

Malaysia Gloves Sector

NEUTRAL

[Downgrade]

Entering a phase of declining ASP trend

Upcycle seems to have been cut short

The glove sector is entering a phase of declining ASP (and hence profit) trend on increased supply and rising vaccination rates. Competition is intensifying among both existing and new entrants. ESG risk adds further pressure on glove companies' earnings and valuation outlook. We are switching our valuation method from DCF to PER multiple, and downgrading the sector to Neutral. Hartalega is our preferred pick.

Analyst

Wong Wei Sum, CFA
(603) 2297 8679
weisum@maybank-ib.com

1H21 review

Despite the record profit in 1HFY21, share prices of glove players declined by -18% to -30% YTD in anticipation of the normalization of ASP (and hence, lower profit) on softening demand urgency due to expanding supply and higher vaccination rates, especially in the US and European countries which are the key markets for Malaysian gloves companies. Elsewhere, ESG risks (relating to the treatment of foreign workers) are heightened for Malaysian glove players in their export markets, particularly in the USA. In early May 2021, the US Customs and Border Protection (CBP) has seized latex gloves worth MYR2.85m (4.7m gloves) produced by Top Glove in the Port of Kansas City in Missouri due to information that the gloves were allegedly made by forced labour.

The best is over

ASP has peaked in 1H21 and earnings upcycle seems to have been cut short with faster-than-expected decline in ASP in 2H21, and shorter lead time due to moderated demand for gloves on rising vaccination rates. The US CBP's withhold release order (WRO) on Top Glove has also accelerated the decline in ASP as Top Glove is diverting orders away to other regions with lower ASPs. In recent con-calls with analysts, both Hartalega and Top Glove have guided for lower ASPs in the coming months. Intensifying competition among the existing and new players (especially the rapidly-expanding China glove producers) could further pressure ASP. According to a *Frost & Sullivan* report, ASPs for nitrile/latex gloves are expected to decline by -59%/-52% to USD35/20.4 per 1,000 gloves by 2023, from current USD85/42.7 per 1,000 gloves, respectively.

Downgrade to Neutral

The glove sector has been de-rated on concerns of declining ASP trend and lack of strong catalysts over the medium term. We are changing our valuation method from DCF to PER multiple. We downgrade Kossan to HOLD while maintaining our BUY on Hartalega and HOLD on Top Glove. Our preferred exposure to the sector is Hartalega.

Stock	Bloomberg code	Mkt cap (USD'm)	Rating	Price (LC)	TP (LC)	Upside (%)	P/E (x)		P/B (x)		Div yld (%)	
							21E	22E	21E	22E	21E	22E
Top Glove	TOPG MK	8,031	Hold	4.07	3.98	1	3.3	6.1	2.4	2.1	19.7	8.2
Hartalega	HART MK	5,884	Buy	7.14	9.80	41	10.3	5.1	6.1	3.5	5.6	11.3
Kossan Rubber	KRI MK	1,962	Hold	3.19	3.20	2	2.3	4.8	1.7	1.4	15.2	7.3

Change in valuation method

We lower our FY22/23/24 earnings forecasts for Hartalega by -21%/-19%/-6% after assuming lower blended ASPs for FY22/23/24 of USD65/44/29 per 1,000 gloves, while maintaining our earnings forecasts for Kossan and Top Glove as we have already assumed lower ASPs during last results season.

Changes in ASP assumptions and Hartalega's earnings forecasts

Hartalega	Old			New		
	FY22	FY23	FY24	FY22	FY23	FY24
Blended ASP (USD/1,000 gloves)	76	49	29	65	44	29
Net profit (MYRm)	6,028.3	3,497.3	1,148.7	4,786.4	2,840.3	1,080.8

Source: Maybank KE

We are now switching our valuation method for the sector from DCF to PER multiple. We prefer PER over DCF method in view of the oversupply risk post-2022, which could lead to fluctuations in ASP and changes in capacity expansion plans, hence resulting in significant volatility with regards the assumptions we use for the DCF method.

Our valuation is based on -0.5SD of the respective glove counter's historical 1-year forward PER mean between 2014-2018 (pre-Covid-19). We downgrade Kossan to HOLD with a new TP of MYR3.20 or 20x CY23 PER, while maintaining HOLD on Top Glove with new TP of MYR3.98 or 16x CY23 PER, and BUY on Hartalega at MYR9.80 or 22x CY23 PER.

Our preferred sector pick for the glove sector is Hartalega. With strong focus on technology/innovation and ESG factors, as well as good rapport with its long-term customers, Hartalega should weather the headwinds well.

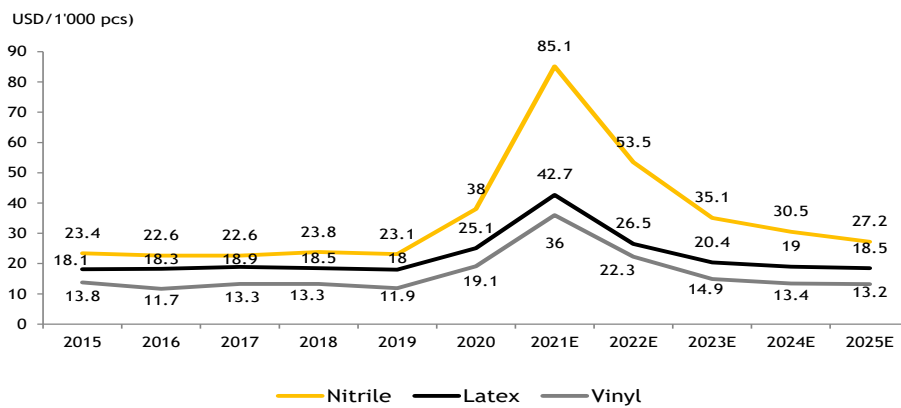
Gloves: Change in valuation method from DCF to PER method

Companies	DCF		Pre Covid-19 PER (x)*			New TP (MYR/Sh)	Stock rating
	Old TP (MYR/sh)	Stock rating	-0.5SD	Mean	+0.5SD		
Top Glove	4.51	HOLD	15.8	18.9	22.1	3.98	HOLD
Hartalega	13.10	BUY	22.1	28.7	35.2	9.80	BUY
Kossan*	5.25	BUY	20.0	22.2	24.5	3.20	HOLD

*between 2014-2018

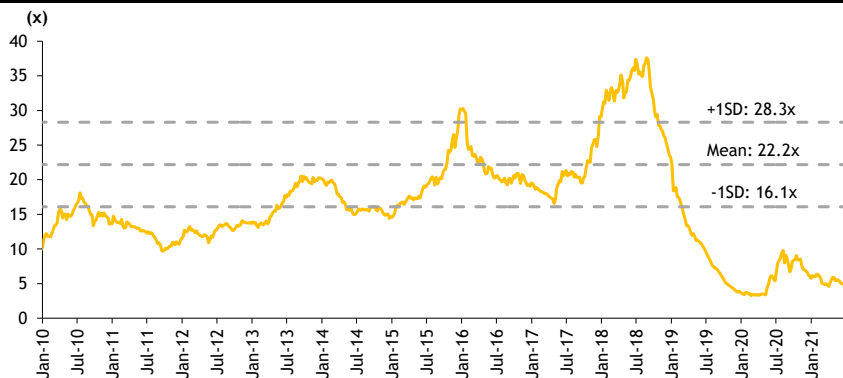
Source: Maybank KE

Forecasted ASP trend



Source: Frost & Sullivan Report

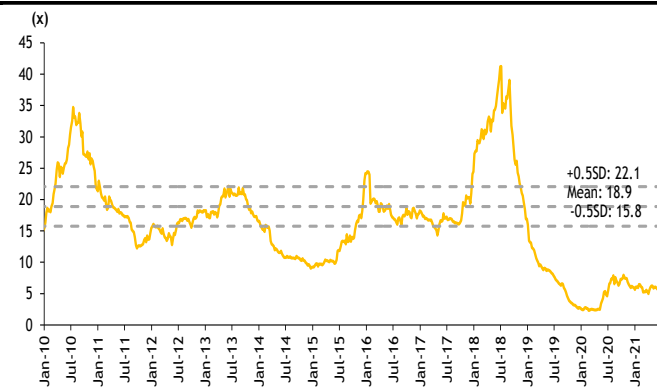
Glove sector's historical 1-year forward PER mean (2014-2018)*



*Top Glove, Hartalega, Kossan and Supermax

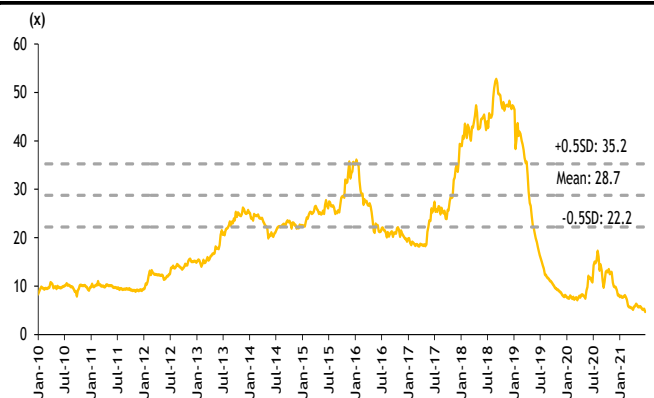
Source: Bloomberg, companies, Maybank Kim Eng (chart)

Top Glove: Historical 1-year forward PER mean (2014-2018; pre-Covid-19)



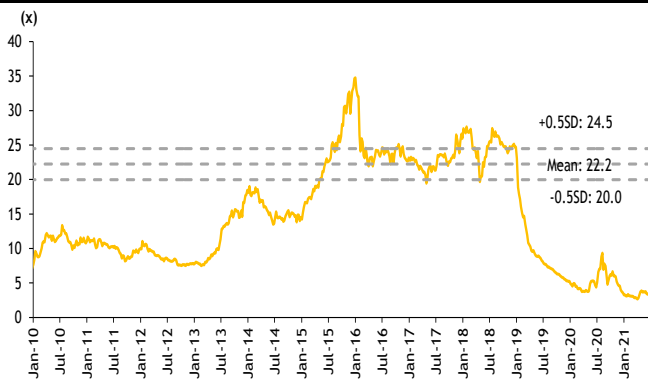
Source: Bloomberg, Company, Maybank Kim Eng (chart)

Hartalega: Historical 1-year forward PER mean (2014-2018; pre-Covid-19)



Source: Bloomberg, Company, Maybank Kim Eng (chart)

Kossan: Historical 1-year forward PER mean (2014-2018; pre-Covid-19)



Source: Bloomberg, Company, Maybank Kim Eng (chart)

Key risks

(i) Rising competition may hit profitability. It is forecasted that there will be a surplus in production capacity exceeding demand by 18% in 2023, followed by a 49% surplus in production capacity by 2024, according to *Vital Factor* analysis. Oversupply would lead to the decline in ASP and could potentially adversely affect glove players' profitability; (ii) fluctuation in raw material prices, (iii) disruptions on operation activities due to Covid-19, (iv) shortage of foreign workers and (v) ESG risks.

Hartalega (HART MK)

ASP to trend lower in coming months

Earnings may peak in 1QFY22; maintain BUY

We think Hartalega's earnings may peak in 1QFY22 and weaken from 2QFY22 onwards due to softening in ASP on increased supply and rising vaccination rates. Already, management has guided for a 24% QoQ decline in 2QFY22 ASP. We lower our earnings forecasts by -6% to -21% on lower ASP assumptions. We now value Hartalega at MYR9.80 on 22x CY23 PER (-0.5SD of historical mean), from a MYR13.10 DCF-based TP previously. Reiterate BUY.

Earnings may peak in 1QFY22

Hartalega's earnings could peak in 1QFY22 on higher ASPs and improved utilisation rate of 90% post the resumption of affected production lines (on Covid-19) since Mar 2021. However, earnings are seen to decline from 2QFY22 onwards as we expect sector's ASP to trend lower due to moderating demand on rising vaccination rates in the major glove markets (namely the US and European countries). Also, utilisation rate is lower at around 70% due to the imposition of National Recovery Plan phase 1.

Earnings adjustments

We lower our FY22/23/24 earnings forecasts for Hartalega by -21%/-19%/-6% after assuming lower blended ASPs for FY22/23/24 of USD65/44/29/per 1,000 gloves, from USD76/49/29 per 1,000 gloves.

Reiterate BUY with new TP

We are switching our valuation method from DCF to PER multiple. We prefer PER over DCF method in view of the oversupply risk post-2022, which could lead to fluctuations in ASP and changes in capacity expansion plans, hence resulting in significant volatility with regards the assumptions we use in our DCF methodology. We maintain BUY on Hartalega with a new TP of MYR9.80 or 22x CY23 PER (-0.5SD of historical mean).

FYE Mar (MYR m)	FY20A	FY21A	FY22E	FY23E	FY24E
Revenue	2,924	6,696	10,698	8,357	5,960
EBITDA	724	4,065	6,477	3,868	1,588
Core net profit	435	2,975	4,786	2,840	1,081
Core FDEPS (sen)	12.9	86.6	139.4	82.7	31.5
Core FDEPS growth(%)	(5.5)	569.9	60.9	(40.7)	(61.9)
Net DPS (sen)	7.5	50.2	80.8	48.0	18.2
Core FD P/E (x)	53.2	10.3	5.1	8.6	22.7
P/BV (x)	9.1	6.1	3.5	3.0	2.8
Net dividend yield (%)	1.1	5.6	11.3	6.7	2.6
ROAE (%)	18.1	76.8	79.9	37.4	12.8
ROAA (%)	13.8	58.6	60.2	29.8	10.7
EV/EBITDA (x)	31.7	6.9	3.3	5.2	12.3
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Consensus net profit	-	-	4,411	1,772	1,256
MKE vs. Consensus (%)	-	-	8.5	60.3	(14.0)

Wong Wei Sum, CFA
 weisum@maybank-ib.com
 (603) 2297 8679

BUY

Share Price	MYR 7.14
12m Price Target	MYR 9.80 (+41%)
Previous Price Target	MYR 13.10

Company Description

Hartalega is the world's largest nitrile medical gloves producer.

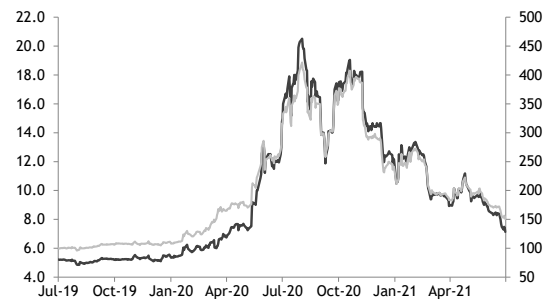
Statistics

52w high/low (MYR)	20.50/7.14
3m avg turnover (USDm)	16.4
Free float (%)	44.6
Issued shares (m)	3,428
Market capitalisation	MYR24.5B
	USD5.9B

Major shareholders:

Hartalega Industries Sdn. Bhd.	34.3%
Employees Provident Fund	7.9%
BNP Paribas Wealth Management	2.9%

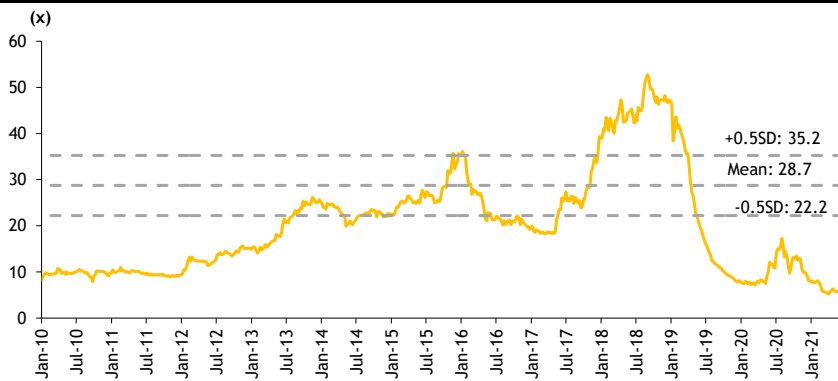
Price Performance



	-1M	-3M	-12M
Absolute (%)	(20)	(21)	(52)
Relative to index (%)	(17)	(18)	(52)

Source: FactSet

Hartalega: Historical 1-year forward PER mean (2014-2018)



Source: Bloomberg, company, Maybank Kim Eng (chart)

Key risks

(i) Rising competition may hit profitability. It is forecasted that there will be a surplus in production capacity exceeding demand by 18% in 2023, followed by a 49% surplus in production capacity by 2024, according to *Vital Factor* analysis. Oversupply would lead to the decline in ASP and could potentially adversely affect Hartalega's profitability; (ii) fluctuation in raw material prices, (iii) disruptions on operation activities due to Covid-19, (iv) shortage of foreign workers and (v) ESG risks.

FYE 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
Key Metrics					
P/E (reported) (x)	41.4	15.7	5.1	8.6	22.6
Core P/E (x)	52.9	10.3	5.1	8.6	22.6
Core FD P/E (x)	53.2	10.3	5.1	8.6	22.7
P/BV (x)	9.1	6.1	3.5	3.0	2.8
P/NTA (x)	9.2	6.2	3.5	3.0	2.8
Net dividend yield (%)	1.1	5.6	11.3	6.7	2.6
FCF yield (%)	2.8	10.1	15.1	11.3	4.2
EV/EBITDA (x)	31.7	6.9	3.3	5.2	12.3
EV/EBIT (x)	38.4	7.2	3.4	5.5	14.3

INCOME STATEMENT (MYR m)

Revenue	2,924.3	6,695.9	10,698.5	8,356.7	5,959.9
EBITDA	724.2	4,064.5	6,476.8	3,868.2	1,588.5
Depreciation	(125.1)	(137.4)	(164.9)	(192.4)	(219.9)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	599.1	3,927.1	6,311.9	3,675.7	1,368.5
Net interest income / (exp)	(7.6)	(0.9)	24.6	35.7	43.7
Associates & JV	0.0	0.0	0.0	0.0	0.0
Exceptionals	0.0	(90.0)	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	556.3	3,813.4	6,336.5	3,711.4	1,412.2
Income tax	(120.4)	(909.8)	(1,520.8)	(853.6)	(324.8)
Minorities	(1.1)	(18.2)	(29.4)	(17.4)	(6.6)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	434.8	2,885.4	4,786.4	2,840.3	1,080.8
Core net profit	434.8	2,975.4	4,786.4	2,840.3	1,080.8

BALANCE SHEET (MYR m)

Cash & Short Term Investments	305.0	2,668.7	3,505.7	4,670.0	5,113.9
Accounts receivable	503.1	1,065.5	1,702.5	1,329.8	948.4
Inventory	276.1	646.7	1,033.3	807.2	575.7
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	2,002.1	2,156.4	2,541.5	2,899.0	3,229.1
Intangible assets	28.8	32.6	32.6	32.6	32.6
Investment in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other assets	202.5	262.1	262.1	262.1	262.1
Total assets	3,317.6	6,832.1	9,077.7	10,000.7	10,161.7
ST interest bearing debt	85.4	105.0	105.0	105.0	105.0
Accounts payable	276.0	1,059.3	1,351.1	1,055.4	752.7
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	188.6	241.7	141.7	141.7	141.7
Other liabilities	223.0	427.0	427.0	427.0	427.0
Total Liabilities	773.0	1,833.0	2,024.8	1,729.1	1,426.4
Shareholders Equity	2,541.0	4,974.8	6,999.2	8,200.6	8,657.7
Minority Interest	3.6	24.2	53.6	71.0	77.6
Total shareholder equity	2,544.6	4,999.0	7,052.8	8,271.6	8,735.3
Total liabilities and equity	3,317.6	6,832.1	9,077.7	10,000.7	10,161.7

CASH FLOW (MYR m)

Pretax profit	556.3	3,813.4	6,336.5	3,711.4	1,412.2
Depreciation & amortisation	125.1	137.4	164.9	192.4	219.9
Adj net interest (income)/exp	7.6	0.9	(24.6)	(35.7)	(43.7)
Change in working capital	(20.3)	(146.6)	(731.8)	303.1	310.2
Cash taxes paid	(72.7)	(730.8)	(1,520.8)	(853.6)	(324.8)
Other operating cash flow	59.7	13.3	0.0	0.0	0.0
Cash flow from operations	655.7	3,087.7	4,224.3	3,317.7	1,573.9
Capex	(3.1)	(2.2)	(550.0)	(550.0)	(550.0)
Free cash flow	652.6	3,085.5	3,674.3	2,767.7	1,023.9
Dividends paid	(249.0)	(604.2)	(2,762.0)	(1,639.0)	(623.6)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	(78.1)	80.9	(100.0)	0.0	0.0
Other invest/financing cash flow	(170.9)	(204.6)	24.6	35.7	43.7
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	154.6	2,357.6	837.0	1,164.3	443.9

FYE 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
Key Ratios					
Growth ratios (%)					
Revenue growth	3.4	129.0	59.8	(21.9)	(28.7)
EBITDA growth	7.6	461.2	59.4	(40.3)	(58.9)
EBIT growth	5.2	555.5	60.7	(41.8)	(62.8)
Pretax growth	1.0	585.6	66.2	(41.4)	(61.9)
Reported net profit growth	(4.5)	563.6	65.9	(40.7)	(61.9)
Core net profit growth	(4.5)	584.3	60.9	(40.7)	(61.9)
Profitability ratios (%)					
EBITDA margin	24.8	60.7	60.5	46.3	26.7
EBIT margin	20.5	58.6	59.0	44.0	23.0
Pretax profit margin	19.0	57.0	59.2	44.4	23.7
Payout ratio	57.7	59.5	57.7	57.7	57.7
DuPont analysis					
Net profit margin (%)	14.9	43.1	44.7	34.0	18.1
Revenue/Assets (x)	0.9	1.0	1.2	0.8	0.6
Assets/Equity (x)	1.3	1.4	1.3	1.2	1.2
ROAE (%)	18.1	76.8	79.9	37.4	12.8
ROAA (%)	13.8	58.6	60.2	29.8	10.7
Liquidity & Efficiency					
Cash conversion cycle	60.6	15.3	14.2	41.9	50.7
Days receivable outstanding	59.2	42.2	46.6	65.3	68.8
Days inventory outstanding	45.5	60.2	74.4	76.0	59.0
Days payables outstanding	44.1	87.1	106.7	99.4	77.2
Dividend cover (x)	1.7	1.7	1.7	1.7	1.7
Current ratio (x)	2.7	3.1	3.7	4.9	6.1
Leverage & Expense Analysis					
Asset/Liability (x)	4.3	3.7	4.5	5.8	7.1
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Net gearing (%) (excl. perps)	net cash	net cash	net cash	net cash	net cash
Net interest cover (x)	78.6	nm	na	na	na
Debt/EBITDA (x)	0.4	0.1	0.0	0.1	0.2
Capex/revenue (%)	0.1	0.0	5.1	6.6	9.2
Net debt/ (net cash)	(31.0)	(2,322.0)	(3,259.0)	(4,423.3)	(4,867.2)

Source: Company; Maybank

Kossan Rubber Industries (KRI MK)

Upcycle seems to have been cut short

Change in valuation method; D/G to HOLD

We think Kossan's earnings may peak in 2Q21 on slightly higher ASP but would then begin to fall from 3Q21 as sector's ASPs are entering into a phase of declining trend on increased supply and rising vaccination rates. We maintain our net profit forecasts for now. We now value Kossan at MYR3.20 on 20x CY23 PER (-0.5SD of historical mean), from a MYR5.25, DCF-based TP previously. We downgrade Kossan to HOLD (from BUY). Our preferred pick in the sector is Hartalega.

Earnings may peak in 2Q21

Kossan's earnings could peak in 2Q21 on a slightly higher ASP, closing its ASP gap against the price leaders. However, earnings are seen to decline from 3Q21 onwards as we expect sector's ASP to trend lower. Note that, in recent con-calls with analysts, the price leaders (Hartalega and Top Glove) have guided for lower ASPs in the coming months due to moderating demand on rising vaccination rates in the major glove markets (namely the US and European countries).

ASP to trend lower in coming months

We are maintaining our FY21/22/23 earnings forecasts based on FY21/22/23 blended ASP assumptions of USD71/49/29 per 1,000 gloves. To recap, Kossan reported 1Q21 core net profit of MYR1.09b (+2.2x QoQ, +16.8x YoY; excluding the MYR50m contribution to Covid-19 fund) driven by higher ASP and margin expansion.

Downgrade to HOLD

We are switching our valuation method from DCF to PER multiple. We prefer PER over DCF method in view of the oversupply risk post-2022, which could lead to fluctuations in ASP and changes in capacity expansion plans, hence resulting in significant volatility with regards the assumptions we use in our DCF methodology. We downgrade Kossan to HOLD with a new TP of MYR3.20 or 20x CY23 PER (-0.5SD of historical mean).

FYE Dec (MYR m)	FY19A	FY20A	FY21E	FY22E	FY23E
Revenue	2,217	3,654	9,275	7,135	4,828
EBITDA	383	1,510	4,838	2,394	679
Core net profit	225	1,036	3,580	1,718	410
Core EPS (sen)	8.8	40.5	140.0	67.2	16.0
Core EPS growth (%)	12.5	361.3	245.4	(52.0)	(76.1)
Net DPS (sen)	3.0	14.0	48.4	23.2	5.5
Core P/E (x)	23.7	11.1	2.3	4.8	19.9
P/BV (x)	3.7	4.8	1.7	1.4	1.3
Net dividend yield (%)	1.4	3.1	15.2	7.3	1.7
ROAE (%)	16.4	57.0	100.6	32.5	6.8
ROAA (%)	10.0	35.0	71.2	25.1	5.7
EV/EBITDA (x)	15.0	7.3	1.4	2.3	7.1
Net gearing (%) (incl perps)	27.7	net cash	net cash	net cash	net cash
Consensus net profit	-	-	3,371	1,280	570
MKE vs. Consensus (%)	-	-	6.2	34.2	(28.1)

Wong Wei Sum, CFA
 weisum@maybank-ib.com
 (603) 2297 8679

HOLD

[Prior:BUY]

Share Price MYR 3.19
 12m Price Target MYR 3.20 (+2%)
 Previous Price Target MYR 5.25

Company Description

Kossan is among the world's biggest glove producers with production highly concentrated in the nitrile segment.

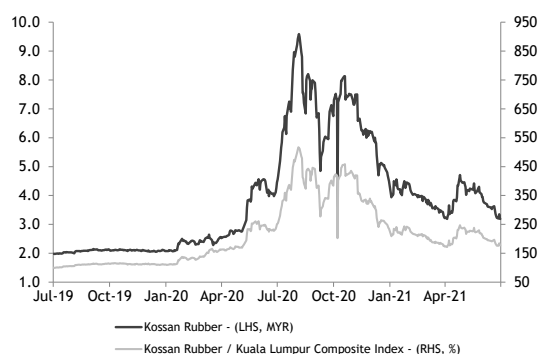
Statistics

52w high/low (MYR) 9.59/3.19
 3m avg turnover (USDm) 8.8
 Free float (%) 42.5
 Issued shares (m) 2,558
 Market capitalisation MYR8.2B
 USD2.0B

Major shareholders:

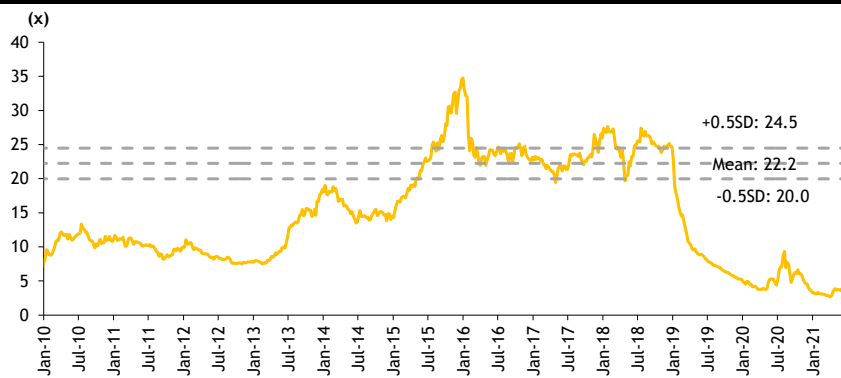
Kossan Holdings Malaysia Sdn. Bhd. 47.0%
 Employees Provident Fund 8.8%
 Public Mutual Bhd. 3.0%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(19)	(1)	(28)
Relative to index (%)	(16)	2	(29)

Source: FactSet

Kossan: Historical 1-year forward PER mean (2014-2018)

Source: Bloomberg, Company, Maybank Kim Eng (chart)

Key risks

(i) Rising competition may hit profitability. It is forecasted that there will be a surplus in production capacity exceeding demand by 18% in 2023, followed by a 49% surplus in production capacity by 2024, according to *Vital Factor* analysis. Oversupply would lead to the decline in ASP and could potentially adversely affect Kossan's profitability; (ii) fluctuation in raw material prices, (iii) disruptions on operation activities due to Covid-19, (iv) shortage of foreign workers and (v) ESG risks.

FYE 31 Dec	FY19A	FY20A	FY21E	FY22E	FY23E
Key Metrics					
P/E (reported) (x)	22.6	11.4	2.3	4.8	19.9
Core P/E (x)	23.7	11.1	2.3	4.8	19.9
P/BV (x)	3.7	4.8	1.7	1.4	1.3
P/NTA (x)	3.7	4.8	1.7	1.4	1.3
Net dividend yield (%)	1.4	3.1	15.2	7.3	1.7
FCF yield (%)	1.6	8.1	26.2	23.2	9.2
EV/EBITDA (x)	15.0	7.3	1.4	2.3	7.1
EV/EBIT (x)	20.0	7.9	1.4	2.4	9.4
INCOME STATEMENT (MYR m)					
Revenue	2,217.2	3,653.5	9,275.4	7,134.8	4,827.8
EBITDA	383.4	1,510.5	4,837.6	2,394.5	679.0
Depreciation	(95.7)	(110.1)	(126.8)	(150.1)	(170.1)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	287.7	1,400.3	4,710.9	2,244.3	508.9
Net interest income / (exp)	(11.3)	(6.5)	6.7	23.1	37.7
Associates & JV	0.0	0.0	0.0	0.0	0.0
Exceptionals	0.0	50.7	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	276.4	1,444.6	4,717.6	2,267.4	546.6
Income tax	(48.5)	(352.0)	(1,132.2)	(544.2)	(131.2)
Minorities	(3.2)	(5.5)	(5.5)	(5.5)	(5.5)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	224.7	1,087.1	3,579.8	1,717.7	409.9
Core net profit	224.7	1,036.3	3,579.8	1,717.7	409.9
BALANCE SHEET (MYR m)					
Cash & Short Term Investments	162.9	1,089.2	1,899.4	3,122.1	3,671.6
Accounts receivable	432.9	629.6	1,778.8	1,368.3	925.9
Inventory	324.5	444.0	1,270.6	977.4	661.3
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	1,398.0	1,268.3	1,391.5	1,591.4	1,721.3
Intangible assets	4.9	4.9	4.9	4.9	4.9
Investment in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other assets	22.1	138.5	138.5	138.5	138.5
Total assets	2,345.4	3,574.6	6,483.8	7,202.7	7,123.6
ST interest bearing debt	392.9	447.8	347.8	247.8	147.8
Accounts payable	249.1	431.8	1,092.7	781.9	529.1
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	172.3	107.0	107.0	107.0	107.0
Other liabilities	77.0	174.0	174.0	174.0	174.0
Total Liabilities	891.3	1,160.2	1,721.1	1,310.3	957.4
Shareholders Equity	1,427.1	2,385.6	4,728.5	5,852.6	6,120.9
Minority Interest	27.0	28.7	34.3	39.8	45.3
Total shareholder equity	1,454.1	2,414.4	4,762.7	5,892.4	6,166.2
Total liabilities and equity	2,345.4	3,574.6	6,483.8	7,202.7	7,123.6
CASH FLOW (MYR m)					
Pretax profit	276.4	1,444.6	4,717.6	2,267.4	546.6
Depreciation & amortisation	95.7	110.1	126.8	150.1	170.1
Adj net interest (income)/exp	11.3	6.5	(6.7)	(23.1)	(37.7)
Change in working capital	(13.1)	(140.7)	(1,314.9)	392.9	505.6
Cash taxes paid	(62.5)	(352.0)	(1,132.2)	(544.2)	(131.2)
Other operating cash flow	3.3	32.2	0.0	0.0	0.0
Cash flow from operations	311.1	1,100.7	2,390.5	2,243.2	1,053.5
Capex	(224.8)	(171.5)	(250.0)	(350.0)	(300.0)
Free cash flow	86.3	929.1	2,140.5	1,893.2	753.5
Dividends paid	(115.2)	(115.4)	(1,237.0)	(593.5)	(141.6)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	58.4	(10.5)	(100.0)	(100.0)	(100.0)
Other invest/financing cash flow	(12.9)	137.5	6.7	23.1	37.7
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	16.6	926.9	810.2	1,222.7	549.5

FYE 31 Dec	FY19A	FY20A	FY21E	FY22E	FY23E
Key Ratios					
Growth ratios (%)					
Revenue growth	3.6	64.8	153.9	(23.1)	(32.3)
EBITDA growth	12.4	293.9	220.3	(50.5)	(71.6)
EBIT growth	8.8	386.8	236.4	(52.4)	(77.3)
Pretax growth	10.9	422.7	226.6	(51.9)	(75.9)
Reported net profit growth	12.5	383.9	229.3	(52.0)	(76.1)
Core net profit growth	12.5	361.3	245.4	(52.0)	(76.1)
Profitability ratios (%)					
EBITDA margin	17.3	41.3	52.2	33.6	14.1
EBIT margin	13.0	38.3	50.8	31.5	10.5
Pretax profit margin	12.5	39.5	50.9	31.8	11.3
Payout ratio	34.2	32.9	34.6	34.6	34.6
DuPont analysis					
Net profit margin (%)	10.1	29.8	38.6	24.1	8.5
Revenue/Assets (x)	0.9	1.0	1.4	1.0	0.7
Assets/Equity (x)	1.6	1.5	1.4	1.2	1.2
ROAE (%)	16.4	57.0	100.6	32.5	6.8
ROAA (%)	10.0	35.0	71.2	25.1	5.7
Liquidity & Efficiency					
Cash conversion cycle	82.6	59.3	54.7	93.9	100.1
Days receivable outstanding	70.6	52.3	46.7	79.4	85.5
Days inventory outstanding	58.4	60.6	71.7	87.5	72.8
Days payables outstanding	46.4	53.7	63.7	73.0	58.2
Dividend cover (x)	2.9	3.0	2.9	2.9	2.9
Current ratio (x)	1.5	2.4	3.4	5.1	7.4
Leverage & Expense Analysis					
Asset/Liability (x)	2.6	3.1	3.8	5.5	7.4
Net gearing (%) (incl perps)	27.7	net cash	net cash	net cash	net cash
Net gearing (%) (excl. perps)	27.7	net cash	net cash	net cash	net cash
Net interest cover (x)	25.4	nm	na	na	na
Debt/EBITDA (x)	1.5	0.4	0.1	0.1	0.4
Capex/revenue (%)	10.1	4.7	2.7	4.9	6.2
Net debt/ (net cash)	402.3	(534.4)	(1,444.6)	(2,767.4)	(3,416.9)

Source: Company; Maybank

Research Offices

ECONOMICS

Suhaimi ILIAS
Chief Economist
Malaysia | Philippines | Global
(603) 2297 8682
suhaimi_ilias@maybank-ib.com

CHUA Hak Bin
Regional Thematic Macroeconomist
(65) 6231 5830
chuahb@maybank.com

LEE Ju Ye
Singapore | Thailand | Indonesia
(65) 6231 5844
leejuye@maybank.com

Linda LIU
Singapore | Vietnam |
Cambodia | Myanmar | Laos
(65) 6231 5847
lindaliu@maybank.com

Dr Zamros DZULKAFI
(603) 2082 6818
zamros.d@maybank-ib.com

Ramesh LANKANATHAN
(603) 2297 8685
ramesh@maybank-ib.com

FX

Saktiandi SUPAAT
Head of FX Research
(65) 6320 1379
saktiandi@maybank.com.sg

Christopher WONG
(65) 6320 1347
wongkl@maybank.com.sg

TAN Yanxi
(65) 6320 1378
tanyx@maybank.com.sg

Fiona LIM
(65) 6320 1374
fionalim@maybank.com.sg

STRATEGY

Anand PATHMAKANTHAN
ASEAN
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com

FIXED INCOME

Winson PHOON, ACA
(65) 6340 1079
winsonphoon@maybank.com

SE THO Mun Yi
(603) 2074 7606
munyi.st@maybank-ib.com

REGIONAL EQUITIES

Anand PATHMAKANTHAN
Head of Regional Equity Research
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com

WONG Chew Hann, CA
Head of ASEAN Equity Research
(603) 2297 8686
wchewh@maybank-ib.com

ONG Seng Yeow
Research, Technology & Innovation
(65) 6231 5839
ongsengyeow@maybank.com

MALAYSIA

Anand PATHMAKANTHAN *Head of Research*
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com
• Strategy

WONG Chew Hann
(603) 2297 8686
wchewh@maybank-ib.com
• Non-Bank Financials (stock exchange)
• Construction & Infrastructure

Desmond CH'NG, BFP, FCA
(603) 2297 8680
desmond.chng@maybank-ib.com
• Banking & Finance

LIAW Thong Jung
(603) 2297 8688 tjliaw@maybank-ib.com
• Oil & Gas Services- Regional
• Automotive

ONG Chee Ting, CA
(603) 2297 8678 ct.ong@maybank-ib.com
• Plantations - Regional

YIN Shao Yang, CPA
(603) 2297 8916 samuel.y@maybank-ib.com
• Gaming - Regional
• Media • Aviation • Non-Bank Financials

TAN Chi Wei, CFA
(603) 2297 8690 chiwei.t@maybank-ib.com
• Power • Telcos

WONG Wei Sum, CFA
(603) 2297 8679 weisum@maybank-ib.com
• Property • Glove

Kevin WONG
(603) 2082 6824 kevin.wong@maybank-ib.com
• REITs • Technology

Jade TAM
(603) 2297 8687 jade.tam@maybank-ib.com
• Consumer Staples & Discretionary

Fahmi FARID
(603) 2297 8676 fahmi.farid@maybank-ib.com
• Software

TEE Sze Chiah *Head of Retail Research*
(603) 2082 6858 szechiah.t@maybank-ib.com

Nik Ihsan RAJA ABDULLAH, MSTA, CFTe
(603) 2297 8694
nikmohdihsan.ra@maybank-ib.com
• Chartist

Amirah AZMI
(603) 2082 8769 amirah.azmi@maybank-ib.com
• Retail Research

INDIA

Jigar SHAH *Head of Research*
(91) 22 4223 2632 jigars@maybank.com
• Strategy • Oil & Gas • Automobile • Cement

Neerav DALAL
(91) 22 4223 2606 neerav@maybank.com
• Software Technology • Telcos

Vikram RAMALINGAM
(91) 22 4223 2607
vikram@maybank.com
• Automobile • Media

SINGAPORE

Thilan WICKRAMASINGHE *Head of Research*
(65) 6231 5840 thilanw@maybank.com
• Banking & Finance - Regional
• Consumer

CHUA Su Tye
(65) 6231 5842 chuasutye@maybank.com
• REITs - Regional

LAI Gene Lih, CFA
(65) 6231 5832 laigenelih@maybank.com
• Technology • Healthcare

Kareen CHAN
(65) 6231 5926 kareench@maybank.com
• Transport • Telcos • Consumer

Eric ONG
(65) 6231 5924 ericong@maybank.com
• SMIDs

Matthew SHIM
(65) 6231 5929
matthewshim@maybank.com
• Retail Research

PHILIPPINES

Jacqui de JESUS *Head of Research*
(63) 2 8849 8840
jacqui.dejesus@maybank.com
• Strategy • Conglomerates

Romel LIBO-ON
(63) 2 8849 8844
romel_libo-on@maybank.com
• Property • REITs • Telcos

Rachelleen RODRIGUEZ, CFA
(63) 2 8849 8843
rachelleen.rodriguez@maybank.com
• Banking & Finance • Transport • Telcos

Benedict CLEMENTE
(63) 2 8849 8846
benedict.clemente@maybank.com
• Utilities

Daphne SZE
(63) 2 8849 8847
daphne.sze@maybank.com
• Consumer

VIETNAM

Quan Trong Thanh *Head of Research*
(84 28) 44 555 888 ext 8184
thanh.quan@maybank-kimeng.com.vn
• Banks

Hoang Huy, CFA
(84 28) 44 555 888 ext 8181
hoanghuy@maybank-kimeng.com.vn
• Strategy • Technology

Le Nguyen Nhat Chuyen
(84 28) 44 555 888 ext 8082
chuyen.le@maybank-kimeng.com.vn
• Oil & Gas

Nguyen Thi Sony Tra Mi
(84 28) 44 555 888 ext 8084
mi.nguyen@maybank-kimeng.com.vn
• Consumer

Tyler Manh Dung Nguyen
(84 28) 44 555 888 ext 8085
dung.nguyen@maybank-kimeng.com.vn
• Utilities • Property

Tran Thi Thu Thao
(84 28) 44 555 888 ext 8180
thao.tran@maybank-kimeng.com.vn
• Industrials

Nguyen Thi Ngan Tuyen
Head of Retail Research
(84 28) 44 555 888 ext 8081
tuyen.nguyen@maybank-kimeng.com.vn
• Retail Research

Nguyen Thanh Lam
(84 28) 44 555 888 ext 8086
thanhlam.nguyen@maybank-kimeng.com.vn
• Technical Analysis

INDONESIA

Isnapura ISKANDAR *Head of Research*
(62) 21 8066 8680
isnaputra.iskandar@maybank-ke.co.id
• Strategy • Metals & Mining • Cement
• Autos • Consumer • Utility

Rahmi MARINA
(62) 21 8066 8689
rahmi.marina@maybank-ke.co.id
• Banking & Finance

Willy GOUTAMA
(62) 21 8066 8500
willy.goutama@maybank-ke.co.id
• Consumer

Farah OKTAVIANI
(62) 21 8066 8691
farah.oktaviani@maybank-ke.co.id
• Construction

THAILAND

Maria LAPIZ *Head of Institutional Research*
Dir (66) 2257 0250 | (66) 2658 6300 ext 1399
Maria.L@maybank-ke.co.th
• Strategy • Consumer • Materials • Services

Jesada TECHAHUSIDIN, CFA
(66) 2658 6300 ext 1395
jesada.t@maybank-ke.co.th
• Banking & Finance

Kaushal LADHA, CFA
(66) 2658 6300 ext 1392
Kaushal.l@maybank-ke.co.th
• Oil & Gas - Regional
• Petrochemicals - Regional
• Utilities

Vanida GEISLER, CPA
(66) 2658 6300 ext 1394
Vanida.G@maybank-ke.co.th
• Property • REITs

Yuwanee PROMMAPORN
(66) 2658 6300 ext 1393
Yuwanee.P@maybank-ke.co.th
• Services • Healthcare

Ekachai TARAPORN TIP *Head of Retail Research*
(66) 2658 5000 ext 1530
Ekachai.t@maybank-ke.co.th

Surachai PRAMUALCHAROENKIT
(66) 2658 5000 ext 1470
Surachai.p@maybank-ke.co.th
• Auto • Conmat • Contractor • Steel

Suttatip PEERASUB
(66) 2658 5000 ext 1430
suttatip.p@maybank-ke.co.th
• Food & Beverage • Commerce

Jaroontan WATTANAWONG
(66) 2658 5000 ext 1404
jaroontan.w@maybank-ke.co.th
• Transportation • Small cap

Thanatphat SUKSRICHAVALIT
(66) 2658 5000 ext 1401
thanatphat.s@maybank-ke.co.th
• Media • Electronics

Wijit ARAYAPISIT
(66) 2658 5000 ext 1450
wijit.a@maybank-ke.co.th
• Strategist

Theerasate PROMPONG
(66) 2658 5000 ext 1400
theerasate.p@maybank-ke.co.th
• Equity Portfolio Strategist

Apiwat TAVESIRIVATE
(66) 2658 5000 ext 1310
apiwat.t@maybank-ke.co.th

• Chartist and TFE

APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "MKE") and consequently no representation is made as to the accuracy or completeness of this report by MKE and it should not be relied upon as such. Accordingly, MKE and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. MKE expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

MKE and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of MKE may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of MKE's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of MKE and MKE and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

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 law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Kim Eng Research Pte. Ltd. ("Maybank KERPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact Maybank KERPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), Maybank KERPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Kim Eng Securities (Thailand) Public Company Limited. Maybank Kim Eng Securities (Thailand) Public Company Limited ("MBKET") accepts no liability whatsoever for the actions of third parties in this respect.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research products of MBKET Institutional and Retail Research departments may differ in either recommendation or target price, or both. MBKET reserves the rights to disseminate MBKET Retail Research reports to institutional investors who have requested to receive it. If you are an authorised recipient, you hereby tacitly acknowledge that the research reports from MBKET Retail Research are first produced in Thai and there is a time lag in the release of the translated English version.

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. MBKET does not confirm nor certify the accuracy of such survey result.

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, MBKET does not confirm, verify, or certify the accuracy and completeness of the assessment result.

US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Maybank Kim Eng Securities USA Inc ("Maybank KESUSA"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Maybank KESUSA in the US shall be borne by Maybank KESUSA. This report is not directed at you if MKE is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Maybank KESUSA is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Maybank Kim Eng Securities USA Inc. 400 Park Avenue, 11th Floor, New York, New York 10022, 1-(212) 688-8886 and not with, the issuer of this report.

UK

This document is being distributed by Maybank Kim Eng Securities (London) Ltd (“Maybank KESL”) which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

DISCLOSURES

Legal Entities Disclosures

Malaysia: This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938- H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. **Singapore:** This report is distributed in Singapore by Maybank KERPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Maybank Kim Eng Securities (“PTMKES”) (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). **Thailand:** MBKET (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. **Philippines:** Maybank ATRKES (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Kim Eng Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. **Hong Kong:** KESHK (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** Kim Eng Securities India Private Limited (“KESI”) is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India (“SEBI”) (Reg. No. INZ000010538). KESI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH000000057) **US:** Maybank KESUSA is a member of/ and is authorized and regulated by the FINRA - Broker ID 27861. **UK:** Maybank KESL (Reg No 2377538) is authorized and regulated by the Financial Conduct Authority.

Disclosure of Interest

Malaysia: MKE and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

Singapore: As of 2 July 2021, Maybank KERPL and the covering analyst do not have any interest in any companies recommended in this research report.

Thailand: MBKET may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MBKET, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

Hong Kong: As of 2 July 2021, KESHK and the authoring analyst do not have any interest in any companies recommended in this research report.

India: As of 2 July 2021, and at the end of the month immediately preceding the date of publication of the research report, KESI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report.

In the past twelve months KESI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report on any account what so ever except as otherwise disclosed in the research report.

MKE may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

OTHERS

Analyst Certification of Independence

The views expressed in this research report accurately reflect the analyst’s personal views about any and all of the subject securities or issuers; and no part of the research analyst’s compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of MKE.

Definition of Ratings

Maybank Kim Eng Research uses the following rating system

BUY	Return is expected to be above 10% in the next 12 months (including dividends)
HOLD	Return is expected to be between 0% to 10% in the next 12 months (including dividends)
SELL	Return is expected to be below 0% in the next 12 months (including dividends)

Applicability of Ratings

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

 **Malaysia**

Maybank Investment Bank Berhad
(A Participating Organisation of
Bursa Malaysia Securities Berhad)
33rd Floor, Menara Maybank,
100 Jalan Tun Perak,
50050 Kuala Lumpur
Tel: (603) 2059 1888;
Fax: (603) 2078 4194

Stockbroking Business:
Level 8, Tower C, Dataran Maybank,
No.1, Jalan Maarof
59000 Kuala Lumpur
Tel: (603) 2297 8888
Fax: (603) 2282 5136

 **Singapore**

Maybank Kim Eng Securities Pte Ltd
Maybank Kim Eng Research Pte Ltd
50 North Canal Road
Singapore 059304

Tel: (65) 6336 9090

 **Hong Kong**

Kim Eng Securities (HK) Ltd
28/F, Lee Garden Three,
1 Sunning Road, Causeway Bay,
Hong Kong

Tel: (852) 2268 0800
Fax: (852) 2877 0104

 **London**

Maybank Kim Eng Securities
(London) Ltd
PNB House
77 Queen Victoria Street
London EC4V 4AY, UK

Tel: (44) 20 7332 0221
Fax: (44) 20 7332 0302

 **Indonesia**

PT Maybank Kim Eng Securities
Sentral Senayan III, 22nd Floor
Jl. Asia Afrika No. 8
Gelora Bung Karno, Senayan
Jakarta 10270, Indonesia

Tel: (62) 21 2557 1188
Fax: (62) 21 2557 1189

 **New York**

Maybank Kim Eng Securities USA
Inc
400 Park Avenue, 11th Floor
New York, New York 10022,
U.S.A.

Tel: (212) 688 8886
Fax: (212) 688 3500

 **India**

Kim Eng Securities India Pvt Ltd
1101, 11th floor, A Wing, Kanakia
Wall Street, Chakala, Andheri -
Kurla Road, Andheri East,
Mumbai City - 400 093, India

Tel: (91) 22 6623 2600
Fax: (91) 22 6623 2604

 **Philippines**

Maybank ATR Kim Eng Securities Inc.
17/F, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines 1200

Tel: (63) 2 8849 8888
Fax: (63) 2 8848 5738

 **Thailand**

Maybank Kim Eng Securities
(Thailand) Public Company Limited
999/9 The Offices at Central World,
20th - 21st Floor,
Rama 1 Road Pathumwan,
Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales)
Tel: (66) 2 658 6801 (research)

 **Vietnam**

Maybank Kim Eng Securities Limited
4A-15+16 Floor Vincom Center Dong
Khoi, 72 Le Thanh Ton St. District 1
Ho Chi Minh City, Vietnam

Tel : (84) 844 555 888
Fax : (84) 8 38 271 030

 **Saudi Arabia**

In association with
Anfaal Capital
Ground Floor, KANOO Building
No.1 - Al-Faisaliyah, Madina Road,
P.O.Box 126575 Jeddah 21352
Kingdom of Saudi Arabia

Tel: (966) 920023423

 **South Asia Sales Trading**

Kevin Foy
Regional Head Sales Trading
kevinfoy@maybank-ke.com.sg
Tel: (65) 6636-3620
US Toll Free: 1-866-406-7447

 **North Asia Sales Trading**

Andrew Lee
andrewlee@kimeng.com.hk
Tel: (852) 2268 0283
US Toll Free: 1 877 837 7635

Indonesia

Iwan Atmadjaja
iatmadjaja2@bloomberg.net
(62) 21 8066 8555

New York

James Lynch
jlynch@maybank-keusa.com
Tel: (212) 688 8886

Philippines

Keith Roy
keith_roy@maybank-atrke.com
Tel: (63) 2 848-5288

London

Greg Smith
gsmith@maybank-ke.co.uk
Tel: (44) 207-332-0221

India

Sanjay Makhija
sanjaymakhija@maybank-ke.co.in
Tel: (91)-22-6623-2629