

## MARKET NEWS

The FBMKLCI declined 22.01pt yesterday to close at 1,692.50, dragged down by selling pressure in the index-linked counters amid weaker regional sentiments. Regionally, Asian stocks fell for a third day as raw-material shares declined and Tokyo equities slumped before central bank meetings in the US and Japan this week. The MSCI Asia Pacific Index dropped 0.2% to 132.52. The FBMKLCI's top losers were Genting Bhd (-3.51%), Digi.com (-3.41%) and Sime Darby (-2.77%) while the top gainers were KLCC Property & REITs (+0.42%), and RHB Capital (+0.16%). In the broader market, losers outpaced gainers 779 to 164 with 286 counters unchanged. Turnover stood at 2.91b shares valued at RM2.33b.

The FBMKLCI continued to form a lower high and lower low yesterday, and penetrated the psychological support level of 1,700. Nevertheless, the daily chart analysis shows that selling pressure has not yet been fully absorbed, thus paving the way for a possible downtrend ahead. We believe the index would slide lower in the near term. This is supported by a downtick in the RSI and the DMI is currently showing that the selling momentum has overcome buying momentum. Our support and resistance levels are revised as follows:

**Support: 1,685, 1,674**

**Resistance: 1,727, 1,744**

US stocks closed marginally higher on Tuesday, as gains in the energy and materials were offset by losses in the tech, healthcare and consumer staples sectors. Investors remained cautious ahead of several prominent tech earnings after the bell as well as the Federal Reserve's policy meeting, slated to end on Wednesday. The S&P 500 ended up 3.91pt, or 0.2%, to 2,091.70. The Dow Jones Industrial Average added 13.08pt, or less than 0.1%, to 17,990.32. Meanwhile, the Nasdaq Composite finished 7.4pt, or 0.2%, lower, at 4,888.31.

## WHAT'S IN THE PACK

### NTP 2015 Annual Report: Still On Track

While Pemandu's mid-way (2015) NTP review continues to show promising economic progress, key structural challenges remain.

### British American Tobacco

**(ROTH MK/SELL/RM54.50/Target: RM48.00)**  
1Q16: Results missed expectations. Net profit dropped 27.9% yoy due to a 34% yoy decline in domestic volume and operating de-leveraging from the significant volume decline. No improvement in sight.

### Nestle Malaysia

**(NESZ MK/HOLD/RM75.00/Target: RM77.00)**  
1Q16: Nestle's 1Q16 core net profit was in line with expectations. Maintain HOLD with a higher DCF-based target price of RM77.00.

### Westports Holdings

**(WPRTS MK/SELL/RM4.15/Target: RM3.30)**  
1Q16 Earnings Preview: Expect above-expectation container growth; however the future trend of container growth and yields are uncertain despite tariff hike.

### Niche Capital Emas Holdings (NCHB MK)

**Technical BUY on breakout with 32.0% potential return**

BUY on breakout with a target price of RM0.195 and stop-loss below RM0.095. Following our BUY call on 8 Dec 15, NCHB initially hit our targets at RM0.155 and RM0.175 before making a pull-back to the current level.

### Mieco Chipboard (MIEC MK)

**Technical BUY on breakout with 30.4% potential return**

BUY on breakout with a target price of RM1.18 and stop-loss below RM0.81. Share price has been trading below the downtrend line and we expect MIEC to make a higher high after the share...

### YGL Convergence (YGLC MK)

**Technical BUY on breakout with 40.7% potential return**

BUY on breakout with a target price of RM0.215 and stop-loss below RM0.105. On yesterday's movement, the share price managed to close above the BBI line to maintain the bullish momentum towards its previous immediate resistance.

## FBMKLCI CHART



Source: BursaStation

## KEY INDICES

|                        | Prev Close | Chg (%) | YTD (%) |
|------------------------|------------|---------|---------|
| DJIA                   | 17,990.32  | 0.07    | 3.24    |
| S&P 500                | 2,091.70   | 0.19    | 2.34    |
| FTSE 100               | 6,284.52   | 0.38    | 0.68    |
| CSI 300                | 3,179.16   | 0.54    | (14.79) |
| FSSTI                  | 2,894.66   | (0.19)  | 0.41    |
| HSCEI                  | 9,016.12   | 0.33    | (6.68)  |
| HSI                    | 21,407.27  | 0.48    | (2.31)  |
| JCI                    | 4,814.09   | (1.33)  | 4.81    |
| KLCI                   | 1,692.50   | (1.28)  | (0.00)  |
| KOSPI                  | 2,019.63   | 0.25    | 2.97    |
| Nikkei 225             | 17,353.28  | (0.49)  | (8.83)  |
| SET                    | 1,418.78   | 0.71    | 10.15   |
| TWSE                   | 8,581.57   | 0.25    | 2.92    |
| BDI                    | 704.00     | 2.03    | 47.28   |
| CPO (RM/mt)            | 2,675.00   | 0.75    | 7.65    |
| Nymex Crude (US\$/bbl) | 44.53      | 1.11    | 9.38    |

## TOP VOLUME

| Stock                 | Price (RM) | Chg (%) | Vol ('000) |
|-----------------------|------------|---------|------------|
| Vivocom International | 0.32       | (4.55)  | 116,557    |
| Airasia X Bhd         | 0.34       | (6.85)  | 100,402    |
| Airasia Bhd           | 1.91       | (6.37)  | 61,142     |
| Mtouche Technology    | 0.14       | 0.00    | 37,013     |
| Sumatec Resources     | 0.11       | (4.35)  | 34,841     |

## TOP GAINERS

| Stock                 | Price (RM) | Chg (%) | Vol ('000) |
|-----------------------|------------|---------|------------|
| Nwp Holdings Bhd      | 0.49       | 24.0    | 9,424      |
| Ays Ventures Bhd      | 0.32       | 20.7    | 0          |
| Focus Point Holdings  | 0.21       | 16.6    | 7          |
| Tanah Makmur Bhd      | 1.67       | 13.6    | 5,286      |
| Silver Ridge Holdings | 0.14       | 12.5    | 145        |

## TOP LOSERS

| Stock                 | Price (RM) | Chg (%) | Vol ('000) |
|-----------------------|------------|---------|------------|
| Multi Sports Holdings | 0.05       | (25.00) | 19,786     |
| Globetronics          | 3.89       | (12.39) | 33,206     |
| Amtel Holdings Bhd    | 0.62       | (11.43) | 0.1        |
| Asia Poly Holdings    | 0.24       | (11.11) | 13,103     |
| Kronologi Asia Bhd    | 0.20       | (11.11) | 9,438.5    |

Source: Bloomberg

### TRADERS' CORNER



### Niche Capital Emas Holdings (NCHB MK)

Technical BUY on breakout with 32.0% potential return

Last price : RM0.115

Target price : RM0.165, RM0.195

Support : RM0.10

Stop-loss : RM0.095

BUY on breakout with a target price of RM0.195 and stop-loss below RM0.095. Following our BUY call on 8 Dec 15, NCHB initially hit our targets at RM0.155 and RM0.175 before making a pull-back to the current level. We expect a positive follow-through to validate a new up-leg if NCHB manages to penetrate above the breakout level of RM0.125. The rising momentum as shown by a bullish crossover in the 7- and 21-day EMAs along with an uptick in both the +DI and ADX lines suggest an upward continuation.

**Expected Timeframe: 2 weeks to 2 months**



### Mico Chipboard (MIEC MK)

Technical BUY on breakout with +30.4% potential return

Last price : RM0.85

Target price : RM1.04, RM1.18

Support : RM0.815

Stop-loss : RM0.81

BUY on breakout with a target price of RM1.18 and stop-loss below RM0.81. Currently share price has been trading below the downtrend line and we expect MIEC to make a higher high after the share price rose above the breakout level of RM0.905. This is supported by the 7-day EMA which is on the verge of making a golden cross with the 21-day EMA, which indicates a bullish signal. This is consistent with the uptick in the RSI which suggests stronger buying momentum ahead. We peg our targets at RM1.04 and RM1.18 respectively.

**Expected Timeframe: 2 weeks to 2 months**

TRADERS' CORNER



## YGL Convergence (YGLC MK)

Technical BUY on breakout with 40.7% potential return

Last price : RM0.13

Target price : RM0.19, RM0.215

Support : RM0.11

Stop-loss : RM0.105

BUY on breakout with a target price of RM0.215 and stop-loss below RM0.105. On yesterday's movement, the share price managed to close above the BBI line to maintain the bullish momentum towards its previous immediate resistance. This is supported by both the MACD's bullish crossover as well as the DMI's recently-formed bullish golden cross, and suggests stronger buying momentum ahead. We peg our targets at RM0.19 and RM0.215 once it penetrates the breakout level of RM0.135.

**Expected Timeframe: 2 weeks to 2 months**

## CORPORATE NEWS

**Dutch Lady: Foresees 2016 to be another challenging**

**year.** Dutch Lady Milk Industries Bhd foresees 2016 to be another challenging year in light of the current economic outlook, as consumer are cautious in managing their household spending post goods and services tax (GST). Dutch Lady's managing director Saw Chooi Lee said consumers are managing their expenses by cutting down the frequency of shopping trips and reducing shopping basket size. "The dairy industry was also affected with consumes stretching the usage of milk products and switching to cheaper alternatives," she said in a statement released during the annual general meeting today. "We foresee 2016 to be another challenging year in light of the current economic outlook, but we remain focused and committed to leveraging the strength of the Dutch Lady brand and quality of our product offerings, to win the hearts of our consumers," Saw said. (Source: *The Edge Financial Daily*)

**Excel Force: MyEG's controlling shareholder emerges as**

**Excel Force's new investor.** Asia Internet Holdings Sdn Bhd (Asia Internet Holdings), the single largest shareholder of My E.G Services Bhd (MyEG), has emerged as a substantial shareholder of Excel Force MSC Bhd. Excel Force announced to Bursa Malaysia that Asia Internet Holdings bought 38m shares or 18% equity stake from its executive director, Sun Chin-Chuan, through off-market trades. Sun is the spouse of the company's executive chairman and managing director Wang Kuen-Chung (Source: *The Edge Financial Daily*)

**LKL International: To raise RM22.6m from IPO.**

LKL International Bhd, en route to listing on the ACE Market of Bursa Malaysia on May 16, plans to raise RM22.6m in proceeds from the initial public offering (IPO). LKL International's unit, LKL Advance Metaltech Sdn Bhd, is principally involved in the provision of medical/healthcare beds, peripherals and accessories that are largely for hospitals, medical centres and various healthcare related facilities. (Source: *The Star*)

**Pasukhas: Gets one year Transformer products exclusive**

**agent contract.** Pasukhas Group Bhd has been appointed as the exclusive agent to undertake sales and marketing for TBEA Hengyang Transformer Co Ltd and related services across Malaysia, Singapore, Brunei and Thailand for a period of one year. The tenure, according to Pasukhas, shall be in force for a period of a year or not later than April 25, 2017, unless terminated before the expiration date according to the termination clause of the IAA. Pasukhas said its unit Pasukhas Products Sdn Bhd had today entered into an International Agent Agreement (IAA) with TBEA Hengyang Transformer Co Ltd, appointing the former as an exclusive agent for the above purpose. (Source: *The Edge Financial Daily*)

**Perak Transit: Prepares for listing.**

Perak Transit Bhd, an Ipoh-based bus company, is raising RM10mil from the public through a new crowd funding platform, even as the company prepares for a listing on Bursa Malaysia later this year. Managing director Datuk Seri Cheong Kong Fitt said the money raised would be used to purchase more land, provide downpayment for new buses, as well as upgrade the Aman Jaya terminal. (Source: *The Star*)

**Petronas Gas: To spend RM4.5b in capex over next five**

**years.** Petronas Gas Bhd (PetGas) will be allocating RM4.5b in capital expenditure (capex) for the next five years, of which RM300m has been budgeted for the current financial year, said the group chairman Tan Sri Shamsul Azhar Abbas. A large bulk of the capex will be spent on two major projects, the Pengerang Gas Pipeline project which is expected to be completed in the first quarter of 2018, and the Air Separation Unit project, which final investment decision is expected in the current quarter. "The regasification terminal is currently 24% complete, and the first tank will be commissioned by the end of next year. (Source: *The Edge Financial Daily*)



**Reach Energy: Tells investors to look at long-term**

**prospects.** Reach Energy Bhd, an oil and gas special purpose acquisition company (SPAC) that is targeting to submit its qualifying asset (QA) proposal to the Securities Commission Malaysia by early May, has urged investors, especially institutional investors, to look at the long-term prospects of the QA. "There is a lot to gain from this acquisition. Please look at it from a longer-term basis. This is what the E&P (exploration and production) business is all about," its managing director Shahul Hamid Mohd Ismail told reporters after the SPAC's annual general meeting. "You come into this business with a slightly longer-term value of the business," he said. (Source: *The Edge Financial Daily*)

**Sona: Shareholders say no to QA.** Sona Petroleum Bhd shareholders rejected the company's proposed acquisition of Australia's Stag Oilfield for US\$25 million (about RM99m) at the company's extraordinary general meeting (EGM) here. In a statement to Bursa Malaysia, Sona said 77.39% of the votes cast at Sona's EGM were against the deal, while 22.61% voted for the transaction. "The board of directors of Sona Petroleum Bhd wishes to announce that at the adjourned EGM held today, the special resolution in relation to the proposed acquisition was not passed by the shareholders of Sona Petroleum," Sona said. (Source: *The Edge Financial Daily*)

**TNB: Awards coal shipment contracts worth over**

**RM2b.** Tenaga Nasional Bhd's (TNB) unit TNB Fuel Services Sdn Bhd has signed five long-term affreightment contracts valued at US\$537m (RM2.11b) for shipping coal from Indonesia to Malaysia. TNB said in a statement that the contracts -- 10 years for secondhand vessel and 15 years for newbuilding vessel -- were inked with PNSL Bhd, Malaysian Bulk Carriers Bhd, Duta Marine Sdn Bhd. The single biggest contract was given to Malaysian Bulk Carriers Bhd, valued at US\$143.1m (RM561.4m), to carry 1.5 Mtpa for a 15-year period. (Source: *The Star*)

**Vivocom: Unit inks HoA for RM90m mixed development**

**job in Perak.** Vivocom Intl Holdings Bhd's subsidiary Vivocom Enterprise Sdn Bhd (VESB) has inked a heads of agreement (HoA) for a RM90 million contract to construct a mixed development on a 3.11ha land in Hulu Kinta, Perak. In a filing with Bursa Malaysia, Vivocom said its unit entered into the HoA with Green Ventures Development Bhd, which will act as the developer of the mixed development with a gross development value of RM112m on the 3.11ha land in Hulu Kinta. The vacant land is owned by the Perak State Secretary Inc (Perbadanan Setiausaha Kerajaan Negeri Perak or SSI). (Source: *The Edge Financial Daily*)

**Westports: Expects flattish growth this year.**

Westports Holdings Bhd expects container growth to be flattish this year due to the challenging global economic outlook, said its chief executive officer Ruben Emir Gnanalingam. "I think growth for this year will be in the single digits. In general it will be similar or lower compared to how we did last year. It will not be higher," he told reporters following Westports' annual general meeting. (Source: *The Star*)

## SECTOR

**Construction: Prasarana to award tenders for RM9b LRT 3**

**project in 2nd half.** Prasarana Malaysia Bhd expects to start awarding tenders for the RM9b Light Rail Transit Line 3 (LRT 3) project in the second half of the year (H2). Group managing director Azmi Abdul Aziz said the number of packages to be awarded was still undecided but the plan was to offer as many as possible to attract significant participation. The 37km LRT 3 would have 26 stations, with 2km of the alignment to be underground. (Source: *The Star*)

**Technology: Smart technology manufacturing could lift**

**E&E sector's contribution to GDP.** The contribution of the electrical and electronics (E&E) sector to Malaysia's gross domestic product (GDP) could grow further in the next two to three years, with the help of the higher adoption of smart technology manufacturing such as Internet of Things (IoTs) among industry players. Malaysian Investment Development Authority (Mida) chief executive officer Datuk Azman Mahmud told reporters that this was possible in two to three years, if there was a higher adoption of smart technology manufacturing such as Internet of Things (IoTs) among industry players. (Source: *The Edge Financial Daily*)

**Utilities: Govt focusing on TPA framework to liberalise gas**

**market.** The Government is focusing on getting the necessary framework in place for third party access (TPA) to pave the way for the liberalisation of the gas market in Peninsular Malaysia. It will also push for rationalisation and subsequent deregulation of gas price in a move towards a market-based pricing of energy, the Performance Management and Delivery Unit (Pemandu) said. (Source: *The Star*)

## ECONOMICS

**1MDB: Defaulted on US\$50m interest for US\$1.75b Langat**

**bonds.** 1Malaysia Development Bhd (1MDB) said it had defaulted on the US\$50.3m (about RM198m) interest payment for the US\$1.75b bonds issued by its unit 1MDB Energy (Langat) Ltd. In a statement, 1MDB, however, insisted that the risk of cross default on other bonds issued by company was limited. The Malaysian Government via Minister of Finance Inc owns 100% of 1MDB. According to 1MDB, neither the company nor guarantor International Petroleum Investment Co (IPIC) had paid the US\$50.3m interest to 1MDB Energy (Langat) bond holders. "Accordingly, due to a dispute between the parties, neither 1MDB nor its subsidiary, 1MDB Energy (Langat), have made payment either, and are now in default per the terms of the Langat notes. (Source: *The Edge Financial Daily*)

**PM Najib: NTP achieves 99% of National Key Result Areas'**

**KPIs.** The National Transformation Programme (NTP) has registered 99% of the Government Transformation Programme (GTP)'s National Key Result Areas (NKRAs) key performance indicators (KPIs). At the launch of the NTP annual report 2015, Prime Minister Najib Razak said the Economic Transformation Programme (ETP)'s National Key Economic Areas (NKEAs) and Strategic Reform Initiatives (SRIs) achieved 109% and 108% of their KPIs respectively. "The GTP has exceeded its horizon, or Phase 1 and 2, and now we are entering the next phase with the 11th Malaysia Plan, for Malaysia to become a developed nation. Meanwhile, the ETP will continue be pushed to meet the set targets," he said during his address. (Source: *The Edge Financial Daily*)

## POLITICS

**Sarawak Election: BN Manifesto protects Sarawak**

**interest.** Barisan Nasional (BN) has launched a 15-point manifesto promising to uphold Sarawak's rights through the continuity of Chief Minister Datuk Patinggi Tan Sri Adenan Satem's policies with a focus on greater transformation throughout the state. Themed 'Give Team Adenan A Chance', the manifesto highlights the state BN's achievements in the past and what the party aspires to achieve. (Source: *The Edge Financial Daily*)

## FROM THE REGIONAL MORNING NOTES...

**NTP 2015 Annual Report: Still On Track**

Pemandu's review of the 2015 National Transformation Program (NTP) Annual gives hopes that Malaysia could achieve her high income status in 2020 despite global headwinds. However, we note that key external and domestic socio-economic structural challenges persist, and we expect the equity market to consolidate during the rest of 2Q16 as risk aversion rises. Remain defensive. Top defensive picks include defensive Tenaga, Heineken (previously Guinness Anchor), and Kim Loong.

**British American Tobacco: 1Q16: No improvement In Sight**

**(ROTH MK/SELL/RM54.50/Target: RM48.00)**

BAT's 1Q6 results were well below our and street estimates, falling 27.9% yoy due to a 34% decline in domestic volume and operating de-leveraging from the volume decline. Our fear of consumer downtrading which eroded flagship Dunhill market share also materialised. Maintain SELL with a lower RM48.00 target price, given bleak industry outlook and unappealing yields. Nevertheless, excise hike should significantly moderate from hereon and Dunhill's market share appears defensible.

**Nestle Malaysia Bhd: 1Q16: A Good Start To 2016**

**(NESZ MK/HOLD/RM75.00/Target: RM77.00)**

Nestle's 1Q16 core net profit was in line with expectations. Nestle's 1Q16 sales rose 2.8% yoy on the back of higher sales from both the domestic and export markets. Core net profit grew at higher quantum of 5% yoy, driven by favourable raw material prices, strategic cost management, as well as lower effective tax rate of 20% (1Q15: 23.1%). Maintain HOLD with a higher DCF-based target price of RM77.00, implying a 2017F PE of 26x. Entry price: RM72.00.

**Westports Holdings Berhad: 1Q16 Preview: Strong Container Volume Vs Yields. Something's Gotta Give?**

**(WPRTS MK/SELL/RM4.15/Target: RM3.30)**

Westports may report strong transshipment growth in its 1Q16 results this week, which caused the recent share price appreciation. We advise taking profit upon strength at this level. Sustaining high volume growth is at risk. Container yields may be under pressure, translating to milder post tariff hike impact. Amid the ongoing consolidation, customers are demanding the lowest possible costs to protect margins – a structural risk that may trickle down to ports. Maintain SELL. Target price: RM3.30.

- For more reports, please log in to [www.utrade.com.my](http://www.utrade.com.my) or [open an account](#) now to gain access.
- [Explore our trading tools](#) designed to assist you in your trading – ShareXplorer, ChartGenie, TechAnalyzer, Stock Alerts!
- Broaden your knowledge through our [educational events](#).
- Contact us now at 03-2147 1900 to find out more about our ongoing promotions (get [FREE\\* live feed](#) on foreign markets). \*T&C apply.

## Disclosures/Disclaimers

This report is prepared by UOB Kay Hian (Malaysia) Holdings Sdn. Bhd. ("UOBKHM") which is a licensed corporation providing investment advisory services in Malaysia.

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

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

This report is confidential. This report may not be published, circulated, reproduced or distributed in whole or in part by any recipient of this report to any other person without the prior written consent of UOBKHM. This report is not directed to or intended for distribution to or use by any person or any entity who is a citizen or resident of or located in any locality, state, country or any other jurisdiction as UOBKHM may determine in its absolute discretion, where the distribution, publication, availability or use of this report would be contrary to applicable law or would subject UOBKHM and its associated persons (as defined in the Capital Market Services Act 2007) to any registration, licensing or other requirements within such jurisdiction.

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

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

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

## IMPORTANT DISCLOSURES FOR U.S. PERSONS

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

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

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

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



## Analyst Certification/Regulation AC

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

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

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

Copyright 2016, UOB Kay Hian (Malaysia) Holdings Sdn. Bhd. All rights reserved.

<http://www.utrade.com.my>