

PLEASE CLICK ON THE PAGE NUMBER TO MOVE TO THE RELEVANT PAGE.

KEY HIGHLIGHTS

Sector

Healthcare

A brighter outlook in 2024.

Page 2

HSI AND HS TECH INDEX OUTLOOK

Page 5

UOBKH EVENTS

Date	Corporate/Stock Code	Event
16 Nov	Expert Talk (Virtual) on China GBA Property Market	Virtual Meeting @ 4:00pm HKT

CORPORATE AND MACRO CALENDAR

Date	Country/Region	Economic Indicator
13-15 Nov	China	Oct Money Supply And Credit
15 Nov	China	Oct Economic Activities
20 Nov	China	Nov Loan Prime Rate
27 Nov	China	Oct Industrial Profits

KEY INDICES

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	34283.1	1.2	0.7	1.8	3.4
S&P 500	4415.2	1.6	1.3	2.0	15.0
FTSE 100	7360.6	(1.3)	(0.8)	(3.1)	(1.2)
AS30	7180.9	0.1	(0.2)	(0.9)	(0.6)
CSI 300	3586.5	(0.7)	0.1	(2.1)	(7.4)
FSSTI	3106.7	(0.9)	(1.2)	(2.5)	(4.4)
HSCEI	5900.8	(2.1)	(2.5)	(3.5)	(12.0)
HSI	17203.3	(1.8)	(2.6)	(3.4)	(13.0)
JCI	6809.3	(0.4)	0.3	(1.7)	(0.6)
KLCI	1445.2	(0.5)	(0.3)	0.1	(3.4)
KOSPI	2409.7	(0.7)	1.7	(1.9)	7.7
Nikkei 225	32568.1	(0.2)	1.9	0.8	24.8
SET	1389.6	(1.1)	(2.1)	(4.2)	(16.7)
TWSE	16682.7	(0.4)	1.1	(0.6)	18.0
BDI	1643	2.8	12.4	(15.5)	8.4
CPO (RM/mt)	3658	0.1	0.2	1.2	(9.6)
Brent Crude (US\$/bbl)	81	1.8	(4.1)	(7.1)	(5.2)

Source: Bloomberg

TOP TRADING TURNOVER

Company	Price (HK\$)	Chg (%)	5-day ADT (HK\$m)
XIAOMI CORP-W	16.04	(2.9)	2,199.7
HKEX	282.60	(1.5)	1,397.7
WUXI BIOLOGICS C	48.85	(3.1)	1,330.1
SMIC	21.80	(6.8)	1,328.0
LI AUTO INC-A	144.90	(6.5)	1,118.1

TOP GAINERS

Company	Price (HK\$)	Chg (%)	5-day ADT (HK\$m)
CHINA RES POWER	15.30	3.4	85.9
KUNLUN ENERGY	6.86	1.5	74.9
SINOTRUK HK LTD	14.48	1.0	32.9
CHINA RES MIXC	29.25	0.9	59.1
CHINA POWER INTE	2.98	0.7	91.3

TOP LOSERS

Company	Price (HK\$)	Chg (%)	5-day ADT (HK\$m)
HUA HONG SEMI	16.96	(15.8)	261.2
XINYI SOLAR HLDS	4.52	(7.9)	78.3
SMIC	21.80	(6.8)	1,328.0
GALAXY ENTERTAIN	41.25	(6.5)	339.9
LI AUTO INC-A	144.90	(6.5)	1,118.1

*ADT: Average daily turnover

KEY ASSUMPTIONS

GDP (% yoy)	2022	2023F	2024F
US	2.1	2.0	1.0
Euro Zone	3.5	0.5	0.8
Japan	1.0	1.5	1.0
Singapore	3.6	0.7	3.0
Malaysia	8.7	4.0	4.6
Thailand	2.6	3.1	3.5
Indonesia	5.4	5.1	5.2
Hong Kong	-3.5	4.6	3.0
China	3.0	5.0	4.6
CPO (RM/mt)	5,088	4,000	4,200
Brent (Average) (US\$/bbl)	99.0	81.0	84.0

Source: Bloomberg, UOB ETR, UOB Kay Hian

SECTOR UPDATE

Healthcare – China

A Brighter Outlook In 2024

Easing pressure from the anti-corruption campaign will result in stronger sales growth for medical products. Moreover, after years of persistent R&D efforts, many Chinese biopharmaceutical companies now expect a fruitful year of innovation in 2024. In addition, potential US interest rate cuts will also provide liquidity for R&D investment and support the development of biotech and CRO segments in 2024. We expect a brighter outlook in 2024. Maintain OVERWEIGHT.

WHAT'S NEW

- Most healthcare companies saw significantly slower revenue growth in 3Q23 due to the disruption caused by the anti-corruption campaign. However, as pressure from this campaign is easing in 4Q23, hospital diagnosis and treatment activities are gradually returning to normal.

ESSENTIALS

- Anti-corruption campaign promotes a healthy business environment and enhances operating efficiency of the healthcare industry.** In 1Q23, the unprecedented COVID-19 outbreak significantly disrupted the business activities of China's healthcare industry. The anti-corruption campaign also caused a significant slowdown in revenue growth in 3Q23. Our industry check indicates that hospital surgeries and diagnostic activities have improved significantly and are continuing to recover in 4Q23. Looking ahead, we believe 2024 will be a stronger year for revenue and earnings growth as: a) the COVID-19 pandemic and anti-corruption campaign in 1Q23 have created a low base for growth in 1Q24, and b) the anti-corruption campaign promotes a healthy business environment which will help to enhance operating efficiency of the industry in the longer term.
- Potential US interest rate cuts will help promote liquidity and support a significant recovery of the biotech and CRO/CDMO segments.** Biotech and CRO/CDMO segments continue to be impacted by the weak global biotech funding environment. A possible easing money policy in the US will definitely support a rally of these segments.
- Innovation efforts bearing fruit.** Biopharmaceutical companies under our coverage have put persistent efforts in R&D and further enhanced their pipelines. Innovent (1801 HK) has quickly extended its commercial product portfolio to 10 products in the past few years. Among its 30 innovative portfolios, seven are in pivotal studies. CSPC (1093 HK) has successfully obtained four new product approvals in 2023 and targets seven and 10 in 2024 and 2025 respectively, and around 12 per year from 2026 onwards. Hansoh Pharma (3692 HK) successfully launched Pegmolestatide in 1H23 and expects to receive market approval for Aumolertinib's adjuvant therapy in 2024. It targets to have 15 innovative drugs (including new indications) that could account for over 80% of total revenue in 2025. Aside from actively engaging in business development activities, Sino Biopharma (1177 HK) also expects market launch of three/four/six innovative blockbusters in 2023/24/25 respectively. 2024 will be a fruitful year of innovation for biopharmaceutical companies.

PEER COMPARISON

Company	Ticker	Rec	Price @ 10 Nov-23 (lcy)	Target Price (lcy)	Upside/ (Downside) to TP (%)	Market Cap (lcy m)	P/E 2023F (x)	P/E 2024F (x)	P/B 2023F (x)	P/B 2024F (x)	EV/EBITDA (x)	ROE 2023F (%)	Net Gearing 2023F (%)	EPS 2022 (lcy)	EPS 2023F (lcy)	EPS 2024F (lcy)	CAGR 2-yr (%)	PEG 2023F (x)	
Aier Eye Hospital	300015 CH	BUY	17.71	21.00	18.6	165,206.2	43.3	35.9	7.8	6.8	26.2	21.6	18.0	(35.5)	0.3	0.4	0.5	25.5%	1.7
Shenzhen Mindray	300760 CH	BUY	285.21	320.00	12.2	345,800.4	30.7	25.7	9.4	8.1	26.2	21.7	32.7	(60.0)	7.9	9.3	11.1	18.9%	1.6
CSPC	1093 HK	BUY	6.83	8.00	17.1	81,299.0	11.8	10.5	2.3	2.1	7.8	7.0	20.5	(22.5)	0.5	0.5	0.6	9.4%	1.3
Sinopharm Group	1099 HK	BUY	19.14	25.00	30.6	59,729.4	5.9	5.4	0.7	0.7	4.7	4.3	13.1	45.1	2.7	3.0	3.3	9.5%	0.6
Sino Biopharmaceutical	1177 HK	HOLD	3.44	3.00	-12.8	64,676.2	19.8	18.3	2.0	1.9	11.1	10.2	8.4	(0.2)	0.2	0.2	0.2	4.6%	4.3
Frontage	1521 HK	SELL	2.03	1.50	-26.1	4,181.9	18.8	14.5	1.5	1.4	15.5	11.8	6.1	7.9	0.02	0.01	0.02	2.9%	6.5
Innovent Biologics	1801 HK	BUY	46.70	55.00	17.8	75,490.9	n.a.	n.a.	5.3	4.6	n.a.	n.a.	n.a.	18.5	(1.7)	(0.7)	(0.4)	-52.0%	n.a.
Ping An Good Doctor	1833 HK	HOLD	18.40	18.00	-2.2	20,586.2	n.a.	n.a.	1.4	1.5	n.a.	n.a.	n.a.	(25.4)	(0.5)	(0.5)	(0.3)	-28.4%	n.a.
WuXi Biologics	2269 HK	HOLD	48.85	47.00	-3.8	207,861.9	33.6	26.3	4.7	4.0	27.8	20.9	13.6	(11.8)	1.1	1.4	1.7	24.1%	1.4
WuXi AppTec	2359 HK	BUY	94.60	110.00	16.3	280,551.4	23.2	19.2	4.7	4.0	17.0	13.9	21.1	(5.1)	3.2	3.8	4.6	20.1%	1.2
Ali Health	241 HK	BUY	4.72	6.50	37.7	63,877.4	64.1	53.0	3.9	3.8	472.3	177.5	3.7	(79.0)	0.06	0.07	0.08	22.8%	2.8
Venus MedTech	2500 HK	HOLD	5.26	5.20	-1.1	2,319.7	n.a.	n.a.	0.7	0.7	n.a.	73.0	n.a.	(16.9)	(2.4)	(1.0)	(0.3)	-62.8%	n.a.
Shanghai Henlius	2696 HK	SELL	14.02	9.00	-35.8	7,619.8	15.8	11.8	3.4	2.7	11.9	8.7	23.5	130.0	(1.3)	0.8	1.1	n.a.	n.a.
China Shineway	2877 HK	BUY	6.69	9.00	34.5	5,532.6	5.1	4.2	0.7	0.6	n.a.	n.a.	13.9	(78.1)	1.0	1.2	1.5	24.2%	0.2
Hansoh Pharma	3692 HK	BUY	14.22	17.50	23.1	84,372.2	28.9	23.9	3.2	2.9	19.5	16.4	11.4	(35.0)	0.44	0.46	0.56	12.8%	2.3
TUL	3933 HK	BUY	7.77	8.50	9.4	14,118.3	6.4	5.9	1.1	1.0	2.9	2.7	18.4	(33.5)	0.87	1.13	1.22	18.6%	0.3
MicroPort Scientific	853 HK	SELL	13.10	9.50	-27.5	24,027.4	n.a.	n.a.	2.6	2.5	n.a.	n.a.	n.a.	(38.6)	(0.24)	(0.15)	(0.15)	-20.9%	n.a.
Average							23.6	19.6	3.3	2.9	15.5	12.7	15.7					16.1%	2.0

Source: Bloomberg, UOB Kay Hian

OVERWEIGHT

(Maintained)

SECTOR PICKS

Company	Ticker	Rec	Share Price (lcy)	Target Price (lcy)
Aier Eye Hospital	300015 CH	BUY	17.71	21.00
Mindray	300760 CH	BUY	285.21	320.00
CSPC	1093 HK	BUY	6.83	8.00
Innovent	1801 HK	BUY	46.70	55.00
TUL	3933 HK	BUY	7.77	8.50
MicroPort	853 HK	SELL	13.10	9.50

Source: UOB Kay Hian

ANALYST(S)

Carol Dou

+852 2236 6749

carol.dou@uobkayhian.com.hk

Sunny Chen

+852 2826 4857

sunny.chen@uobkayhian.com.hk

- GPO tenders on medical devices and drugs will continue to foster innovation.** The ninth round of national drug group purchasing organisation (GPO) tender was held on 6 Nov 23. Shanghai Sunshine Medical Procurement Group later released the proposed bidding results. 205 companies (including five MNCs and 200 domestic companies) won the bids for 266 products, with an average price cut of 58%. The bidding results will be implemented in Mar 24. Sino Biopharm (1177 HK), CSPC (1093 HK), and Hansoh Pharma (3692 HK) have eight, four and three drugs included in this round of national GPO tender respectively. They won the bids for six, one, and two drugs with average price cuts of 75.7%, 81.4%, and 90.8%, respectively. We expect this GPO tender to have limited impact on Sino Biopharm, CSPC and Hansoh Pharma, as all these products involved are relatively new to the market. Tender wins may bring them market expansion and margin improvement opportunities.

ACTION

- Mindray (300760 CH) expects domestic and overseas businesses to regain momentum in 2024.** The company reported relatively slower revenue growth of 11.2% and 17.2% yoy in 3Q23 and 9M23 respectively, as hospital procurement was disrupted by the anti-corruption campaign. Mindray expects the campaign to continue to pressure its domestic business in 4Q23 and 1H24. However, it believes that purchase activities for medical equipment will regain pace given the rigid demand for medical products, and expects its domestic revenue growth to regain momentum in 2024. Moreover, its overseas market expansion effort will also start to bear fruit from 2024. We expect Mindray's revenue growth to accelerate from 15% yoy in 2023 to 18% yoy in 2024.
- Aier (300015 CH) expects to maintain solid revenue and earnings growth despite weak economic conditions.** Aier Eye Hospital Group (Aier) achieved satisfactory results with 23.0% yoy growth in revenue and 24.0% yoy increase in adjusted earnings in 9M23, despite the weak economic condition, which impacted the growth of some high-end businesses to some extent. Aier's market penetration strategy via acquisitions and steady organic growth will continue to enable the company to expand market reach and maintain its leading market position in 2024. We forecast Aier's revenue to grow 28% and 18% in 2023 and 2024 respectively, factoring in China's weak economic condition.
- WuXi AppTec (2269 HK) sees resilient revenue expansion in non-COVID-19 business.** The company reported revenue growth of 0.3% and 4.0% yoy in 3Q23 and 9M23, respectively. It further guided down 2023 revenue growth from 5-7% to 2-3% yoy as the company sees considerable challenges in such a weak business environment for drug innovators. Given considerably high funding costs, WuXi AppTec sees weak demand for early-stage R&D services. Taking into account the resilient revenue expansion of its non-COVID--19 business and potential easing US monetary policy that will revive biotech R&D investment, we expect the company to regain revenue momentum of over 20% yoy from 2024.
- Innovent (18001 HK) experienced robust drug sales growth of over 45% yoy in 3Q23; smooth progress in commercial portfolio expansion and R&D.** Innovent expanded its commercial product portfolio from eight to 10 products. It experienced robust and accelerated pharmaceutical product revenue growth of over 45.0% in 3Q23, up from 35% yoy in 2Q23 and 6.7% yoy in 1Q23. The robust product revenue growth was mainly due to: a) the continued diversification of product portfolio, and b) an enhanced commercial team and improved sales strategy. Its pipelines are also well on track. It submitted new drug application (NDA) for one product, IBI-376 (PI3K δ inhibitor, for relapsed or refractory follicular lymphoma (r/r FL) and has progressed seven assets in pivotal or registration trials, which are IBI-362 (GLP-1R, for obesity), IBI-351 (KRAS inhibitor for NSCLC), IBI-344 (talretrectinib), IBI-126, IBI-112, IBI-311 and IBI-302. The robust and diversified pipeline of its >30 innovative drug candidates will yield continuous R&D and commercial achievement in the longer term.
- Shineway (2877 HK) reported weaker-than-expected 3Q23 results** with revenue growing 3.9% yoy and 21.9% yoy in 3Q23 and 9M23 respectively, missing our 2023 full-year revenue growth estimate of 24.6% yoy. The TCM injection segment recorded solid sales growth of 15.0% yoy in 3Q23, while all other oral products (ie soft capsule, granules, TCM formula granules) experienced single-digit sales declines. The company believes the 3Q23 slowdown was industry-wide and mainly attributable to: a) impact from the anti-corruption campaign,

which caused a temporary decrease in hospital prescriptions and triggered general de-stocking at distribution channels; and b) the impact of GPO tenders on TCM formula granules. The company believes the policy impact should be temporary, and remains optimistic on achieving its revenue growth targets in 4Q23 and 2023. We lower our 2023 revenue growth estimate from 24.6% yoy to 23.2% yoy for the company to reflect the weaker-than-expected 2H23 revenue outlook. We expect revenue CAGR of 20% for Shineway in 2023-25, supported by strong TCM formula granules and injections business expansion.

- **Venus Medtech (2500 HK) achieved satisfactory TAVR implants** of around 1,100 sets and 3,400 sets in China in 3Q23 and 9M23 respectively. The number of TAVR implants was around 300 sets in Sep 23, impacted by the anti-corruption campaign and effect of the low season. The company maintains its targeted TAVR implants of around 5,000 sets (+42.8% yoy) in 2023, with easing pressure from the anti-corruption campaign in 4Q23. It expects to further enrich its product portfolio by launching two more products in 2024, ie Dragonfly (transcatheter mitral valve repair (TMVr) product) in 4Q23-1Q24 and Liwen Ablation System (percutaneous myocardial ablation product) in 2024.
- **Henlius (2696 HK) plans to publish its 9M23 results on 15 November, and expects an unqualified opinion from auditor on its 9M23 financial statements.** Henlius indicates it had completed an independent investigation and internal control review assessment on its financial investment with AMTD, which found that two former CFO were knowingly and extensively involved in the investment, and some employees did not adhere to the internal control rules of the company. Henlius has decided to adopt all five recommendations from the Independent Investigation Committee. It has also appointed Ernst & Young (EY) to conduct a review on its 9M23 consolidated financial statements, and expects an unqualified review opinion to be given by the auditor(s) after further communication. The company will provide more details regarding this issue on 15 Nov 23. We expect Henlius' 3Q23 results to remain satisfactory, and expect the potential unqualified opinion from the auditor on 9M23 financial statements to be a key catalyst for the company's stock price.

RISKS

- **Risks include:** a) worse-than-expected risks from the anti-corruption campaign; b) intensifying competition; c) possible failure in the development of new products and market launches; d) geopolitical risks and weakened global economic conditions, and e) other policy risks, such as GPO/volume-based procurement (VBP) tenders, and medical insurance payment reform programmes, such as diagnosis-related group (DRG) and diagnosis-intervention packet (DIP).

VALUATION/RECOMMENDATION

- **Maintain OVERWEIGHT on China's healthcare sector.** We believe the easing anti-corruption campaign and potential US interest rate cuts in 2024 bode well for the future growth outlook of healthcare companies. Moreover, 2024 will be a fruitful year of innovation for many Chinese biopharmaceutical companies as they have been making continued R&D efforts in the past few years. With their pipelines generating promising clinical and commercial results, the biopharmaceutical companies are gradually transforming themselves into true drug innovators. Our top picks are Innovent (1801 HK), Mindray (300760 CH), CSPC (1093 HK), Aier Eye Hospital (300015 CH), and TUL (3933 HK). Most of these stocks are trading at 0.4-1.7 SD below average forward PE and/or P/B, which is attractive in our view. Our top SELL pick is MicroPort (853 HK).

HANG SENG INDEX AND HANG SENG TECH INDEX OUTLOOK

WEEKLY CHART



Chart by bloomberg

DAILY CHART



Chart by bloomberg

Hang Seng Index

Last Close: 17,203.26

Expected moving range: 17,000 – 18,500

Technical View:

Weekly chart: The Hang Seng Index closed with a long black candlestick last week. It reached a high of 18,037 and a low of 17,177, with volatility of about 860 points. The main support level is about 17,000 and resistance is around 18,500.

Daily chart: Last week, the index rose to its 50-day moving average (red) but was unable to stay above this level. It closed below the 10-day (light blue), 20-day (orange), 50-day (red), 100-day (pink) and 200-day (purple) moving averages. The 14-day RSI is below the midline level of 50 and is currently around 43, indicating that momentum is rather weak. As for the MACD indicator, the MACD line is higher than the signal line, showing a bullish crossover signal. If the Index breaks through its 10-day and 20-day moving averages twice, it may continue to rebound.

WEEKLY CHART



Chart by bloomberg

DAILY CHART



Chart by bloomberg

Hang Seng Tech Index

Last Close: 3,892.44

Expected moving range: 3,750 – 4,200

Technical View:

Weekly chart: The Hang Seng Tech Index closed with a long black candlestick last week. It reached a high of 4,109 and a low of 3,885, with volatility of 224 points. The main support level is around 3,750 while resistance is around 4,200 points.

Daily chart: Last week, the index rose to its 100-day (pink) and 200-day (purple) moving averages but was unable to stay above these levels. It closed near the 10-day (light blue) and 50-day (red) moving averages. The 14-day RSI is near the midline level of 50, indicating that momentum is near neutral. As for the MACD indicator, the MACD line is higher than the signal line, showing a bullish crossover signal. The key support level is 3,750.

ANALYST(S)

Terence Chiu

+852 2236 6716

terence.chiu@uobkayhian.com.hk

Disclosures/Disclaimers

This report is prepared by UOB Kay Hian (Hong Kong) Limited ("UOBKHHK"), which is a licensed corporation providing securities brokerage and securities advisory services in Hong Kong.

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

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

This report is confidential. This report may not be published, circulated, reproduced or distributed in whole or in part by any recipient of this report to any other person without the prior written consent of UOBKHHK. This report is not directed to or intended for distribution to or use by any person or any entity who is a citizen or resident of or located in any locality, state, country or any other jurisdiction as UOBKHHK may determine in its absolute discretion, where the distribution, publication, availability or use of this report would be contrary to applicable law or would subject UOBKHHK and its associates (as defined in the Securities and Futures Ordinance, Chapter 571 of Hong Kong) to any registration, licensing or other requirements within such jurisdiction.

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

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

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

IMPORTANT DISCLOSURES FOR U.S. PERSONS

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

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

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

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

Analyst Certification/Regulation AC

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

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

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