

HLIB Research

PP 9484/12/2012 (031413)

Tan J Young
jt看@hlib.hongleong.com.my
(603) 2083 1721

Yip Kah Ming
kmyip@hlib.hongleong.com.my
(603) 2083 1723

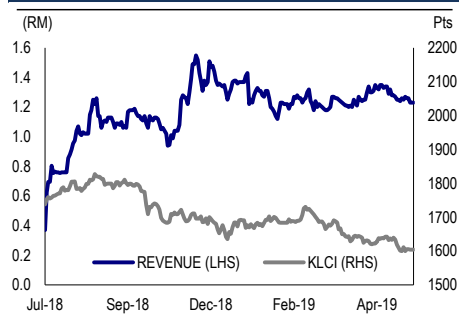
BUY (Initiate)

Target Price: RM1.67
Previously: N.A.
Current Price: RM1.23

Capital upside	35.8%
Dividend yield	0.0%
Expected total return	35.8%

Sector coverage: Technology
Company description: Revenue is a technology-led payment solution provider who covers both online and offline channels.

Share price



Historical return (%)	1M	3M	12M
Absolute	-7.5	-5.4	na
Relative	-6.5	1.6	na

Stock information

Bloomberg ticker	REVENUE.MK
Bursa code	0200
Issued shares (m)	232
Market capitalisation (RM m)	285
3-mth average volume ('000)	1,093
SC Shariah compliant	Yes

Major shareholders

Ng Chee Siong	20.7%
Ng Shih Chiow	20.7%
Ng Shih Fang	20.7%

Earnings summary

FYE (Jun)	FY18	FY19f	FY20f
PATMI – core (RM m)	9.1	11.9	15.1
EPS – core (sen)	2.9	3.9	5.0
P/E (x)	42.7	31.9	24.4

Revenue Group

E-normous potential

RGB is expected to experience multiyear of growth ahead on the back of (i) robust growth in EDC terminals; (ii) regulatory push to drive e-payment adoption; (iii) riding on e-wallet trend; and (iv) beneficiary of China cross-border e-commerce trend. We expect core PATAMI to grow at a decent CAGR of 28.0% in FY19-21. RGB is a rare proxy to robust domestic e-payment industry and near-term catalyst is the potential transfer of listing status to main board. Initiate with BUY backed by TP of RM1.67.

Cashless payment solutions provider. Listed on Bursa's ACE market, Revenue Group (RGB) is a cashless payment solutions provider in Malaysia offering a single platform that provides multi-channel payment solutions to different customers. Products and services that the company offer can be divided into 3 segments, namely deployment of Electronic data capture (EDC) terminals, electronic transaction processing and solutions and services related to payments infrastructure.

Robust growth in EDC terminals. RGB is expected to be benefit from Bank Negara Malaysia's (BNM) target of achieving 25 EDC terminals per 1000 persons in 2020 (from 16 currently) which represents a 53% growth from current levels. RGB recent partnership with Public Bank to roll-out the all-in-one Android-based payment terminal signifies their first step in tapping into this huge market opportunity.

Regulatory push to drive e-payment adoption. Going forward, we expect electronic payment transactions to grow further, as BNM implemented a series of measures to encourage migration to e-payments. RGB track record showed that they were beneficiary from this secular tailwind, as transaction value processed by the company increased significantly from RM300.4m in 2015 to RM1.12bn in 2018, representing CAGR of 55.1%.

Riding on e-wallet trend. Mobile payments are expected to play a significant role going forward and hence we expect continued positive growth in e-wallet space due to intensified merchant acquisition and more aggressive marketing initiatives. RGB is a major beneficiary under this positive trend from terminal sales, increase in electronic transaction volume and growing volume of mobile payment transactions processed via its revPAY platform.

Beneficiary of China cross-border e-commerce trend. RGB has been appointed by Company A (a sizable China based company which cannot be named) to be the acquirer in Malaysia to process outbound payments via internet banking for purchases made by Malaysian consumers on the PRC online marketplace affiliated to Company A. Processed transaction value of PRC online marketplace affiliated to Company A increased to c.RM480m in 2018 (from RM68m in 2015), representing a 3 year CAGR of 55%, signifies that the e-commerce trend is growing strongly and we expect this trend to continue as e-commerce in Malaysia is still at infancy stage.

Financials. Going forward, we expect the numbers of terminal deployed and electronic transaction volume processed via revPAY will continue to grow due to greater adoption of electronic payment. As a result, we expect core PATAMI to grow at a decent CAGR of 28.0% in FY19-21.

Initiate coverage with a **BUY** rating on the back of a fair value of **RM1.67** based on SOP valuation, implying an upside potential of 36%. We like the company as it is a rare proxy to the robust domestic e-payment industry which undergoing multi-year of secular growth. Near-term catalyst for the company is its potential of transfer to main market listing next year.

Financial Forecast

All items in (RM m) unless otherwise stated

Balance Sheet

FYE Jun (RM m)	FY17	FY18	FY19f	FY20f	FY21f
Cash	9.8	15.3	15.4	17.8	25.9
Receivables	8.2	11.1	14.0	18.9	21.4
PPE	21.9	24.3	33.4	41.0	47.2
Others	3.1	3.0	3.0	3.0	3.0
Assets	43.0	53.6	65.7	80.7	97.5
Debt	8.1	8.0	8.0	8.0	8.0
Payables	14.9	21.5	24.2	26.9	28.0
Others	3.3	0.5	0.5	0.5	0.5
Liabilities	26.3	29.9	32.7	35.3	36.4
Shareholder's equity	16.7	23.5	32.6	44.4	59.5
Minority interest	(0.0)	0.2	0.4	0.9	1.5
Equity	16.7	23.7	33.0	45.4	61.1

Cash Flow Statement

FYE Jun (RM m)	FY17	FY18	FY19f	FY20f	FY21f
Profit before taxation	8.6	9.3	12.2	16.3	20.7
Depreciation & amortisation	3.2	4.6	5.0	6.4	7.8
Changes in working capital	1.8	0.7	(0.1)	(2.3)	(1.3)
Taxation	(1.9)	(2.0)	(2.9)	(3.9)	(5.0)
Others	(2.6)	0.5	-	-	-
Operating cash flow	9.1	13.2	14.1	16.4	22.1
Net capex	(11.0)	(6.8)	(14.0)	(14.0)	(14.0)
Others	5.3	2.1	-	-	-
Investing cash flow	(5.6)	(4.7)	(14.0)	(14.0)	(14.0)
Changes in borrowings	(4.3)	(0.2)	-	-	-
Issuance of shares	-	0.0	-	-	-
Dividends paid	(0.2)	(2.1)	-	-	-
Others	(0.0)	(0.3)	-	-	-
Financing cash flow	(4.4)	(2.6)	-	-	-
Net cash flow	(1.0)	5.9	0.1	2.4	8.1
Forex	0.0	(0.4)	-	-	-
Others	-	-	-	-	-
Beginning cash	9.3	8.3	15.3	15.4	17.8
Ending cash	8.3	13.8	15.4	17.8	25.9

Income Statement

FYE Jun (RM m)	FY17	FY18	FY19f	FY20f	FY21f
Revenue	26.5	35.4	62.4	88.0	100.6
EBITDA	8.8	13.9	17.4	22.9	28.7
EBIT	5.7	9.3	12.5	16.5	20.9
Net finance income/ (cost)	2.9	0.0	(0.3)	(0.3)	(0.3)
Associates & JV	-	-	-	-	-
Profit before tax	8.6	9.3	12.2	16.3	20.7
Tax	(1.6)	(2.3)	(2.9)	(3.9)	(5.0)
Net profit	6.9	7.0	9.3	12.4	15.7
Minority interest	0.0	(0.2)	(0.2)	(0.5)	(0.6)
Core earnings	7.0	6.8	9.1	11.9	15.1
Exceptional items	-	-	-	-	-
Reported earnings	7.0	6.8	9.1	11.9	15.1

Valuation & Ratios

FYE Jun (RM m)	FY17	FY18	FY19f	FY20f	FY21f
Core EPS (sen)	3.0	2.9	3.9	5.0	6.4
P/E (x)	41.5	42.7	31.9	24.4	19.2
EV/EBITDA (x)	32.2	20.3	16.2	12.3	9.8
DPS (sen)	-	-	-	-	-
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%
BVPS (RM)	0.07	0.10	0.14	0.19	0.25
P/B (x)	17.32	12.31	8.88	6.51	4.86
EBITDA margin	33.1%	39.3%	27.9%	26.0%	28.5%
EBIT margin	21.4%	26.4%	20.0%	18.8%	20.8%
PBT margin	32.3%	26.4%	19.5%	18.5%	20.5%
Net margin	26.3%	19.2%	14.5%	13.5%	15.0%
ROE	41.7%	28.8%	27.9%	26.7%	25.3%
ROA	16.2%	12.6%	13.8%	14.7%	15.5%
Net gearing	CASH	CASH	CASH	CASH	CASH

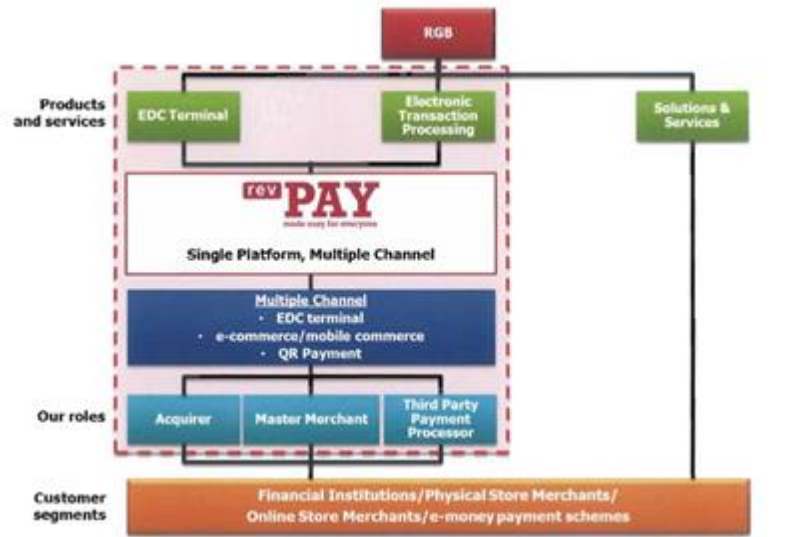
Assumptions

FYE Jun (RM m)	FY17	FY18	FY19f	FY20f	FY21f
EDC terminals revenue	13	16	35	49	54
Transaction value	665	1,120	1,884	2,842	3,750

Introduction

Listed on Bursa's ACE market, Revenue Group Bhd ("RGB") is a cashless payment solutions provider in Malaysia offering a single platform that provides multi-channel payment solutions to different customers. Its single platform, revPAY (see Figure #1), facilitates the acceptance of payment transactions across various payment channels from physical EDC terminals to virtual payments (via e-commerce/ mobile commerce channels) to QR Payment.

Figure #1 revPAY



Company, HLIB Research

Products and services that the company offer can be divided into 3 segments, namely deployment of Electronic data capture (EDC) terminals, electronic transaction processing and solutions and services related to payments infrastructure.

EDC terminals

RGB is vendor of EDC terminals, which are front-end device for electronic payment transactions. The terminals are supplied on either outright sales or rental basis. RGB can either earn one-off revenue when the EDC terminals are sold outright or recurring revenue from the rentals and ancillary services provided, such as periodic maintenance and repair services. The rental charges imposed may differ from one another depending on specifications, requirement on the payment facilities and transaction volume. The rental charges are imposed on a monthly basis.

RGB's strategy for the terminals rental business is to identify merchants and refer them to the financial institutions so that the merchants will be recruited under the financial institutions. As such, the rental will be paid/sponsored by the financial institutions. Although this strategy resulted in lower rental income as compared to direct merchant acquisition, it had reduced collection risks and the amount of administrative work.

RGB is currently the authorized EDC terminal vendor for AmBank, United Overseas Bank (Malaysia) Berhad, OCBC Bank (Malaysia) Berhad, Affin Bank Berhad, Global Payments Systems Asia-Pacific (Malaysia) Sdn Bhd, Aeon Credit Service (M) Berhad and First Data Merchant Solutions (Malaysia) Sdn Bhd.

Electronic transaction processing

All electronic payments whether by EDC terminals, e-commerce/mobile commerce or QR payments are processed via the revPAY platform, which capture payment information from merchants, encrypt such information and transmit them to the card scheme. Revenue is derived through processing of payments and the rates are dependent on the role of RGB in the transaction (acquirer, payment processor, master merchant, etc.) and also arrangements with financial institutions. Revenue derived is either in the form of share of net merchant discount rate (MDR) earned or pre-determined commission earned on transactional value.

Solution and services

RGB also provides solutions and services to customers in relation to payment gateway and payment network security. There are a lot of confidential consumer data being exchanged and transmitted in the electronic payments industry. As such, the company has developed its own payment line encryption solution, XANZO, to ensure that data transmitted electronically along the payment network is secure. XANZO is developed to protect payment and other confidential data from being misused and stolen during transmission along the payment network. In this segment, revenue is generated from the sales, development and licensing of software, payment network security solutions, as well as its related hardware including its maintenance services.

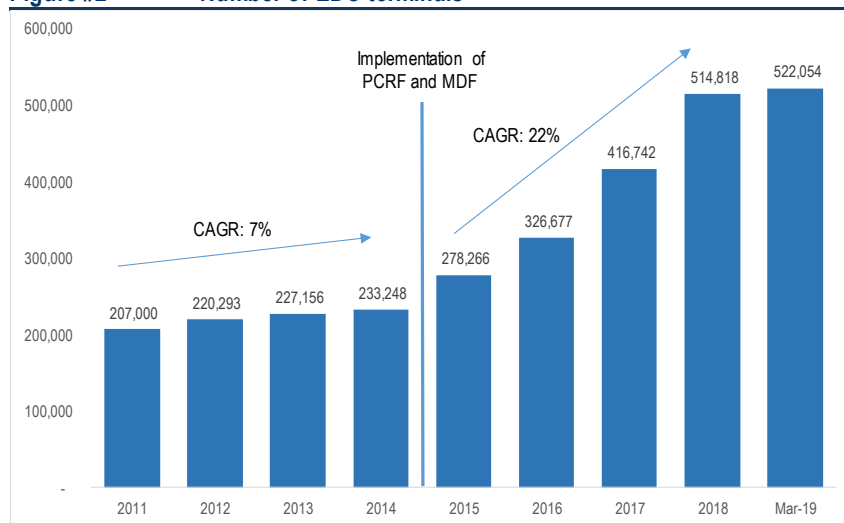
Investment Thesis

Robust growth in terminals

According to Bank Negara Malaysia's (BNM) payment statistics, total number of local points-of-sales terminals stood at 522,054 as end of Mar 19 (see Figure #2), this translates into about 16 terminals per 1,000 persons. This is still far from BNM's target of 25 terminals per 1,000 persons in 2020 which translates into 800,000 terminals, representing a 53% growth from current levels.

RGB is expected to benefit from this explosive growth trend with the rolling out of their all-in-one Android based payment terminal. RGB recently partnered with Public Bank (PBB) to deploy the terminals and PBB has more than 60k EDC terminals nationwide. Assuming RGB to secure 50% of the orders, it represents potential sales of 30k terminals over the next 2 years. This is a huge growth opportunity (15k per year) given that RGB had only supplied c.5000 units per year for the past 2 years. Currently, RGB has partnered with 9 local banks to offer its services and target to rope in two other banks in the near term.

Figure #2 Number of EDC terminals



BNM, HLIB Research

E-payment efficiency to drive massive adoption

Migrating from paper-based payments to electronic payments would improve the overall efficiency of the payment system, and provide meaningful cost savings and efficiency to the entire economy. By driving the displacement of cash and cheques through more intensive use of electronic payments, resources involved in manual processing can be redeployed and cost related to cash and cheque handling can be considerably reduced. Electronic payment, which is a more expedient and efficient means of payment, provides the opportunity to improve productivity levels and lower the cost of doing business. Studies have shown that shifting from paper based to a more electronic based payment system can generate an annual savings up to 1% of GDP. Moreover, electronic payments can also enhance financial inclusion by extending financial services to the unbanked communities. In so doing, such communities would be brought into the formal financial system and into the economic mainstream. This would enable them to enjoy lower cost of financial services and better means of savings.

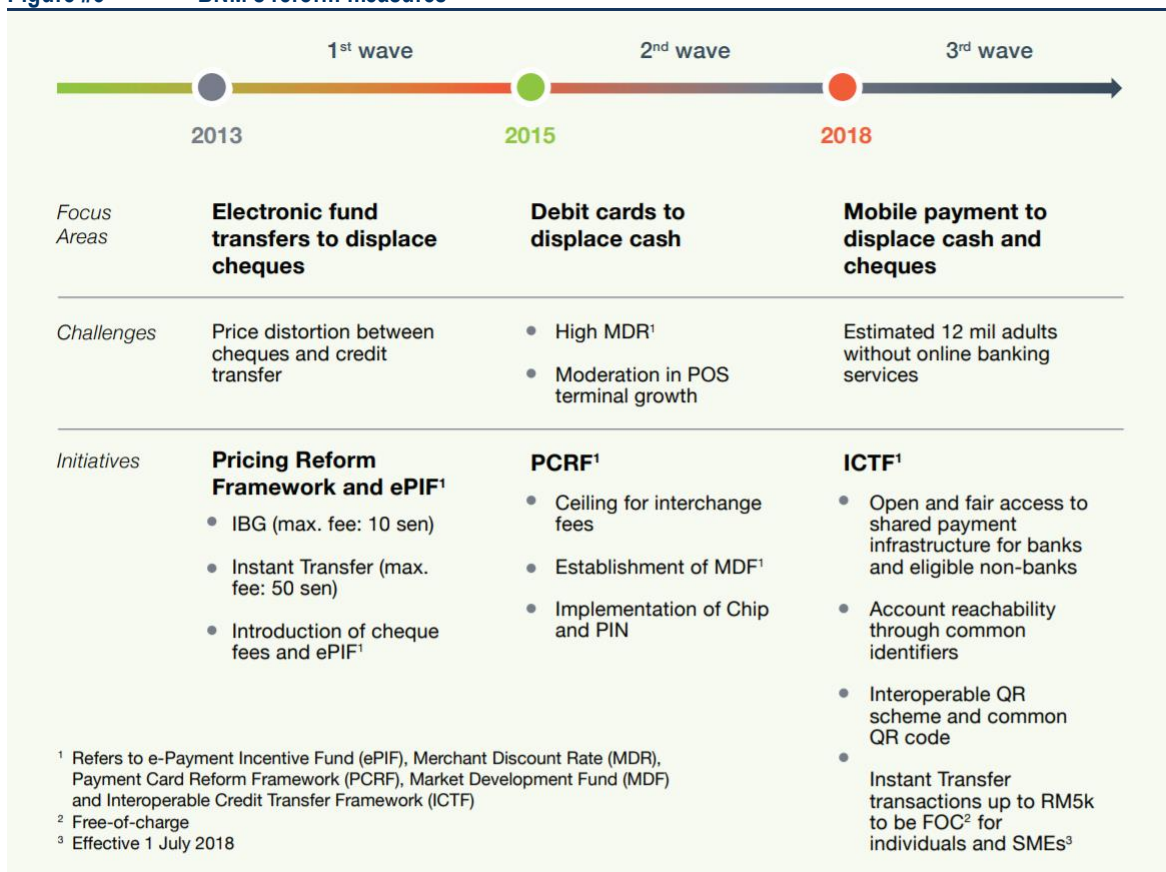
Regulatory push

In view of the potential benefits of electronic payments, measures to encourage migration to e-payments were one of the nine focus areas under Financial Sector Blueprint 2011-2020 released by BNM. The key performance indicators (KPIs) under the blueprint are (i) raise e-payment transactions to 200 per capita; (ii) raise POS terminals to 25 per 1,000 inhabitants; (iii) increase the use of debit cards to 30 transactions per capita; and (iv) reduce the use of cheques to 100m.

Since 2013, BNM has implemented a series of reform measures such as Pricing Reform Framework (2013), e-Payment Incentive Fund Framework (2015), Payment Card Reform Framework (2015) and Interoperable Credit Transfer Framework (2018) to foster greater adoption of e-payments (see Figure #3). The more impactful measure is Payment Card Reform Framework which entails several measures to address distortions in the payment card market. It includes unbundling of the Merchant Discount Rate (MDR), facilitation of identification of payment cards and removal of restriction on co-badging of payment cards, among others. The most significant ruling is the cap on interchange fee imposed which clearly favours the use of debit cards. With this move, merchants are enticed to partake in encouraging consumers to pay using debit cards given that it incurs a lower cost to the merchants.

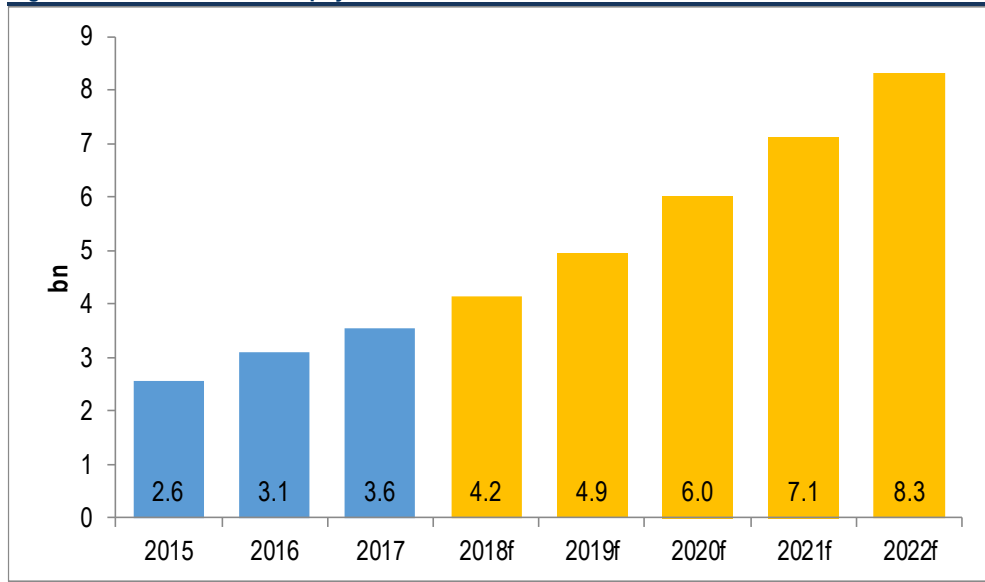
Going forward, we expect electronic payment transactions to grow further as a result of these measures. From 2018 to 2022, total electronic payment transaction volume in Malaysia is expected to grow at a CAGR of 18.6% to 8.3bn (see Figure #4). RGB's track record shows that they are beneficiary from this secular tailwind as transaction value processed by the company increased significantly from RM300.4m in 2015 to RM1.12bn in 2018, representing CAGR of 55.1%.

Figure #3 BNM's reform measures



BNM

Figure #4 Electronic payment transactions volume



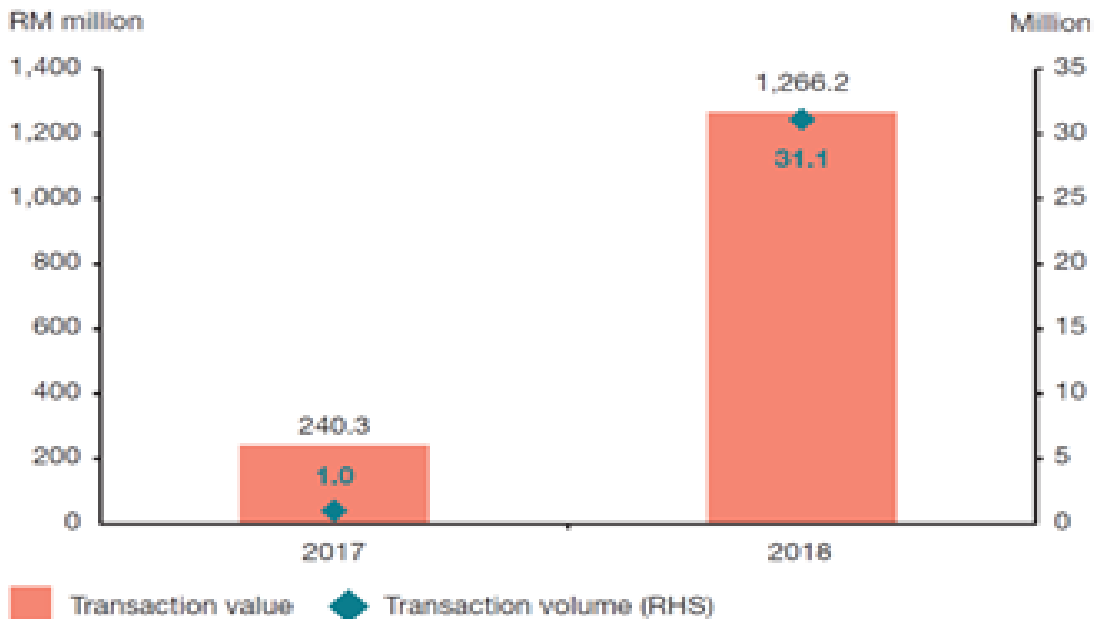
BNM, Protégé Associates

Riding on the e-wallet trend

Given the high mobile phone penetration rate in Malaysia, mobile payments are expected to play a significant role going forward. The number of mobile banking accounts had increased to 6.6m subscribers in 2018 (2017: 4.4m). There has been a surge of interest to provide mobile payment services in Malaysia in recent years. The number of non-bank e-money issuers offering mobile payment solutions increased significantly to 35 in 2018 (2017: 20). As a results, non-banks mobile transactions increased significantly to 31.1m transactions (from 1.0m transaction in 2017) valued at RM1.3bn (2017: RM240.3m) (see Figure #5).

Going forward, we expect continued positive growth in the e-wallet space due to intensified merchant acquisition and more aggressive marketing initiatives to attract new users. RGB is major beneficiary under this positive trend from two aspects, namely growth of terminal sales and increase in electronic transaction volume. RGB’s newly launched digital payment terminals can handle mobile quick response (QR) code payment services, including Alipay, Boost, Touch ‘n Go, UnionPay QR and WeChat Pay, as well as card payments such as Visa, MasterCard, MyDebit, JCB and UnionPay, making payment management simpler and more efficient for physical retail merchants. The company is also going to benefit from the growing volume of mobile payment transactions processed via revPay.

Figure #5 Non-bank mobile payment transaction value and volume

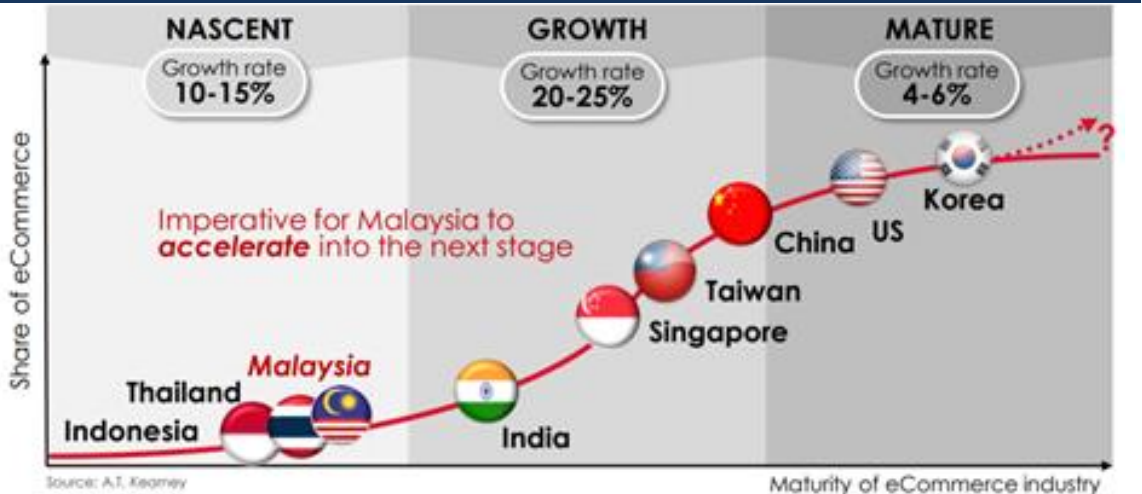


BNM, HLIB Research

Beneficiary of China cross-border e-commerce trend

RGB has been appointed by a sizable China based company (dubbed “Company A”) to be the acquirer in Malaysia to process outbound payments via internet banking for purchases made by Malaysian consumers on the PRC online marketplace affiliated to Company A. RGB process the payment transactions for 9 local banks through its revPAY platform and fees are calculated based on a pre-determined commission which is charged on the processed transactional value. Processed transaction value of PRC online marketplace affiliated to Company A increased to c.RM480m in 2018 (from RM68m in 2015), representing a 3 year CAGR of 55%, signifying that the e-commerce trend is growing strongly and we expect this trend to continue as e-commerce in Malaysia is still at infancy stage.

Figure #6 Typical evolution of e-commerce



A. T. Kearney

Synergistic developments

RGB has received the approval letter from the Ministry of Urban Wellbeing, Housing and Local Government confirming that it had fulfilled the conditions for a money lending license to operate as money lender under the Moneylenders Act 1951 [Act 400]. The approval allows RGB to undertake any business of those relating to the money lending activities. Leveraging on its huge historical transaction data, RGB is able to apply analytics to evaluate merchants' credit worthiness and risk profiles. Based on the scoring outcome, RGB can extend micro-financing to merchants for a modest return while improve their stickiness. RGB may pilot this new service in 1HFY20.

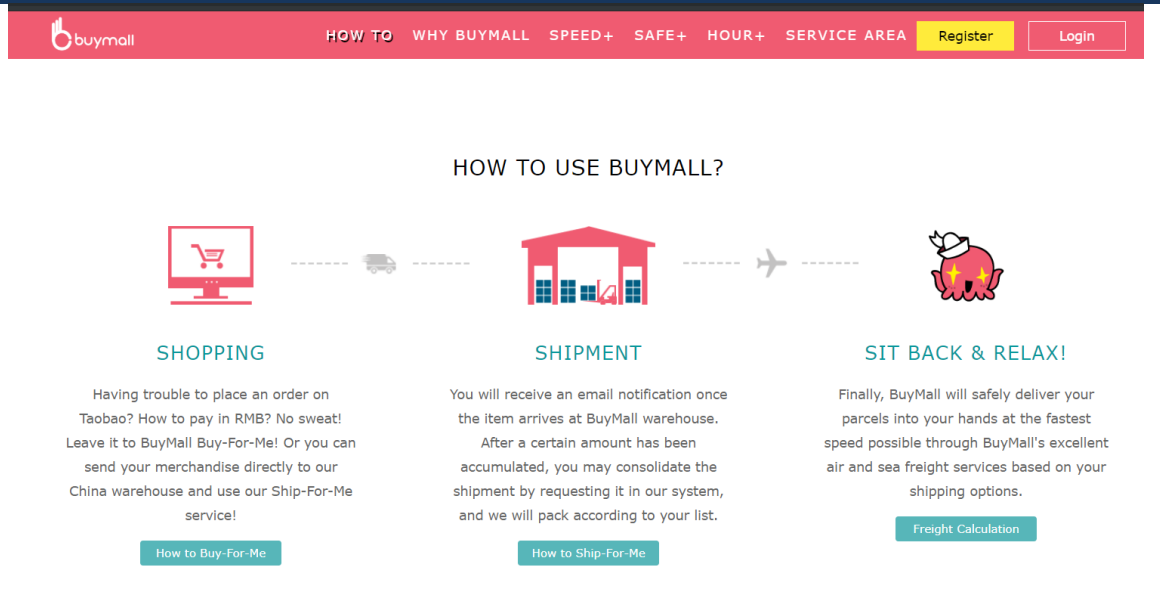
RGB has also completed 2 acquisitions recently, they are:

- (1) 51% equity interest in Buymall for a purchase consideration of RM3.3m; and
- (2) 70% equity interest in Anypay for a purchase consideration of RM4.9m.

Both deals were satisfied by the issuance of total 6.6m new ordinary shares of RGB at an issue price of RM1.251 each.

Buymall is principally an online marketplace (www.buymall.com.my) and provides procurement services of consumer goods from oversea e-commerce websites, as well as the provision of cross border logistics and last mile delivery to the Malaysian public (see Figure #7). Currently, Buymall covers e-commerce websites in China and Taiwan, including Taobao, Tmall, JD, PChome, Momomall and more. For FYE Sep 2018, Buymall recorded a PAT of RM249k and net asset of RM 264k. Along with this deal, the vendor has guaranteed of minimum PAT of RM300k and RM500k for FY19 and FY20, respectively, with a combined PAT of not less than RM800k for FY19 and FY20.

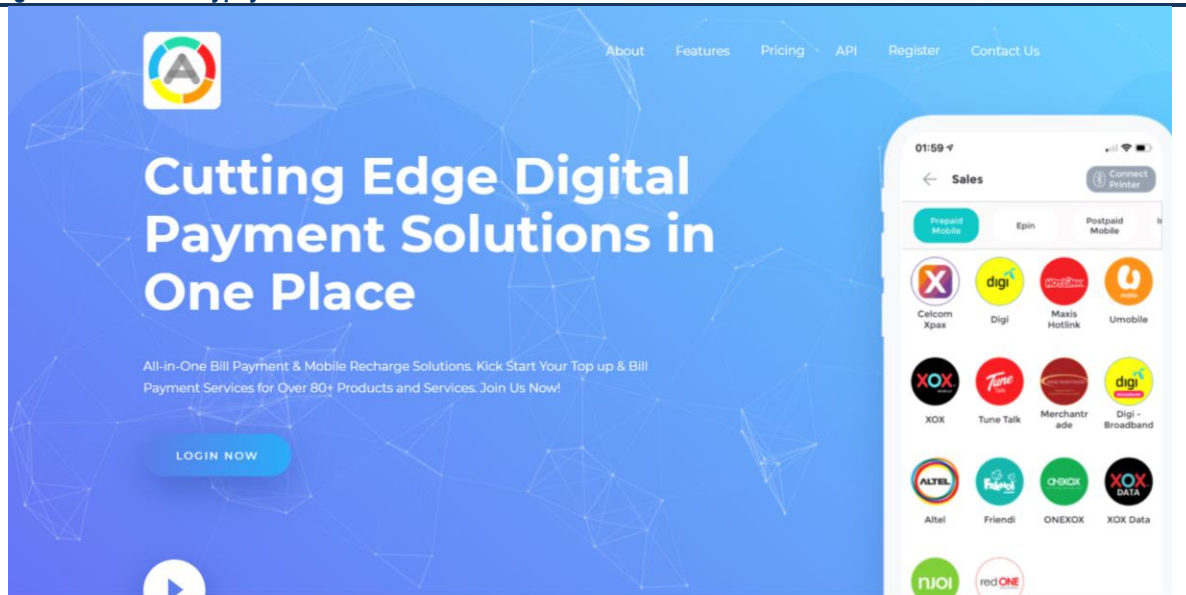
Figure #7 Buymall e-commerce website



Buymall

Anypay is principally involved in e-commerce, software and mobile application development on digital payment such as mobile top up, phone bill payment, utilities, game credits, entertainment and ticketing services (see Figure #8). Anypay recorded a PAT of RM488k and net asset of RM696k in FYE Aug 2018. The vendors have guaranteed of minimum PAT of RM500k and RM750k for FY19 and FY20, respectively, with a combined PAT of not less than RM1.25m for FY19 and FY20.

Figure #8 Anypay e-commerce website



Anypay

These two new businesses are complementary to its existing core business and provide value added services to customers as e-payment play a paramount important role in facilitating any e-commerce transactions providing seamless, safe and reliable experiences. With Buymall, we think that RGB can further integrate with Customer A to provide unmatched offerings beyond payments, such as shorter delivery time, last-mile delivery and more. Meanwhile, RGB can extend Anypay's services on all its EDC as a new channel. This move is perceived to be a win-win scenario for all players in its e-payment supply chain as the additional income from processing these services (mobile reload, utilities payment, etc) can be shared by all.

Financials

From FY15-18, RGB's core PATAMI expanded from RM2.1m to RM6.8m, representing CAGR of 47.3%. This was driven by increased in terminal deployed and electronic transaction volume processed via revPAY. Going forward we expect this positive trend to continue due to greater adoption of electronic payment and hence we expect core PATAMI to grow at a CAGR of 28.0% in FY19-21. The decrease in expected profit growth rate is mainly due to higher earnings base and increase in expenditure incurred to recruit additional IT personnel to support product development and business expansion. We are not overly concern with the increase in those expenses as it strengthens RGB's position in domestic e-payment industry.

Valuation & Recommendation

RGB currently trades at FY19-21 P/E of 32.1x, 24.6x and 19.4x. GHL Systems (GHL) is the closest profitable peer in domestic e-payment industry given that the other peer Managepay Systems Berhad is currently loss-making. GHL is trading at forward PE of 27.1x. Given that most of the e-payment players are listed in overseas exchanges, we expand our peer comparison list to include overseas players in order to provide a more objective valuation (see Figure #10). Hence, we opine that RGB is justified for a SOP fair value of **RM1.67** per share (see Figure #9), implying an upside potential of 36%. We initiate coverage on RGB with a **BUY** rating.

The company is expected to meet requirement to transfer listing to the Main Board next year. This would garner more institutional interest and stimulate liquidity, which serves as a catalyst to the stock.

Figure #9 SOP value

Sum of Parts	RM m	PE (x) / WACC	Value to RGB	FD Per Share
FY20 earnings	14	32	432	1.25
Firm value			432	1.25
Cash proceeds from Warrants			139	0.40
Net cash			7	0.02
Target price			579	1.67

HLIB Research

Figure #10 Peers comparison

Company	FYE	Price (Local)	Market Cap (USD m)	P/E (x)		P/B (x)		Gross DY (%) 2019
				2019	2020	2019	2020	
Malaysia								
Revenue	Jun	1.23	68.2	31.9	24.4	8.9	6.5	0.00
GHL	Dec	1.58	279.0	26.8	20.0	2.5	2.2	0.32
Europe								
Adyen	Dec	715.20	23,613.0	112.0	79.8	27.6	20.5	0.00
Wirecard	Dec	158.75	21,883.1	37.2	28.0	8.1	6.3	0.17
US								
Visa	Sep	164.24	327,834.0	30.6	26.4	10.1	9.4	0.61
Mastercard	Dec	256.90	262,402.8	33.7	28.6	32.2	21.3	0.48
PayPal	Dec	112.47	132,144.7	37.8	32.1	8.2	7.3	0.00
Worldpay	Dec	122.38	38,086.9	26.1	22.3	3.5	3.2	0.00
Square Inc	Dec	66.46	28,110.4	88.1	59.1	21.2	16.7	0.00
Global Payments	Dec	150.62	23,674.8	24.9	21.4	5.3	4.5	0.02
Euronet Worldwide	Dec	158.39	8,230.6	22.7	19.5	6.2	N/A	0.00
Fiserv	Dec	89.60	35,162.6	26.1	22.9	4.2	3.4	0.00
Avg excl. Revenue				42.4	32.7	11.7	9.5	0.15
<i>Bloomberg</i>								

Disclaimer

The information contained in this report is based on data obtained from sources believed to be reliable. However, the data and/or sources have not been independently verified and as such, no representation, express or implied, are made as to the accuracy, adequacy, completeness or reliability of the info or opinions in the report.

Accordingly, neither Hong Leong Investment Bank Berhad nor any of its related companies and associates nor person connected to it accept any liability whatsoever for any direct, indirect or consequential losses (including loss of profits) or damages that may arise from the use or reliance on the info or opinions in this publication.

Any information, opinions or recommendations contained herein are subject to change at any time without prior notice. Hong Leong Investment Bank Berhad has no obligation to update its opinion or the information in this report.

Investors are advised to make their own independent evaluation of the info contained in this report and seek independent financial, legal or other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise represents a personal recommendation to you.

Under no circumstances should this report be considered as an offer to sell or a solicitation of any offer to buy any securities referred to herein.

Hong Leong Investment Bank Berhad and its related companies, their associates, directors, connected parties and/or employees may, from time to time, own, have positions or be materially interested in any securities mentioned herein or any securities related thereto, and may further act as market maker or have assumed underwriting commitment or deal with such securities and provide advisory, investment or other services for or do business with any companies or entities mentioned in this report. In reviewing the report, investors should be aware that any or all of the foregoing among other things, may give rise to real or potential conflict of interests.

This research report is being supplied to you on a strictly confidential basis solely for your information and is made strictly on the basis that it will remain confidential. All materials presented in this report, unless specifically indicated otherwise, are under copyright to Hong Leong Investment Bank Berhad. This research report and its contents may not be reproduced, stored in a retrieval system, redistributed, transmitted or passed on, directly or indirectly, to any person or published in whole or in part, or altered in any way, for any purpose.

This report may provide the addresses of, or contain hyperlinks to websites. Hong Leong Investment Bank Berhad takes no responsibility for the content contained therein. Such addresses or hyperlinks (including addresses or hyperlinks to Hong Leong Investment Bank Berhad own website material) are provided solely for your 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 Hong Leong Investment Bank Berhad website shall be at your own risk.

1. As of 23 May 2019, Hong Leong Investment Bank Berhad has proprietary interest in the following securities covered in this report:

(a) -.

2. As of 23 May 2019, the analyst(s) whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:

(a) -.

Published & printed by:

Hong Leong Investment Bank Berhad (10209-W)

Level 28, Menara Hong Leong,

No. 6, Jalan Damansara,

Bukit Damansara,

50490 Kuala Lumpur

Tel: (603) 2083 1800

Fax: (603) 2083 1766

Stock rating guidelines

BUY	Expected absolute return of +10% or more over the next 12 months.
HOLD	Expected absolute return of -10% to +10% over the next 12 months.
SELL	Expected absolute return of -10% or less over the next 12 months.
UNDER REVIEW	Rating on the stock is temporarily under review which may or may not result to a change from the previous rating.
NOT RATED	Stock is not or no longer within regular coverage.

Sector rating guidelines

OVERWEIGHT	Sector expected to outperform the market over the next 12 months.
NEUTRAL	Sector expected to perform in-line with the market over the next 12 months.
UNDERWEIGHT	Sector expected to underperform the market over the next 12 months.

The stock rating guidelines as stipulated above serves as a guiding principle to stock ratings. However, apart from the abovementioned quantitative definitions, other qualitative measures and situational aspects will also be considered when arriving at the final stock rating. Stock rating may also be affected by the market capitalisation of the individual stock under review.