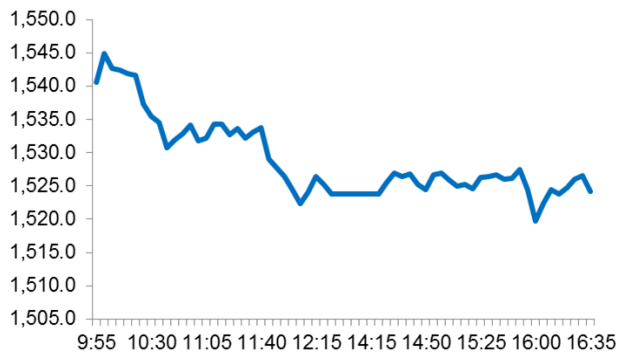
Stay NEUTRAL with a negative short-term outlook. China's recent ban on group tours to curb the coronavirus' spread may be adversely negative to the local tourism industry. We believe a 2-month ban may cause 3% and 10% downsides to Chinese and total arrivals this year. A quick industry recovery is possible vis-à-vis the 2003 health crisis, but hoteliers may continue facing price competition in regaining room occupancy rates. We adopt a wait-and-see view, still preferring Minor International on its broad diversification.

Analyst: Vatcharut Vacharawongsith +66 2088 9736

Today's Report: [Hospitality : Facing More Headwinds \(27 Jan 2020\)](#)

Previous Report: [Hospitality: Less Excitement Ahead; D/G To NEUTRAL \(12 Dec 2019\)](#)

Chart 1: SET intra-day graph



SET	2017	2018	2019	2020F
PE (x)	17.60	16.25	15.19	14.02
P/BV (x)	2.03	1.74	1.59	1.52
Yield (%)	2.80	3.35	3.32	3.54

SET Value by investor Type: Daily

	Buy (THBm)	Sell (THBm)	Net (THBm)
Institution	7,074.66	9,566.86	-2,492.20
Proprietary	8,463.16	11,088.59	-2,625.43
Foreign	24,038.67	26,771.94	-2,733.27
Retail	29,597.69	21,746.80	7,850.89

SET Value by investor Type

	MTD (THBm)	YTD (THBm)
Institution	-14,070.18	-14,070.18
Proprietary	803.74	803.74
Foreign	-8,605.20	-8,605.20
Retail	21,871.64	21,871.64

SET50 Index Future

	Long	Short	Net	MTD	YTD
Institution	75,168	58,770	16,398	9,507	9,507
Foreign	87,719	94,162	-6,443	-73,135	-73,135
Local	159,727	169,682	-9,955	63,628	63,628

Foreign Fund Flows (USDm)

	Daily	WTD	MTD	YTD	YoY
Thailand	-89.5	-89.5	-282.7	-282.7	6676.2

Note: *As at 27 Jan 2020 closing

Table 1: Key market indices (28 Jan 2020)

	Index	Chg	% Chg	% YTD
SET	1524.15	-45.40	-2.89%	-3.5%
SET50	1024.53	-35.29	-3.33%	-4.1%
SET100	2238.95	-76.63	-3.31%	-4.4%
Dow Jones	28535.80	-453.93	-1.57%	0.0%
S&P500	3243.63	-51.84	-1.57%	0.4%
Nasdaq	9139.31	-175.60	-1.89%	1.9%
FTSE	7412.05	-173.93	-2.29%	-1.7%
FSSTI	3240.02	UNCHG	UNCHG	0.5%
Hang Seng	27949.64	UNCHG	UNCHG	-0.9%
Nikkei	23343.51	-483.67	-2.03%	-1.3%
KLCI	1572.81	UNCHG	UNCHG	-1.0%
SHANGHAI SE	2976.53	UNCHG	UNCHG	-2.4%
JCI	6133.21	-110.90	-1.78%	-2.6%

Key Statistics

Foreign Exchange Rates / Oil Market

USD	Closed	Chg.	%Chg.
Baht (Onshore)	30.71	0.00	-0.01
Yen	108.95	0.05	-0.05
Euro	1.10	0.00	0.00
Oil Price (USD/barrel)			
Brent	58.21	-1.80	-3.00
Nymex-Crude Light	52.88	-0.26	-0.49

Note: *As at 27 Jan 2020 closing

Top BUYs

	TP (THB)	Upside (%)	Catalysts
Advance Info Service (ADVANC TB)	250.00	15.74	<ul style="list-style-type: none"> Better profitability due to the TOT litigation settlement (for towers and 2G equipment) that could decrease its network opex by THB3.2bn pa. Strong convergence services portfolio, with a low base of fixed broadband customers who should benefit from the shift in the industry's acquisition trends. Solid balance sheet and cash flow that could be a safeguard against uncertainties during the spectrum auction.
Bangkok Bank (BBL TB)	205.00	42.86	<ul style="list-style-type: none"> Improved sustainable earnings growth prospects, underpinned by continued loan growth, lower provisions, and efficient cost management. Sustainable earnings growth prospects, underpinned by continued loan growth, lower provisions, and efficient cost management. Moderate fee income growth is supported by the collaboration with AIA and less impact from the online fee waiver. ROE is trending up to 9-9.2% in 2019-2020 from the low level at 8.5% in 2017. As the top corporate lender, BBL is likely to gain the most benefits from the infrastructure investment cycle to shore up loans growth.
Bangkok Chain Hospital (BCH TB)	21.50	36.08	<ul style="list-style-type: none"> A leading private hospital and the Social Security Office (SSO) scheme's largest service provider. Enhanced its customer base to capture the upper-end and international patient segments. Key growth drivers are upcoming price adjustment and clearer payment policy from the SSO, higher revenue intensity from larger portion of cash patients who come for complicated cases, as well as better volume growth from upcoming new facilities and higher utilisation of World Medical Centre.
Central Pattana (CPN TB)	83.50	45.22	<ul style="list-style-type: none"> Following the online retail trend, the malls of Central Pattana – Thailand's No.1 shopping mall developer – are likely to become the centre of consumer lifestyle and activities. Expect better YoY earnings growth in 4Q19F compared to the previous quarter, to be driven by the major transfer of its three sold-out, high-rise residential projects. Loans refinancing may lower Grand Canal Land's cost of debts by c.0.5ppts by the final quarter this year, benefitting Central Pattana's interest expenses. Potentially, c.THB1.75bn net extra gains from the asset spin-offs to its REIT may be recorded in 1H20.
CP All (CPALL TB)	95.00	32.87	<ul style="list-style-type: none"> Its 7-Eleven convenience store outlook is likely on track – CP All continues to open new stores at the same 700 outlets pa rate it has undertaken so far, to enjoy sales from ongoing launches of new merchandise and the attractive stamp campaign, along with a recovery of service income thanks to rising transactions of its banking agent service. Siam Makro's product and customer developments play vital roles for the improvement of its operations, which have boosted sales and operating leverage. The factors help limit the impact of rising opex due to its overseas expansion. Expect stronger earnings growth of 13% in 2020F to be driven by both the 7-Eleven and Siam Makro segments.
CH Karnchang (CK TB)	26.00	42.08	<ul style="list-style-type: none"> With a small orderbook worth about THB37bn, the company has three construction projects. Remaining orders that can generate significant revenue in the near term include the mechanical & engineering system procurement contract for the Blue-Line Mass Rapid Transit (MRT) extension, Orange-Line MRT construction works under a JV with Sino-Thai Engineering & Construction, and the Xayaburi hydropower project in Laos. CK has signed new orderbooks worth about THB6bn from the Rama III-Dao Khanong Expressway. The company's opportunity to grow its orderbook will arise when high-speed railway network linking three international airports is scheduled for an upcoming contract signing.

Top BUYs

	TP (THB)	Upside (%)	Catalysts
Electricity Generating (EGCO TB)	394.00	21.60	<ul style="list-style-type: none"> We like this company for its relatively low gearing of 1x D/E and cash on hand of THB20.6bn, which we believe will support further growth in the overseas market. We expect 2020F earnings to be boosted by 10% to THB12.8bn, as two large scale projects have already commenced in 4Q19: The 500MW San Buenaventura Power in the Philippines and 1,285MW Xayaburi hydro-electric power plant in Laos.
Osotspa (OSP TB)	49.00	9.50	<ul style="list-style-type: none"> Osotspa's organisational streamlining by its new management team has effectively turned the company from a family business to a professionally run entity. Local and overseas activities to help driving topline sales, the launch of new products to capture consumer demands, expansion of production facilities, and distribution coverage abroad – mainly in Myanmar – to strengthen its leading position there. Its key business strategy – premiumisation of new products and corporate cost-savings programme – should be the key factors that help boost GPM and keep opex under control. Expect stronger earnings growth of 16% in 2020F vs 14% in 2019F.
PTT Explore & Production (PTTEP TB)	147.00	20.00	<ul style="list-style-type: none"> The company's products are both directly and indirectly linked to crude oil prices, so it remains South-East Asia's best proxy to crude oil prices. We expect higher sales volume while costs remain stable. Its Leng Lebah (SK410B) field currently has estimated total resources at 2tcf. PTTEP expects to drill another nearby well in 2Q20. It is possible that another 2-3tcf can be found. This project could potentially be commercialised by 1Q25, as it could use shared existing facilities within the area. Assuming 30%-100% of 2tcf is proved reserves, this project could add c.TH3.50-11.50 per share to PTTEP's current valuation.
Siam Cement (SCC TB)	460.00	30.31	<ul style="list-style-type: none"> Among Siam Cement's major businesses, the cement & building materials division – along with the packaging wing – will somehow mitigate the heavy impact on the petrochemical business. This is based on management's guideline of proactive long-term measures to cope with macroeconomic uncertainties, eg the US-China trade war. While demand for cement has picked up since 3Q18, the company should leverage on this situation by introducing new high-value-added products in building materials and expanding its retail outlet network via partnerships made in major provincial cities.
Star Petroleum Refining (SPRC TB)	12.70	67.11	<ul style="list-style-type: none"> We like this company as share price has been depressed for most of 2019F due to its 45-day planned maintenance shutdown in 4Q19. After planned maintenance, we will see its refining capacity increase from 165kbpd to 175kbpd. We see earnings are set for a rebound, from net loss THB1.9bn for 2019F to net profit of THB5.0bn. The company has minimal debt, currently at USD51.8m temporary short-term debt. With its strong financial position, we believe the company is well placed for further expansion or diversification. We believe SPRC will make an announcement of its plans to expand into new business in 2Q20F. This new business, we believe, will be within its core competence and possibly downstream petrochemicals business.
WHA Corp (WHA TB)	4.85	53.48	<ul style="list-style-type: none"> WHA is the proxy in industrial estates to benefit from e-commerce in Thailand. After the company's successful deal with Alibaba, its key strength in premium warehouses should make it an attractive option for e-commerce players, especially from China. The stronger inflow of foreign direct investments (FDIs) into Thailand should bear fruit in 2019, when investors make decisions on the Eastern Economic Corridor's 10 target industries. Good signals from Chinese FDI investors, as they are requesting visits to WHA's project sites, especially for smart electronics, auto parts for electric vehicles, robotics, and food for the future.

Recent Stories

To access the following reports, please click on the link:

[RHB | Thailand Morning Cuppa : 27 January 2020](#)

[PTT Global Chemical : 4Q19F Net Profit Set To Plunge 80% QoQ](#)

[Hospitality : Facing More Headwinds](#)

[RHB | Thailand Morning Cuppa : 24 January 2020](#)

[Dynasty Ceramic: High-Yield Appeal; Stay BUY](#)

[Thai Oil : Share Price Tumbles On Coronavirus Fears](#)

[RHB | Thailand Morning Cuppa : 23 January 2020](#)

[PTT Exploration & Production : Strong 35% YoY Growth In 2019F Net Profit](#)

[Dec 2019 Exports Better Than Expected But Remain In a Decline](#)

[RHB | Thailand Morning Cuppa : 22 January 2020](#)

[Kasikornbank: Sticks With Cautious 2020 Guidance](#)

[RHB | Thailand Morning Cuppa : 21 January 2020](#)

[WHA Utilities & Power : Cheap And Attractive; Stay BUY](#)

[RHB | Thailand Morning Cuppa : 20 January 2020](#)

[Sino-Thai Engineering & Construction : Good Opportunity From U-Tapao Airport; BUY](#)

[Siam Commercial Bank : Feeling Effects Of Slowing Economic Growth](#)

[RHB | Thailand Morning Cuppa : 17 January 2020](#)

[Regional Oil & Gas : Production Cuts Remain Key In 1H20F](#)

[PTT : Strong Headwinds At The Fore](#)

[RHB | Thailand Morning Cuppa : 16 January 2020](#)

[Thai Oil : Still Expecting Spreads To Improve](#)

[TOA Paint : From Rosy To Bumpy; Maintain SELL](#)

[RHB | Thailand Morning Cuppa : 15 January 2020](#)

[Regional Banks : Overcast By Economic Uncertainties](#)

[RHB | Thailand Morning Cuppa : 14 January 2020](#)

[The Erawan Group: 2020F Earnings To Turn To Growth; Keep BUY](#)

[RHB | Thailand Morning Cuppa : 13 January 2020](#)

[RHB | Thailand Morning Cuppa : 10 January 2020](#)

[LPN Development: Bumpy Ride Not Ending Soon; Still SELL](#)

[RHB | Thailand Morning Cuppa : 9 January 2020](#)

[RHB | Thailand Morning Cuppa : 8 January 2020](#)

[RHB | Thailand Morning Cuppa : 7 January 2020](#)

[Credit Slows In November, Broad Money Remains](#)

[RHB | Thailand Morning Cuppa : 6 January 2020](#)

[Telecommunications : Heating Up In Competition; Keep NEUTRAL](#)

[Regional Oil & Gas : US Drone Kills Iran's Top Commander](#)

[WHA Corp : Well-Rounded Pick; Keep BUY](#)

[RHB | Thailand Morning Cuppa : 3 January 2020](#)

[December Inflation Grows At Its Fastest Pace In Six Months](#)

[RHB | Thailand Morning Cuppa : 2 January 2020](#)

[Construction : Project Bid Episodes In FY20; Keep O/W](#)

[RHB | Thailand Morning Cuppa : 30 December 2019](#)

[RHB | Thailand Morning Cuppa : 27 December 2019](#)

[RHB | Thailand Morning Cuppa : 26 December 2019](#)

RHB Guide to Investment Ratings

Buy: Share price may exceed 10% over the next 12 months

Trading Buy: Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain

Neutral: Share price may fall within the range of +/- 10% over the next 12 months

Take Profit: Target price has been attained. Look to accumulate at lower levels

Sell: Share price may fall by more than 10% over the next 12 months

Not Rated: Stock is not within regular research coverage

Investment Research Disclaimers

RHB has issued this report for information purposes only. This report is intended for circulation amongst RHB and its affiliates' clients generally or such persons as may be deemed eligible by RHB to receive this report and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. This report is not intended, and should not under any circumstances be construed as, an offer or a solicitation of an offer to buy or sell the securities referred to herein or any related financial instruments.

This report may further consist of, whether in whole or in part, summaries, research, compilations, extracts or analysis that has been prepared by RHB's strategic, joint venture and/or business partners. No representation or warranty (express or implied) is given as to the accuracy or completeness of such information and accordingly investors should make their own informed decisions before relying on the same.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to the applicable laws or regulations. By accepting this report, the recipient hereof (i) represents and warrants that it is lawfully able to receive this document under the laws and regulations of the jurisdiction in which it is located or other applicable laws and (ii) acknowledges and agrees to be bound by the limitations contained herein. Any failure to comply with these limitations may constitute a violation of applicable laws.

All the information contained herein is based upon publicly available information and has been obtained from sources that RHB believes to be reliable and correct at the time of issue of this report. However, such sources have not been independently verified by RHB and/or its affiliates and this report does not purport to contain all information that a prospective investor may require. The opinions expressed herein are RHB's present opinions only and are subject to change without prior notice. RHB is not under any obligation to update or keep current the information and opinions expressed herein or to provide the recipient with access to any additional information. Consequently, RHB does not guarantee, represent or warrant, expressly or impliedly, as to the adequacy, accuracy, reliability, fairness or completeness of the information and opinion contained in this report. Neither RHB (including its officers, directors, associates, connected parties, and/or employees) nor does any of its agents accept any liability for any direct, indirect or consequential losses, loss of profits and/or damages that may arise from the use or reliance of this research report and/or further communications given in relation to this report. Any such responsibility or liability is hereby expressly disclaimed.

Whilst every effort is made to ensure that statement of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable and must not be construed as a representation that the matters referred to therein will occur. Different assumptions by RHB or any other source may yield substantially different results and recommendations contained on one type of research product may differ from recommendations contained in other types of research. The performance of currencies may affect the value of, or income from, the securities or any other financial instruments referenced in this report. Holders of depositary receipts backed by the securities discussed in this report assume currency risk. Past performance is not a guide to future performance. Income from investments may fluctuate. The price or value of the investments to which this report relates, either directly or indirectly, may fall or rise against the interest of investors.

This report does not purport to be comprehensive or to contain all the information that a prospective investor may need in order to make an investment decision. The recipient of this report is making its own independent assessment and decisions regarding any securities or financial instruments referenced herein. Any investment discussed or recommended in this report may be unsuitable for an investor depending on the investor's specific investment objectives and financial position. The material in this report is general information intended for recipients who understand the risks of investing in financial instruments. This report does not take into account whether an investment or course of action and any associated risks are suitable for the recipient. Any recommendations contained in this report must therefore not be relied upon as investment advice based on the recipient's personal circumstances. Investors should make their own independent evaluation of the information contained herein, consider their own investment objective, financial situation and particular needs and seek their own financial, business, legal, tax and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

This report may contain forward-looking statements which are often but not always identified by the use of words such as "believe", "estimate", "intend" and "expect" and statements that an event or result "may", "will" or "might" occur or be achieved and other similar expressions. Such forward-looking statements are based on assumptions made and information currently available to RHB and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement to be materially different from any future results, performance or achievement, expressed or implied by such forward-looking statements. Caution should be taken with respect to such statements and recipients of this report should not place undue reliance on any such forward-looking statements. RHB expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

The use of any website to access this report electronically is done at the recipient's own risk, and it is the recipient's sole responsibility to take precautions to ensure that it is free from viruses or other items of a destructive nature. This report may also provide the addresses of, or contain hyperlinks to, websites. RHB takes no responsibility for the content contained therein. Such addresses or hyperlinks (including addresses or hyperlinks to RHB own website material) are provided solely for the recipient's convenience. The information and the content of the linked site do not in any way form part of this report. Accessing such website or following such link through the report or RHB website shall be at the recipient's own risk.

This report may contain information obtained from third parties. Third party content providers do not guarantee the accuracy, completeness, timeliness or availability of any information and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content. Third party content providers give no express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use. Third party content providers shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of their content.

The research analysts responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously. The research analysts that authored this report are precluded by RHB in all circumstances from trading in the securities or other financial instruments referenced in the report, or from having an interest in the company(ies) that they cover.

The contents of this report is strictly confidential and may not be copied, reproduced, published, distributed, transmitted or passed, in whole or in part, to any other person without the prior express written consent of RHB and/or its affiliates. This report has been delivered to RHB and its affiliates' clients for information purposes only and upon the express understanding that such parties will use it only for the purposes set forth above. By electing to view or accepting a copy of this report, the recipients have agreed that they will not print, copy, videotape, record, hyperlink, download, or otherwise attempt to reproduce or re-transmit (in any form including hard copy or electronic distribution format) the contents of this report. RHB and/or its affiliates accepts no liability whatsoever for the actions of third parties in this respect.

The contents of this report are subject to copyright. Please refer to Restrictions on Distribution below for information regarding the distributors of this report. Recipients must not reproduce or disseminate any content or findings of this report without the express permission of RHB and the distributors.

The securities mentioned in this publication may not be eligible for sale in some states or countries or certain categories of investors. The recipient of this report should have regard to the laws of the recipient's place of domicile when contemplating transactions in the securities or other financial instruments referred to herein. The securities discussed in this report may not have been registered in such jurisdiction. Without prejudice to the foregoing, the recipient is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

The term "RHB" shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case, RHB Investment Bank Berhad and its affiliates, subsidiaries and related companies.

RESTRICTIONS ON DISTRIBUTION

Malaysia

This report is issued and distributed in Malaysia by RHB Investment Bank Bhd. The views and opinions in this report are our own as of the date hereof and is subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. RHB Investment Bank Bhd has no obligation to update its opinion or the information in this report.

Thailand

This report is issued and distributed in the Kingdom of Thailand by RHB Securities (Thailand) PCL, a licensed securities company that is authorised by the Ministry of Finance, regulated by the Securities and Exchange Commission of Thailand and is a member of the Stock Exchange of Thailand. The Thai Institute of Directors Association has disclosed the Corporate Governance Report of Thai Listed Companies made pursuant to the policy of the Securities and Exchange Commission of Thailand. RHB Securities (Thailand) PCL does not endorse, confirm nor certify the result of the Corporate Governance Report of Thai Listed Companies.

Indonesia

This report is issued and distributed in Indonesia by PT RHB Sekuritas Indonesia. This research does not constitute an offering document and it should not be construed as an offer of securities in Indonesia. Any securities offered or sold, directly or indirectly, in Indonesia or to any Indonesian citizen or corporation (wherever located) or to any Indonesian resident in a manner which constitutes a public offering under Indonesian laws and regulations must comply with the prevailing Indonesian laws and regulations.

Singapore

This report is issued and distributed in Singapore by RHB Securities Singapore Pte Ltd which is a holder of a capital markets services licence and an exempt financial adviser regulated by the Monetary Authority of Singapore. RHB Securities Singapore Pte Ltd may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, RHB Securities Singapore Pte Ltd accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact RHB Securities Singapore Pte Ltd in respect of any matter arising from or in connection with the report.

Hong Kong

This report is issued and distributed in Hong Kong by RHB Securities Hong Kong Limited (興業僑豐證券有限公司) (CE No.: ADU220) ("RHBSHK") which is licensed in Hong Kong by the Securities and Futures Commission for Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities. Any investors wishing to purchase or otherwise deal in the securities covered in this report should contact RHBSHK. RHBSHK is a wholly owned subsidiary of RHB Hong Kong Limited; for the purposes of disclosure under the Hong Kong jurisdiction herein, please note that RHB Hong Kong Limited with its affiliates (including but not limited to RHBSHK) will collectively be referred to as "RHBHK." RHBHK conducts a full-service, integrated investment banking, asset management, and brokerage business. RHBHK does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this research report. Investors should consider this report as only a single factor in making their investment decision. Importantly, please see the company-specific regulatory disclosures below for compliance with specific rules and regulations under the Hong Kong jurisdiction. Other than company-specific disclosures relating to RHBHK, this research report is based on current public information that we consider reliable, but we do not represent it is accurate or complete, and it should not be relied on as such.

United States

This report was prepared by RHB and is being distributed solely and directly to "major" U.S. institutional investors as defined under, and pursuant to, the requirements of Rule 15a-6 under the U.S. Securities and Exchange Act of 1934, as amended (the "Exchange Act"). Accordingly, access to this report via Bursa Marketplace or any other Electronic Services Provider is not intended for any party other than "major" US institutional investors, nor shall be deemed as solicitation by RHB in any manner. RHB is not registered as a broker-dealer in the United States and does not offer brokerage services to U.S. persons. Any order for the purchase or sale of the securities discussed herein that are listed on Bursa Malaysia Securities Berhad must be placed with and through Auerbach Grayson ("AG"). Any order for the purchase or sale of all other securities discussed herein must be placed with and through such other registered U.S. broker-dealer as appointed by RHB from time to time as required by the Exchange Act Rule 15a-6. This report is confidential and not intended for distribution to, or use by, persons other than the recipient and its employees, agents and advisors, as applicable. Additionally, where research is distributed via Electronic Service Provider, the analysts whose names appear in this report are not registered or qualified as research analysts in the United States and are not associated persons of Auerbach Grayson AG or such other registered U.S. broker-dealer as appointed by RHB from time to time and therefore may not be subject to any applicable restrictions under Financial Industry Regulatory Authority ("FINRA") rules on communications with a subject company, public appearances and personal trading. Investing in any non-U.S. securities or related financial instruments discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in the United States. The financial instruments discussed in this report may not be suitable for all investors. Transactions in foreign markets may be subject to regulations that differ from or offer less protection than those in the United States.

Please refer to the following link ([RHB Research conflict disclosures – Jan 2020](#)) and the Disclosure of Conflict of Interest in each of the research reports provided in this email for more details.

Kuala Lumpur	Hong Kong	Singapore
RHB Investment Bank Bhd Level 3A, Tower One, RHB Centre Jalan Tun Razak Kuala Lumpur Malaysia Tel : +(60) 3 9280 8888 Fax : +(60) 3 9200 2216	RHB Securities Hong Kong Ltd. 12 th Floor World-Wide House 19 Des Voeux Road Central, Hong Kong Tel : +(852) 2525 1118 Fax : +(852) 2810 0908	RHB Securities Singapore Pte Ltd. 10 Collyer Quay #09-08 Ocean Financial Centre Singapore 049315 Tel : +(65) 6533 1818 Fax : +(65) 6532 6211
Jakarta		Bangkok
PT RHB Sekuritas Indonesia Revenue Tower 11th Floor, District 8 - SCBD Jl. Jendral Sudirman Kav 52-53 Jakarta 12190 Indonesia Tel : +6221 509 39 888 Fax : +6221 509 39 777		RHB Securities (Thailand) PCL 10th Floor, Sathorn Square Office Tower 98, North Sathorn Road, Silom Bangrak, Bangkok 10500 Thailand Tel: +(66) 2 088 9999 Fax : +(66) 2 088 9799