



## PHILLIP RESEARCH SDN BHD

199001007125 (198695-X)

B-18-6, Megan Avenue II, No 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur.

Tel No: 03-2783 0300

### Morning Pole Position

| 12<sup>th</sup> December 2022 |

All market data as at previous trading day

#### Market indices

Indices	Last	Daily chg	YTD chg%
<b>Local</b>			
FBM KLCI	1,477.19	11.26	-5.76
FBM Emas	10,607.41	82.80	-6.20
FBM Syariah	10,877.91	-25.35	-11.30
FBM Small Cap	15,226.71	123.94	-3.39
FBM ACE	5,517.50	15.48	-14.05
F4G BM	859.68	6.46	-2.34
F4G BMS	896.04	8.43	-8.81
<b>Funds Flows</b>			
<b>Net Buy (MYR'm)</b>			
Local Institutions			94.3
Local Retails			-8.7
Foreign			-85.6

<b>Foreign</b>			
Dow Jones	33,476.46	-305.02	-7.88
S&P 500	3,934.38	-29.13	-17.45
Nasdaq	11,004.62	-77.39	-29.66
FTSE	7,476.63	4.46	1.25
Hang Seng	19,900.87	450.64	-14.95
Nikkei	27,901.01	326.58	-3.09
Shanghai CI	3,206.95	9.6	-11.89
Strait Times	3,245.97	9.89	3.91

#### Currencies

BNM Middle Rate (5pm)	Last	Daily chg	YTD %
USD / MYR	4.4040	0.0020	5.74
GBP / MYR	5.3905	0.0273	-4.27
JPY100 / MYR	3.2322	0.0138	-10.68
EUR/MYR	4.6511	0.0171	-1.34
SGD / MYR	3.2568	0.0108	5.56
CNY / MYR	0.6335	0.0021	-3.24
AUD / MYR	2.9767	0.0172	-1.65

#### Bond Yield Movements

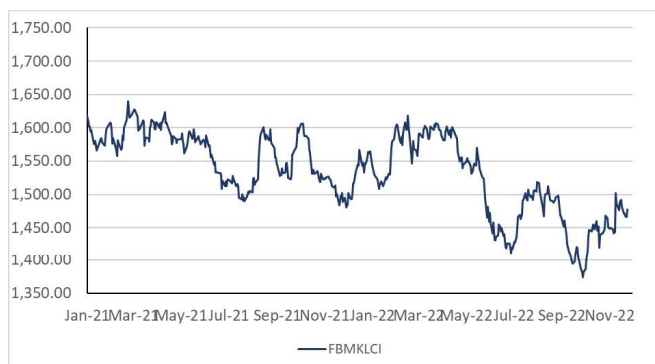
		Yield	Daily Change (bps)
<b>MGS</b>	3- year	3.65	1
	10- year	4.06	0
<b>GII</b>	3- year	3.8	2
	10- year	4.18	1
<b>UST</b>	2- year	4.33	2
	10- year	3.57	9

#### Commodities

	Last	Daily chg	Daily chg %
CPO (3 <sup>rd</sup> month)	4,032.00	60	1.51
Brent (1 <sup>st</sup> month)	76.82	0.31	0.41
Gold (spot)	1,796.15	6.92	0.39

Source: Treasury.gov, Bursa and BNM

#### FBMKLCI and statistics



Source: Bloomberg

#### Market Turnover

Vol (m shrs)	3,243
Value (MYR m)	1,938

Top 5 Value	Last	Daily chg %	Value (MYR m)
CIMB	5.650	0.71	91.767
PBBANK	4.410	0.00	89.559
TENAGA	9.330	1.97	74.844
INFOM	1.120	2.75	60.102
PCHEM	8.530	1.43	53.824

Top 5 Gainers	Last	Daily chg %	Value (MYR m)
EAH	0.015	50.00	0.000
ANZO	0.020	33.33	0.076
KHEESAN	0.130	30.00	0.020
SERBADK	0.025	25.00	0.114
G3	0.030	20.00	0.117

Top 5 Losers	Last	Daily chg %	Value (MYR m)
FOCUS-PA	0.005	-50.00	0.005
VSOLAR	0.005	-50.00	0.004
ICON	0.085	-43.33	4.835
GOCEAN	0.020	-20.00	0.124
EDUSPEC	0.020	-20.00	0.116

Top 5 DBT	Value (MYR m)	Volume (m shares)	Price (MYR)
BJFOOD	18.200	20.000	1.01
APEX	15.562	12.550	1.18
UNISEM	15.150	6.000	2.89
BJCORP	11.250	45.000	0.28
HEXTECH	3.000	0.250	13.18

## Market Pulse



Source: Chart created using tradingview.com's tools, PRSB

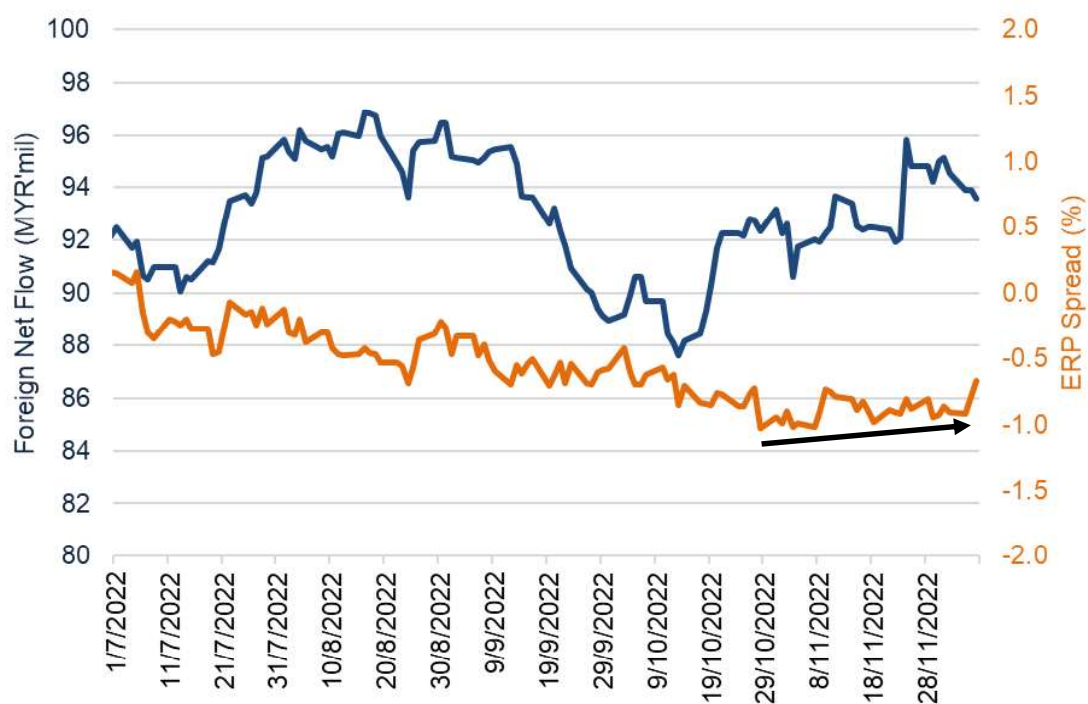
The KLCI lost 4.61 points or 0.31% last week to close at 1,477.19 on Friday. The KLCI constituents saw 19 weekly losers and 8 weekly gainers with 3 remaining unchanged. The week losers were led by Inari Amertron Bhd and Petronas Dagangan Bhd where they lost 4.27% and 3.48% respectively.

U.S. market retreated last week as some surprisingly strong economic data dampened hopes that the Fed might soon be able to curb its program of raising interest rates to cool inflation. The week started on a down note following a significant upside surprise in ISM services PMI but ended with surprise on PPI as it rose 7.4% YoY vs consensus 7.2% YoY. Thus, Fed pivot talks may continue to loom over the market, but Fed Chairperson Jerome Powell has cautioned against overreacting to one month of data. The Fed is still waiting for “substantially more evidence” of decelerating inflation on a sustained basis since the Fed’s focus has shifted to non-shelter core services, which tend to be driven by domestic labour market conditions. Powell also mentioned previously that “there isn’t” a “painless way” to bring inflation lower and continued to prioritize price stability, which reinforces our view of a recession in 1H 2023. Nevertheless, we believe that Fed is unlikely to change its monetary path during FOMC December meeting (13<sup>th</sup>-14<sup>th</sup> December) at least until sticky-price CPI peaks in December (Exhibit 1).

Back to Malaysia, we think it would be difficult for foreign flows to come in a more meaningful way as in relative terms, the risk premium for U.S. investors to the Malaysia market is not attractive currently. The Equity Risk Premium (“ERP”) spread between U.S. investors to the Malaysia market has stayed below 0.0% throughout 2H 2022 as shown in Exhibit 2. Although we do note that the spread is shrinking and hopeful that this momentum continues into 2023. Alongside this, we marked our 2023 KLCI year-end target of 1,675 at 14.8x PE (Exhibit 3) although admittedly, this is still on the high side considering our four possible scenarios listed in Exhibit 4.

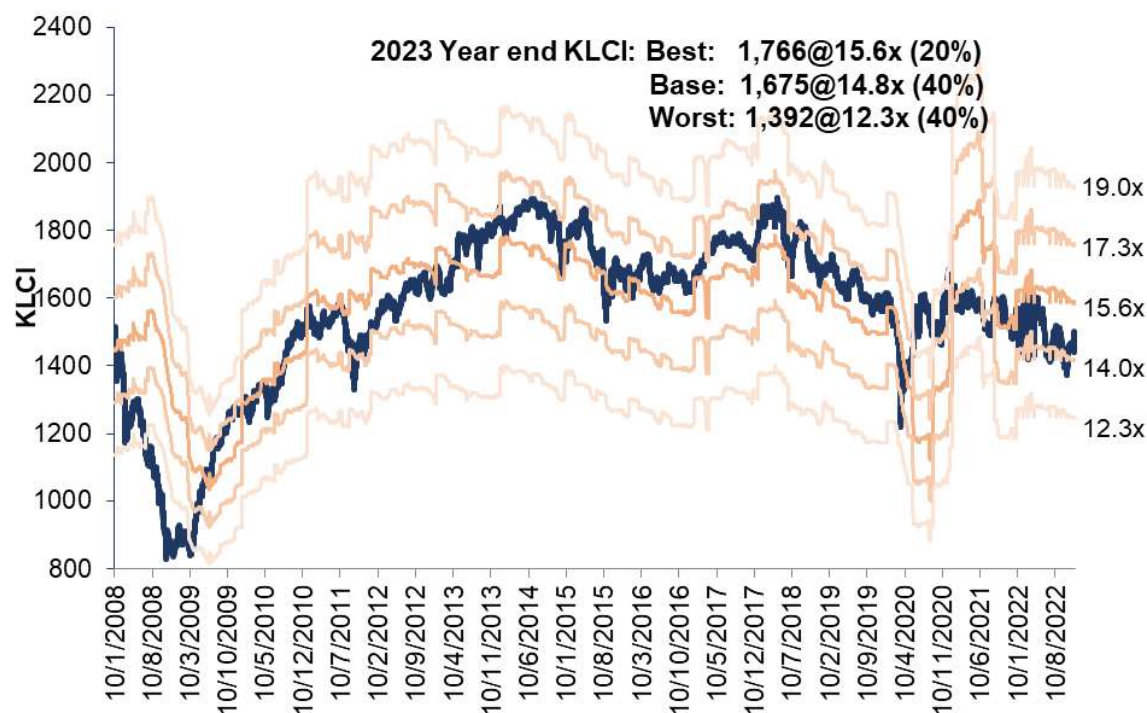
Thus for this week, following the previous week’s doji candle, KLCI formed a hammer candle that may marked a reversal of the trend signal, following a formation cup and handle. Similarly, the stochastic oscillator two lines remain in the buying momentum while the two lines has yet to intercept. As such, we think that KLCI may trade within the 0.500 and 0.382 Fibonacci levels, marking a range of 1,467.97 to 1,518.95 with a bias on the upper bound. Our picks are in Exhibit 5.

Exhibit 2: Foreign fund flows vs ERP spread



**PHILLIP RESEARCH SDN BHD**  
**199001007125 (198695-X)**

Exhibit 3: 2023 Year end KLCI Target



Source: Bloomberg, PRSB

Exhibit 4: 2023 Four Possible Scenarios and Year-End Target

Scenarios	S&P 500	KLCI	US Long-term Rate
1) Disinflation Strong Economy	3,600-4,300	1,563-1,608	Sideway
2) Prolonged Inflation Strong Economy	3,300-3,800	1,485-1,589	Rising
3) Disinflation Recession	3,000-3,500	1,433-1,552	Falling Slightly
4) Stagflation	2,600-3,200	1,332-1479	Sideway to marginally increase

Source: Bloomberg, PRSB, compiled by PRSB

Exhibit 5: Our Picks

Company	Ticker	Rating	Price (MYR)	TP (MYR)	Upside (%)
<b>Fundamental</b>					
Bermaz Auto	BAUTO MK	Buy	2.00	2.45	22.50
Guan Chong	GUAN MK	Outperform	2.40	2.78	15.83
<b>Technical</b>					
QL Resources	QLG MK	Outperform	5.55	5.77	3.96
Opcom Holdings	OHB MK	Buy	0.780	1.24	58.97
Gamuda	GAM MK	Outperform	3.89	4.30	10.54

Pentamaster Corporation	PENT MK	Buy	4.61	5.26	14.10
Formosa Prosonic Industries	FOR MK	Buy	3.26	3.92	20.25
Kerjaya Prospek Group	KPG MK	Outperform	1.20	1.38	13.64
MMS Ventures	MMSV MK	Buy	0.680	1.20	76.47
FM Global Logistics Holdings	FMH MK	Buy	0.560	0.82	46.43
Hibiscus Petroleum	HIBI MK	Buy	1.00	1.23	22.50
OSK Holdings	OSK MK	Buy	0.98	1.12	14.29
UWC	UWC MK	Buy	4.32	5.03	16.44
Dayang Enterprise	DEHB MK	Buy	1.30	1.44	10.77
CTOS Digital	CTOS MK	Buy	1.38	1.78	28.99
Ancom Nylex	ANC MK	Buy	0.98	1.24	27.18
Vitrox Corp Bhd	VITRO BHD	Buy	7.60	7.88	3.62
Pecca Group BHD	PECCA MK	Buy	0.81	1.16	42.59
Nova Wellness Group Bhd	NOVA MK	Outperform	0.90	1.07	18.33
Mega First Corp	MFCB MK	Outperform	3.34	3.63	8.53
Malton Bhd	MALT MK	Buy	0.41	0.44	7.32
Press Metal Aluminium	PMAH MK	Buy	4.84	6.09	25.83
Sime Darby Plantation	SDPL MK	Buy	4.35	5.29	21.61
Rexit Bhd	REXI MK	Buy	0.74	0.94	27.21
Time DOTCOM	TDC MK	Outperform	4.85	5.54	14.12
JF Technology Bhd	JFTB MK	Buy	0.81	1.07	31.48
Kumpulan H&L High-Tech Bhd	H&L MK	Buy	0.94	1.19	26.60
Mobilia Holdings	MOBILIA MK	O-PF	0.21	0.24	17.07
<b>ETF</b>					
MyETF MSCI SEA Islamic Dividend	MEMSID MK	Buy	0.81	0.92	13.41
Principal FTSE ASEAN 40 Malaysia ETF	CIMBA40 MK	Buy	1.61	1.80	12.12
TradePlus NYSE FANG+ Daily (-1x) Inverse Tracker	FANG1XI MK	Strong Buy	1.80	2.44	35.82

Source: Bursa, Bloomberg, PRSB, price as of 9<sup>th</sup> December 2022



## Malaysian news highlights

---

- **Prompt action to bring in foreign workers easing bottlenecks faced by businesses, says Malaysian Employers Federation.**

The prompt action to bring 373,459 foreign workers into the country via visa by reference based on employers' applications from January to Dec 4, 2022 has eased the bottlenecks faced by businesses in their daily operations, and assist them to meet their business requirements. The said figures are part of the overall 403,869 applications received by the Immigration Department. (Source: [TheEdgeMarkets](#))

## Global news highlights

---

- **US Year-Ahead Inflation Expectations Fall to Lowest Since 2021.**

Consumers expect prices will climb at an annual rate of 4.6% over the next year, down from the 4.9% expected a month earlier, to the lowest since September 2021, according to the preliminary December reading from the University of Michigan. Long-term inflation expectations held at 3%. (Source: [Bloomberg](#))

- **US Producer Prices Top Estimates, Supporting Fed Hikes Into 2023.**

The producer price index for final demand climbed 0.3% for a third month and was up 7.4% from a year earlier, Labor Department data showed Friday. The monthly gains for October and September were revised higher. (Source: [Bloomberg](#))

- **US Household Net Worth Falls for Third-Straight Quarter on Stock Retreat.**

Household net worth decreased \$392 billion in the July-September period, or 0.3%, after falling a record \$6.3 trillion in the second quarter, a Federal Reserve report showed Friday. The value of equity holdings dropped \$1.9 trillion and the value of real estate held by households rose by about \$820 billion. (Source: [Bloomberg](#))

- **BOE Divisions on Rates Set to Deepen With UK Stagflation Outlook.**

Britain's darkening economic outlook is set leave Bank of England policy makers the most divided ever over how much to raise interest rates, with the prospect of the first-ever four-way split. Investors are betting the nine-member Monetary Policy Committee led by Governor Andrew Bailey will boost the key lending rate a half point to 3.5%, the highest in 14 years. However, deepening concern about a recession and historic cost-of-living squeeze have opened a debate on how forcefully the BOE should respond to inflation, which is lingering at a 41-year high. (Source: [Bloomberg](#))

- **Bank of England Says Consumer Inflation Outlook Drifts Higher.**

The Bank of England said the expectations that British consumers have about where inflation is headed drifted further above its 2% target, and more people were dissatisfied with the way the central bank is doing its job. The central bank said consumers in November expected prices across the economy to rise about 3.4% within the next two years, up from 3.2% when the survey by Ipsos was last conducted in August. Asked about inflation in five years' time, respondents gave a median answer of 3.3%, up from 3.1%. (Source: [Bloomberg](#))

- **China Suspends Alcohol Imports From Taiwan as Tensions Mount.**

Beijing has scaled back purchases of Taiwanese products as it seeks to punish the island's democratically elected government for increasing ties with the US and its allies. While food made up a tiny fraction of Taiwan's more than \$328 billion of two-way trade with China last year, it's one area where Beijing can find alternative sources, in contrast to semiconductors from Taiwan's technologically advanced manufacturers. (Source: [Bloomberg](#))

- **How Will China's Move Away From Covid Zero Play Out? Your Questions Answered.**  
After three years and countless lockdowns, China is finally moving toward rejoining the rest of the world in living with Covid-19. The about turn was swift, and hastened by extraordinary protests against the zero-tolerance approach that has limited fatalities but upended the economy and people's lives. China now faces an unpredictable three to six months as it goes through the travails many other nations have experienced, but at a greater scale and with even greater ramifications given its place in the global economy. (Source: [Bloomberg](#))
- **Thailand Hits Tourism Goal as Foreign Arrivals Top 10 Million.**  
Thailand reached its target of welcoming 10 million foreign visitors this year, signaling a better-than-expected recovery of its vital tourism sector that was nearly decimated by the Covid-19 pandemic. The government held events across Thailand on Saturday, with cultural shows at seven airports and two border checkpoints to celebrate reaching the goal before the end of the year. (Source: [Bloomberg](#))

## Corporate news

---

- **Affin Bank, Generali ink agreement to effect planned merger of their insurance business in Malaysia.**  
Affin Bank Bhd has inked a business transfer agreement (BTA) to merge its general insurance business in Malaysia under AXA Affin General Insurance Bhd or AAGI with Generali Asia NV's, which will result in Affin Bank holding a 30% stake in the enlarged insurance company, with Generali controlling the remaining 70%. The agreement comes after Affin Bank completes the partial disposals of its equity interests in the joint ventures AXA Affin Life Insurance (AALI) and AAGI to Generali, which acquired a 70% stake in the former (49% from AXA and 21% from Affin Bank) and 53% in the latter (49.99% from AXA and 2.95% from Affin Bank). (Source: [TheEdgeMarkets](#))
- **Datasonic inks deal with Republic of Guinea on digitisation, land management matters.**  
Datasonic Group Bhd has entered into a Memorandum of Agreement with the West African nation of Guinea relating to the printing of secure documents, digitisation, and improvement of land management solutions and services. Under the deal, Datasonic will be the prime contractor while Guinea's Ministry of Urban Planning, Housing and Territorial Development (MUHAT) will be the project owner. "The company will carry out feasibility study on the project to be carried out and the economic model," said Datasonic in a filing with Bursa Malaysia. "The profit-sharing rate will be in the proportion of 60% for MUHAT and 40% for the company." (Source: [TheEdgeMarkets](#))

## Regional company reports

---

### Riding out the turbulence 2022-2023.

- The worst is probably yet to come and, for many, 2023 may feel like a recession.
- Officially, relaxation of ZCS is taking place but we view this as still distant from the actual reopening of the economy since people are still subject to a series of restrictions on movement and international travel is still impossible anytime soon.
- We believe Malaysia should be able to achieve above 5% GDP growth this year before it would slow down in 2023. The base case scenario for the 2023 year-end KLCI target is 1,675.

## Entitlement

Stock Code	Stock Name	Entitlements	Description	Ex-Date	Lodgement Date	Payment/ Cessation Date
0024	JAG	70 to 1	Share Dividend	12/12/2022	13/12/2022	-
0212	SDS	RM0.0050	Interim Dividend	12/12/2022	13/12/2022	23/12/2022
0222	OPTIMAX	RM0.0120	Interim Dividend	12/12/2022	13/12/2022	23/12/2022
3050	SUNMOW	RM0.0150	Interim Dividend	12/12/2022	13/12/2022	23/12/2022
4588	UMW	RM0.0300	Interim Dividend	12/12/2022	13/12/2022	15/12/2022
5032	BIPORT	RM0.0300	Third Interim Dividend	12/12/2022	13/12/2022	28/12/2022
5100	BPPLAS	RM0.0100	Interim Dividend	12/12/2022	13/12/2022	12/1/2023
5606	IGBB	RM0.0500	Interim Dividend	12/12/2022	13/12/2022	23/12/2022
5878	KPJ	RM0.0100	Interim Dividend	12/12/2022	13/12/2022	28/12/2022
6262	INNO	RM0.0300	Third Interim Dividend	12/12/2022	13/12/2022	22/12/2022
7091	UNIMECH	RM0.0200	Interim Dividend	12/12/2022	13/12/2022	29/12/2022
7579	AWC	RM0.0150	Final Interim Dividend	12/12/2022	13/12/2022	30/12/2022
7722	ASIABRN	RM0.0100	Interim Dividend	12/12/2022	13/12/2022	21/12/2022
0021	GHLSYS	RM0.0250	Interim Dividend	13/12/2022	14/12/2022	28/12/2022
0049	OCNCASH	RM0.0100	Interim Dividend	13/12/2022	14/12/2022	30/12/2022
0157	FOCUSP	RM0.0150	Interim Dividend	13/12/2022	14/12/2022	30/12/2022
3107	FIMACOR	RM0.0500	Interim Dividend	13/12/2022	14/12/2022	30/12/2022
5197	FLBHD	25 to 1	Share Dividend	13/12/2022	14/12/2022	-
5277	FPGROUP	RM0.0050	Interim Dividend	13/12/2022	14/12/2022	28/12/2022
5398	GAMUDA	RM0.3800	Special Dividend	13/12/2022	14/12/2022	23/12/2022
5681	PETDAG	RM0.2000	Interim Dividend	13/12/2022	14/12/2022	27/12/2022
7167	ABLEGLOB	RM0.0100	Interim Dividend	13/12/2022	14/12/2022	30/12/2022
0199	TRIMODE	RM0.0075	First Interim Dividend	14/12/2022	15/12/2022	12/1/2023
0227	EFRAME	2 to 1	Bonus Warrant Issue	14/12/2022	15/12/2022	0/1/1900
1015	AMBANK	RM0.0600	Interim Dividend	14/12/2022	15/12/2022	28/12/2022
1295	PBBANK	RM0.0400	Second Interim Dividend	14/12/2022	15/12/2022	23/12/2022
2038	NSOP	RM0.0400	Second Interim Dividend	14/12/2022	15/12/2022	30/12/2022
2038	NSOP	RM0.0300	Special Dividend	14/12/2022	15/12/2022	30/12/2022
2488	ABMB	RM0.1200	First Interim Dividend	14/12/2022	15/12/2022	28/12/2022
3336	IJM	RM0.0200	Interim Dividend	14/12/2022	15/12/2022	30/12/2022
4081	PMCORP	RM0.0030	Interim Dividend	14/12/2022	15/12/2022	23/12/2022
5216	DSOMIC	RM0.0050	Second Interim Dividend	14/12/2022	15/12/2022	29/12/2022
5308	SENFONG	RM0.0100	First Interim Dividend	14/12/2022	15/12/2022	5/1/2023
6432	APOLLO	RM0.1500	Final Interim Dividend	14/12/2022	15/12/2022	11/1/2023
6432	APOLLO	RM0.1000	Interim Dividend	14/12/2022	15/12/2022	11/1/2023
6556PA	ANNJOO-PA	RM0.0125	Second Interim Dividend	14/12/2022	15/12/2022	30/12/2022
7053	SEEHUP	RM0.0270	Interim Dividend	14/12/2022	15/12/2022	28/12/2022
7088	POHUAT	RM0.0200	Third Interim Dividend	14/12/2022	15/12/2022	10/1/2023
7089	LIHEN	RM0.0135	Third Interim Dividend	14/12/2022	15/12/2022	30/12/2022
7231	WELLCAL	RM0.0160	Fourth Interim Dividend	14/12/2022	15/12/2022	23/12/2022



7231	WELLCAL	RM0.0100	Special Dividend	14/12/2022	15/12/2022	23/12/2022
8869	PMETAL	RM0.0175	Third Interim Dividend	14/12/2022	15/12/2022	30/12/2022
0112	MIKROMB	RM0.0005	Final Interim Dividend	15/12/2022	16/12/2022	5/1/2023
3859	MAGNUM	RM0.0100	Third Interim Dividend	15/12/2022	16/12/2022	30/12/2022
5041	PBA	RM0.0150	First Interim Dividend	15/12/2022	16/12/2022	13/1/2023
5208	EITA	RM0.0150	Interim Dividend	15/12/2022	16/12/2022	12/1/2023
5827	OIB	RM0.0500	Interim Dividend	15/12/2022	16/12/2022	30/12/2022
7052	PADINI	RM0.0250	Second Interim Dividend	15/12/2022	16/12/2022	30/12/2022
7152	JAYCORP	RM0.0400	Final Interim Dividend	15/12/2022	16/12/2022	30/12/2022
0189	MATANG	RM0.0022	Final Interim Dividend	16/12/2022	19/12/2022	9/1/2023
5020	GLOMAC	RM0.0150	Final Interim Dividend	16/12/2022	19/12/2022	29/12/2022
7106	SUPERMX	RM0.0300	Final Interim Dividend	16/12/2022	19/12/2022	18/1/2023
7217	EMETALL	RM0.0125	Interim Dividend	16/12/2022	19/12/2022	30/12/2022
7235	SUPERLN	RM0.0080	Interim Dividend	16/12/2022	19/12/2022	16/1/2023
9296	RCECAP	RM0.0500	Interim Dividend	16/12/2022	19/12/2022	30/12/2022
9296	RCECAP	RM0.1800	Special Dividend	16/12/2022	19/12/2022	30/12/2022

## DISCLAIMER

Legal and Regulatory Notices (Electronic Communications)  
© 2018 PRSB.

### Important disclosures

This research report is strictly confidential and has been prepared for information purposes only by Phillip Research Sdn Bhd ("PRSB"), a subsidiary of Phillip Capital Holdings Sdn Bhd ("PCH") and is meant for circulation to its clients and clients of other subsidiaries companies of PCH particularly Phillip Mutual Berhad ("PMB"), Phillip Capital Management Sdn Bhd ("PCM"), Phillip Wealth Planners Sdn Bhd ("PWP") and Phillip Capital Sdn Bhd ("PCSB") (collectively refer to as Phillip Group other licensed intermediaries ("PGOLI")) only or such other persons as may be deemed eligible to receive such research report, information or opinion contained herein. Neither the publication/communication nor any portion hereof may be reprinted, distributed, sold, resold, redistributed, copied, reproduced, published, republished, displayed, posted or transmitted in any form or media or by any means without the written consent of PRSB.

The policy of PRSB is to only publish research that is impartial, independent, clear, fair, and not misleading. Analysts never receive compensation from companies they cover. Regulations or market practice of some jurisdictions/markets prescribe certain disclosures to be made for certain actual, potential or perceived conflicts of interests relating to a research report as below. This research disclosure is for your information only and does not constitute any recommendation, representation or warranty. Absence of a disclosable position should not be taken as endorsement on the validity or quality of the research report or recommendation.

To maintain the independence and integrity of PRSB's research, PGOLI activities such as fund management, dealing in securities (restricted to unit trust and private retirement scheme), dealing in derivatives, clearing for derivatives, financial planning and research business lines are distinct from one another. This means that PRSB is not part of and does not report to any of PGOLI. Accordingly, PGOLI does not supervise nor control the activities of PRSB's research analysts. PRSB's research analysts report to the Head of Research, who in turn report to PRSB's senior management.

PRSB and PGOLI have in place internal controls designed to manage conflicts of interest that may arise as a result of PGOLI engaging in fund management, dealing in securities (restricted to unit trust and private retirement scheme), dealing in derivatives, clearing for derivatives, financial planning and PRSB activities. Some examples of these controls include: the use of information barriers and other information controls designed to ensure that confidential information is only shared on a "need to know" basis and in compliance with PRSB and PGOLI's Chinese Wall policies and procedures; measures designed to ensure that interactions that may occur among PRSB's research personnel, fund management, dealing in securities (restricted to unit trust and private retirement scheme), dealing in derivatives, clearing for derivatives, and financial planning, PGOLI's financial product issuers and PRSB's research analysts do not compromise the integrity and independence of PRSB's research.

Neither analysts nor their household members/associates may have a financial interest in, or be an officer, director or advisory board member of companies covered by the analyst unless disclosed herein. In circumstances where an analyst has a pre-existing holding in any securities under coverage, those holdings are grandfathered and the analyst is prohibited from trading such securities up to the date of the publication of this research report.

Unless specified otherwise, PRSB did not receive investment banking/non-investment banking income from, and did not manage/co-manage a public offering for, the listed company during the past 12 months, and it does not expect to receive investment banking compensation from the listed company within the coming three months. Unless mentioned otherwise, PRSB does not own a material disclosable position, and does not make a market, in the securities.

We hereby certify that the views expressed in this research report accurately reflect our views about the securities and/or the issuers and that no part of our compensation were or will be directly or indirectly related to the specific recommendation or views contained in this report or to any investment banking relationship with the subject company covered in this report (for the past one year) or otherwise any other relationship with such company which leads to receipt of fees from the company except in ordinary course of business of the company. We hereby confirm that our analyst(s) has/have not been placed under any undue influence, intervention or pressure by any person(s) in compiling this research report. This report is prepared without any intention to raise, lower or maintaining the price of the securities covered or to induce the recipient to buy or sell the securities covered. In addition, our analyst(s) included herein attest that he/she/they was/were not in possession of any material, non-public price sensitive information regarding the subject company at the time of publication of the report. Save from the disclosure below (if any), we are not aware of any material conflict of interest.

Key to PRSB investment ratings:

Equity:

BUY: Total stock return (including dividends) expected to exceed 20% annually;

O-PF: Total expected return below 20% annually but exceeding market return;

U-PF: Total expected return positive but below market return;

SELL: Total return expected to be negative.

For relative performance, we benchmark the 12-month total forecast return (including dividends) for the stock against the 12-month forecast return (including dividends) for the market on which the stock trades.

ETFs (Criteria applies to rating assignments from 16th December 2019):

STRONG BUY: Total return (including dividends) expected to exceed 20% annually;

BUY: Total expected return below 20% but exceed 5% or then 1-year rate, whichever is higher;

SELL: Total return of not more than 5% or then 1-year rate, whichever is higher.

The ratings are based on the forecast total return (including dividends) over the next 12 months.

Funds:

The rating a mathematical scoring system that include risks (standard deviation, Sharpe Ratio) and returns (1-year, 3-year, 5-year and consistency) BUY: Total return (including income distribution) is positive and above peers' average while risk factors are low;

O-PF: Total return is positive and above peers' average but has higher risk factors; SELL: Total return is negative.

For a history of the recommendations and price targets for companies mentioned in this report, as well as company specific disclosures, please write to: Phillip Research Sdn Bhd, B-18-6, Block B Level 18, Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450 Kuala Lumpur, Malaysia.

The information, opinions and estimates herein are not directed at, or intended for distribution to or use by, any person or entity in any jurisdiction where doing so would be contrary to law or regulation or which would subject PRSB and/or its associate companies to any additional registration or licensing requirement within such jurisdiction. The information and statistical data herein have been obtained from sources we believe to be reliable. Such information has not been independently verified and we make no representation or warranty as to its accuracy, completeness or correctness. Any opinions or estimates herein reflect the judgment of PRSB at the date of this publication/communication and are subject to change at any time without notice. Where any part of the information, opinions or estimates contained herein reflects the views and opinions of a sales person (include but not limited to Financial Planners and Marketing Representative or a non-analyst), such views and opinions may not correspond to the published view of PRSB. This is not a solicitation or any offer to buy or sell. This publication/communication is for information purposes only and does not constitute any recommendation, representation, warranty or guarantee of performance. Any price target given in the report may be projected from one or more valuation models and hence any price target may be subject to the inherent risk of the selected model as well as other external risk factors. This is not intended to provide professional, investment or any other type of advice or recommendation and does not take into account the particular investment objectives, financial situation or needs of individual recipients. Before acting on any information in this publication/communication, you should consider whether it is suitable for your particular circumstances and, if appropriate, seek professional advice, including tax advice. PRSB, and PGOLI do not accept any responsibility and cannot be held liable for any person's use of, or reliance on the information and opinions contained herein. To the extent permitted by applicable securities laws and regulations, PRSB accepts no liability whatsoever for any direct or consequential loss arising from the use of this publication/communication or its contents. Where the publication does not contain ratings, the material should not be construed as research but is offered as factual commentary. It is not intended to, nor should it be used to form an investment opinion about the non-rated companies.

Subject to any applicable laws and regulations at any given time, PRSB, PGOLI and their respective affiliates or companies or individuals connected with PRSB may have used the information contained herein before publication and may have positions in, may from time to time purchase or sell or have a material interest in any of the securities mentioned or related securities, or may currently or in future have or have had a business or financial relationship with, or may provide or have provided investment banking, capital markets and/or other services to, the entities referred to herein, their advisors and/or any other connected parties. As a result, investors should be aware that PRSB, PGOLI and/or their respective affiliates or companies or such individuals may have one or more conflicts of interest. Regulations or market practice of some jurisdictions/markets prescribe certain disclosures to be made for certain actual, potential or perceived conflicts of interests relating to research reports. Details of the disclosable interest can be found in certain reports as required by the relevant rules and regulation. Disclosures therein include the position of PRSB and PGOLI only. Unless specified otherwise, PRSB did not receive any compensation or other benefits from the subject company covered in this publication/communication.

The analysts/contributors to this publication/communication may be employed by any relevant PGOLI entity, which is different from the entity that distributes the publication/communication in the respective jurisdictions.

PRSB, PGOLI and/or its officers, directors and employees, may, to the extent permitted by applicable law and/or regulation, deal as principal, agent, or otherwise, or have long or short positions in, or buy or sell, the securities, commodities or instruments, or options or other derivative instruments based thereon, of issuers or securities mentioned herein. PGOLI may also act as market maker or liquidity provider (within the meaning of applicable regulations in the UK) in the financial instruments of the issuer. Where the activity of market maker is carried out in accordance with the definition given to it by specific laws and regulations of the US or other jurisdictions, this will be separately disclosed within the specific issuer disclosures.

Investors should not consider this report as only a single factor in making their investment decision and, as such, the report should not be viewed as identifying or suggesting all risks, direct or indirect, that may be associated with any investment decision. PRSB produces a number of different types of research product including, among others, fundamental analysis and quantitative analysis; recommendations contained in one type of research product may differ from recommendations contained in other types of research product, whether as a result of differing time horizons, methodologies or otherwise. PRSB and PGOLI publishes research product in a number of different ways including the posting of product on the PGOLI portals and/or distribution directly to clients. Different groups of clients may receive different products and services from the research department depending on their individual requirements.

Figures presented herein may refer to past performance or simulations based on past performance which are not reliable indicators of future performance. Where the information contains an indication of future performance, such forecasts may not be a reliable indicator of future performance. Moreover, simulations are based on models and simplifying assumptions which may oversimplify and not reflect the future distribution of returns. Any figure, strategy or index created and published for illustrative purposes within this report is not intended for "use" as a "benchmark".

Certain securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of, or income derived from, the investment.

With respect to Fixed Income Research: Recommendations fall into two categories: tactical, which typically last up to three months; or strategic, which typically last from 6-12 months. However, trade recommendations may be reviewed at any time as circumstances change. 'Stop loss' levels for trades are also provided; which, if hit, closes the trade recommendation automatically. Prices and yields shown in recommendations are taken at the time of submission for publication and are based on either indicative Bloomberg, Reuters or PGOLI prices or yields at that time. The prices and yields shown are not necessarily those at which the trade recommendation can be implemented.

The securities described herein may not have been registered under the US Securities Act of 1933 (the '1933 Act'), and, in such case, may not be offered or sold in the US or to US persons unless they have been registered under the 1933 Act, or except in compliance with an exemption from the registration requirements of the 1933 Act. Unless governing law permits otherwise, any transaction should be executed via PhillipCapital Group entity in your home jurisdiction.