

## Thailand Morning Cuppa

### Top Story

#### Regional Thematic

STAY: Alive | Home | Healthy | Online

Strategy – Regional Outlook

Looking for silver linings. This thematic report attempts to take a higher level regional view of the stocks/sectors that can benefit from COVID-19. Mankind is in uncharted territory with the terrible toll that COVID-19 is exacting on lives and livelihoods. Industries, sectors and businesses have been adversely impacted in the unprecedented, draconian, rolling lock down measures in place across the globe. Businesses have had to adapt and lifestyles will change. As we look for opportunities in adversity, we identify the shifts in the economy and society to determine the resilient companies, those that benefit from extended confinement and limited consumer mobility, the renewed focus on the preservation of life and those providing services that enable us to stay connected.

Analysts: Alexander Chia +603 9280 8889, Andrey Wijaya +6221 5093 9846, Kasamapon Hamnilrat +66 2088 9739, Shekhar Jaiswal +65 6232 3894

*Today's Report:* [Regional Thematic : STAY: Alive | Home | Healthy | Online \(19 May 2020\)](#)

*Previous Report:* [Regional Thematic : REITS: Fundamentals; An Indication Of Survival \(24 Apr 2020\)](#)

### Other Story

#### Global Power Synergy (GPSC TB, BUY, TP: THB80.00)

Weaker Macro Outlook But Demand Remains Firm

Company Update

Maintain BUY, TP of THB80.00, 12% upside with c.2% FY20F yield. Global Power Synergy's analyst meeting highlighted the weaker macro-economic outlook, while its customer demand remains stable. We like the company's diversification into energy storage, where it will be manufacturing semi-solid state batteries by year-end. The key risk this year will be drought – its hydroelectric plants in Laos could be at risk, while its industrial customers in Thailand have not yet been affected.

Analyst: Kannika Siamwalla CFA +66 2088 9744

*Today's Report:* [Global Power Synergy: Weaker Macro Outlook But Demand Remains Firm \(19 May 2020\)](#)

*Previous Report:* [Global Power Synergy : Stability Amidst Market Turmoil; Keep BUY \(8 May 2019\)](#)

### Economic Research

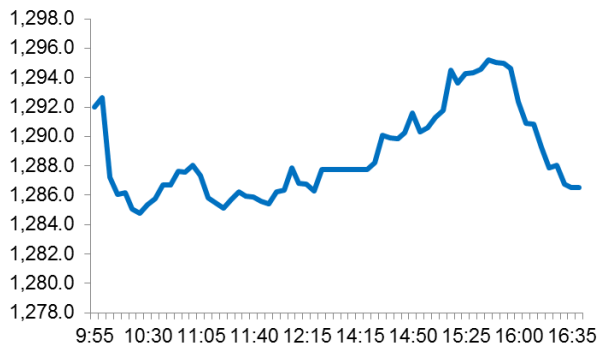
#### GDP Contracts For The First Time Since 2014

- Thailand's real GDP contracted at 1.8% YoY in 1Q20 (4Q19: +1.5%), dragged down by net exports, total investment and government consumption. However, private consumption remained somewhat resilient.
- The contraction only reflected the initial impact of the COVID-19 pandemic on the economy as well as the emergency decree announced by the Government.
- While 1Q GDP exceeded expectations and the recent easing of lockdown restrictions could support the economy, we maintain our GDP forecast of -4.0% for 2020 as we believe consumers will remain wary and recovery of the tourism industry could be slower due to the risk of a new wave of infection.

Economists: Peck Boon Soon | +603 9280 2163 Billy Toh | +603 9280 2184

*Today's Report:* [GDP Contracts For The First Time Since 2014 \(18 May 2020\)](#)

*Previous Report:* [COVID-19 Pandemic Update: 11-15 May 2020 \(15 May 2019\)](#)

**Chart 1: SET intra-day graph**


| SET       | 2017  | 2018  | 2019  | 2020F |
|-----------|-------|-------|-------|-------|
| PE (x)    | 17.60 | 16.25 | 18.55 | 15.08 |
| P/BV (x)  | 2.03  | 1.74  | 1.44  | 1.37  |
| Yield (%) | 2.80  | 3.35  | 2.96  | 3.26  |

**SET Value by investor Type: Daily**

|             | Buy<br>(THBm) | Sell<br>(THBm) | Net<br>(THBm) |
|-------------|---------------|----------------|---------------|
| Institution | 5,826.35      | 4,765.89       | 1,060.46      |
| Proprietary | 5,174.45      | 4,871.26       | 303.19        |
| Foreign     | 18,138.67     | 20,213.46      | -2,074.79     |
| Retail      | 26,765.56     | 26,054.43      | 711.14        |

**SET Value by investor Type**

|             | MTD<br>(THBm) | YTD<br>(THBm) |
|-------------|---------------|---------------|
| Institution | 3,841.06      | 53,589.13     |
| Proprietary | -385.80       | -3,223.44     |
| Foreign     | -24,202.79    | -186,533.57   |
| Retail      | 20,747.54     | 136,167.87    |

**SET50 Index Future**

|             | Long   | Short  | Net    | MTD    | YTD     |
|-------------|--------|--------|--------|--------|---------|
| Institution | 26,142 | 22,110 | 4,032  | 10,774 | -12,953 |
| Foreign     | 44,075 | 46,333 | -2,258 | -4,803 | 112,453 |
| Local       | 67,943 | 69,717 | -1,774 | -5,971 | -99,500 |

**Foreign Fund Flows (USDm)**

|          | Daily | WTD   | MTD    | YTD     | YoY   |
|----------|-------|-------|--------|---------|-------|
| Thailand | -64.7 | -64.7 | -752.3 | -5830.8 | -15.4 |

Note: \*As at 18 May 2020 closing

**Table 1: Key market indices (19 May 2020)**

|             | Index    | Chg    | % Chg | % YTD  |
|-------------|----------|--------|-------|--------|
| SET         | 1286.53  | 5.77   | 0.45% | -18.6% |
| SET50       | 858.94   | 4.37   | 0.51% | -19.6% |
| SET100      | 1885.02  | 9.83   | 0.52% | -19.5% |
| Dow Jones   | 24597.37 | 911.95 | 3.85% | -13.8% |
| S&P500      | 2953.91  | 90.21  | 3.15% | -8.6%  |
| Nasdaq      | 9234.83  | 220.27 | 2.44% | 2.9%   |
| FTSE        | 6048.59  | 248.82 | 4.29% | -19.8% |
| FSSTI       | 2539.28  | 15.73  | 0.62% | -21.2% |
| Hang Seng   | 23934.77 | 137.30 | 0.58% | -15.1% |
| Nikkei      | 20133.73 | 96.26  | 0.48% | -14.9% |
| KLCI        | 1410.16  | 6.72   | 0.48% | -11.2% |
| SHANGHAI SE | 2875.42  | 6.96   | 0.24% | -5.7%  |
| JCI         | 4511.06  | 3.45   | 0.08% | -28.4% |

**Key Statistics**
**Foreign Exchange Rates / Oil Market**

|                               | Closed | Chg.  | %Chg. |
|-------------------------------|--------|-------|-------|
| USD                           |        |       |       |
| Baht (Onshore)                | 32.01  | -0.01 | 0.03  |
| Yen                           | 107.43 | 0.09  | -0.08 |
| Euro                          | 1.09   | 0.00  | 0.04  |
| <b>Oil Price (USD/barrel)</b> |        |       |       |
| Brent                         | 34.55  | 0.21  | 0.61  |
| Nymex-Crude Light             | 33.23  | 1.41  | 4.43  |

Note: \*As at 18 May 2020 closing

## Top BUYs

|  | TP<br>(THB) | Upside<br>(%) | Catalysts   |
|--|-------------|---------------|---|
| <b>Advance Info Service (ADVANC TB)</b>            | 220.00      | 16.71         | <ul style="list-style-type: none"> <li>Better profitability due to the TOT litigation settlement (for towers and 2G equipment) that could decrease its network opex by THB3.2bn pa</li> <li>Strong convergence services portfolio, with a low base of fixed broadband customers who should benefit from the shift in the industry's acquisition trends</li> <li>The scaling up of FBB units that expect to turn profit on EBITDA level this year</li> </ul>   |
| <b>Berli Jucker (BJC TB)</b>                       | 49.00       | 31.54         | <ul style="list-style-type: none"> <li>A fully integrated consumer supply chain that may strongly benefit the purchase of necessities during the COVID-19 pandemic</li> <li>Expect favourable 1H20F results, to be driven by both total sales and efficient cost management of its Big C Supercenter and consumer products manufacturing, which have contributed as much as 75% to earnings</li> <li>Better packaging sales (18% of earnings) to be driven by massive runs of aluminium cans production for new local customers and exports to Vietnam post the customer transition period throughout 2019</li> <li>Long-term synergy with its parent TCC Group's aggressive business expansion in Cambodia, Lao, Vietnam, and Myanmar</li> </ul>   |
| <b>Charoen Pokphand Foods (CPF TB)</b>             | 35.00       | 20.69         | <ul style="list-style-type: none"> <li>The uptrend of its core business should be prolonged, given the tighter supply conditions due to the African Swine Fever outbreak in Asia, with relatively low feed costs that remain in place – although Charoen Pokphand Foods should benefit from lower policy rates and a weakening THB</li> <li>Upside from the acquisition of Tesco Thailand and Tesco Malaysia. While we expect the company to enhance its fresh products distribution channel by tapping into the hypermarket network, we think CPF could also ramp up its food services in Tesco's retail space, going forward</li> <li>Other positive synergies include cost savings on logistics network sharing, inventory turnover, and cross-selling between retail trading formats</li> </ul>   |
| <b>Chularat Hospital (CHG TB)</b>                  | 2.80        | 13.82         | <ul style="list-style-type: none"> <li>Pure local play for a healthcare provider in Thailand that has limited exposure to the international segment (&lt; 3%)</li> <li>Upward price adjustments from the Social Security Scheme (30% of revenue) will start to fully kick in this year</li> <li>The volume ramp-up of two new projects and expansion in its pipeline should bolster mid-term growth</li> </ul>  |
| <b>Global Power Synergy (GPSC TB)</b>              | 80.00       | 11.89         | <ul style="list-style-type: none"> <li>We expect two deals to be announced this year in 2H20. One is a 40MW portfolio worth THB3bn. The other is a gas-to-power project. Phase 1 of the c.60-1,200MW project is expected to be in the investment range of c.USD360-960m, depending on size and costs</li> <li>We also like GPSC's shift towards being greener. It will also start to produce semi-solid state batteries by November/December – we believe there is strong growth potential in this business segment</li> </ul>  |
| <b>PTT Exploration &amp; Production (PTTEP TB)</b> | 108.00      | 26.32         | <ul style="list-style-type: none"> <li>PTT Exploration &amp; Production is a good proxy for crude oil price. We expect crude oil price to average USD45.00 in 4Q20</li> <li>We expect OPEC+'s 7.7mbpd production restraint in 2H20 to have a positive impact on the global oil market. We expect delivery to recover, higher-cost producers to shut-in uneconomical wells, and the global inventory to drawdown</li> <li>70% of PTTEP's earnings are from natural gas, which is sold to PTT via long-term take or pay contracts. The natural gas price is indirectly linked with crude oil with time lag of 1-6 months. The remaining portion of its products are liquids, which are sold at the market price of crude oil</li> <li>We expect PTTEP's sales volume to be boosted YOY as a result of its recent acquisitions (Murphy and Partex). We are also positive on its SK410B natural gas find in Malaysia, which may be fast-tracked into development</li> </ul> |
| <b>Thai Union Group (TU TB)</b>                    | 18.50       | 28.00         | <ul style="list-style-type: none"> <li>THB depreciation and low inventory cost on hand should become its key catalyst this year</li> <li>Private labels should see a turnaround post sluggish original equipment manufacturers' orders in 2H19. This was due to customer speculation on low tuna price levels</li> </ul>  |

## Recent Stories

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

[RHB | Thailand Morning Cuppa : 18 May 2020](#)

[Advanced Info Service : Expecting a Weaker 2Q Outlook; Maintain BUY](#)

[Bangkok Expressway & Metro : V-Shape Recovery Ahead; Maintain BUY](#)

[Berli Jucker : A Likely Recovery In 2H20; Keep BUY](#)

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

[Charoen Pokphand Food : Outlook Remains Intact; Keep BUY](#)

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

[RHB Top Thailand Small Cap Companies 2020 \(2020 edition\)](#)

[PTT Global Chemical : Optimisation, Efficiency, And The New Normal](#)

[Supalai : Brighter Prospects In 2H20; Stay BUY](#)

[Osotspa : Still a Resilient Outlook](#)

[Loan Growth Recovery In March On Soft Loans](#)

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

[Thai Oil : On Track For a Recovery](#)

[Star Petroleum Refining : Spreads To Recover 2Q20F Onwards](#)

[RHB | Thailand Morning Cuppa : 12 May 2020](#)

[PTT : Weak 1H20 But Expect a Rebound In 2H20](#)

[PTT : Powering Thailand's Transformation](#)

[RHB | Thailand Morning Cuppa : 11 May 2020](#)

[PTT Global Chemical : Sales Remain Resilient With Its Flexible Plants](#)

[Thai Oil : Spreads Set To Improve](#)

[LPN Development : Year Of Challenges Ahead; Maintain SELL](#)

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

[Thai Union Group : Outlook Remains Intact; Keep BUY](#)

[PTT Exploration & Production : Resilient Through Tough Times](#)

[IRPC : Refining Spreads Remain Extremely Weak](#)

[Global Power Synergy : Stability Amidst Market Turmoil; Keep BUY](#)

[COVID-19 Pandemic Update: 04-08 May 2020](#)

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

[AP \(Thailand\) : Solid Earnings Supported By JV Projects; BUY](#)

[RHB | Thailand Morning Cuppa : 5 May 2020](#)

[PTT Exploration & Production : Crude Oil Market Set To Recover](#)

[CPI Falls 3% In April, Sharpest Decline Since Jul 2009](#)

[RHB | Thailand Morning Cuppa : 30 April 2020](#)

[Siam Cement : Better Prospects In 2H20; Stay BUY](#)

[Bumrungrad Hospital : Mixed Prognosis Ahead](#)

[COVID-19 Pandemic Update: 27-30 Apr 2020](#)

[RHB | Thailand Morning Cuppa : 29 April 2020](#)

[Home Product Center : In a Weak Mode; Still TAKE PROFIT](#)

[March MPI Down 11.3% On Lower Auto Output](#)

[RHB | Thailand Morning Cuppa : 28 April 2020](#)

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

[CH Karnchang : A Mixed Outlook, But Still BUY](#)

[Total Access Communication : A Restraint Outlook Ahead; TAKE PROFIT](#)

[Star Petroleum Refining : Challenging Year Ahead](#)

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

[COVID-19 Pandemic Update : 20-24 Apr 2020](#)

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

[Bangkok Bank : Superior Balance Sheet Strength; Stay BUY](#)

[Airports of Thailand : Still a Long Way To Go; Keep SELL](#)

[TMB Bank : COVID-19 a Distraction To Integration Plans](#)

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