

MARKET NEWS

Chasing after safe-haven assets amid concern over economic recession resulted from US bond yield inversion

Yesterday, (14 Aug), the HSI rose 20 points to settle at 25,302 points. The HSCEI gained 19 points and closed at 9,866 points. The market turnover amounted to HK\$83.955 bn with 891 gainers and 800 losers.

The US revised the list of Chinese goods and the implementation date of some tariffs originally scheduled to start from September yesterday, triggering a rebound in the Hong Kong share market that was technically oversold. This potential turnaround in Sino-US trade talks briefly drove the offshore Renminbi exchange rate to surge sharply by more than 1,000 basis points. Together with the news that the People's Bank of China issued RMB30 billion of central bank bills in Hong Kong, the offshore Renminbi exchange rate was stable for most of the time. As a result, the share prices of sectors sensitive to exchange rates, such as airlines and paper manufacturers, were generally higher.

However, the Mainland announced a series of lower than expected economic data for July, such as total retail sales of consumer goods, value-added industrial output and fixed asset investments. In addition, other data, such as new Renminbi loans and total social financing, was also less than consensus expectations. All of such data fully reflected the risk of downside pressure on the mainland economy. Therefore, the increase in the China and Hong Kong share markets was limited in volatile trading after such data was released.

The US 10-year and 2-year Treasury yield curves formally inverted last night. Since inversion has been a signal of economic recession in the past, coupled with the current complicated political situation, the market concern over the US economic outlook and corporate earnings forecasts has been deepened. While the three major US stock indexes fell by 3%, the New York gold futures rose nearly 1% to a new high of more than six years, fully reflecting investors' risk aversion. The ADR of Hong Kong stocks fell about 480 points, and the HSI is expected to further test the year-low at about 24,900 points.

Tencent Holdings (700 HK)

Q19: Soft top-line Growth; Margins Continued To Recover, Strong Deferred revenue growth

Tencent reported mixed 2Q19 results. Revenue grew 21% yoy, missing consensus by 5%. Non-GAAP net income increased 19% yoy, 3% ahead of consensus. Gross margin shrank 2.7ppt yoy to 44.1% due to higher contribution from FinTech and cloud business, and is in line with consensus estimates of 44.6%. Non-GAAP EPS of Rmb2.46 was up 19% yoy. We maintain BUY, with a lower target price of HK\$423.00 (from HK\$437.00).

Zhenro Properties (6158 HK)

Trading Buy Range: HK\$4.67-4.70

Last price: HK\$4.67

Target price: HK\$4.98/ HK\$5.20

Protective stop: Breaks below HK\$4.40

Netdragon (777 HK)

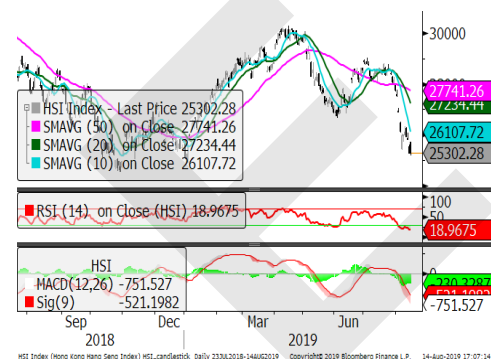
Trading Buy Range: HK\$20.40-20.85

Last price: HK\$20.85

Target price: HK\$22.60/ HK\$24.35

Protective stop: Breaks below HK\$18.40

PRICE CHART (Hang Seng Index)



KEY INDICES

	Prev Close	Chg (%)	YTD (%)
HSI Index	25,302	0.1	-2.1
HI1 index	25,210	-1.5	-3.9
HSCEI index	9,866	0.2	-2.6
SHCOMP index	2,809	0.4	12.6
DJI index	25,479	-3.0	9.2
SPX index	2,841	-2.9	13.3
NKY index	20,655	1.0	3.2
DAX index	11,493	-2.2	8.8
CAC index	5,251	-2.1	11.0

Source: Bloomberg

TOP VOLUME

Stock	Price (HK\$)	Chg (%)	Value (\$m)
TENCENT	340.00	1.8%	5965.9
AIA	73.30	-0.1%	3716.0
PING AN	86.90	-0.5%	2742.3
SUNNY OPTICAL	93.95	8.7%	2741.5
TRACKER FUND HK	25.95	-0.2%	2270.6

TOP GAINERS

Stock	Price (HK\$)	Chg (%)	Value (\$m)
HUIYIN HOLDINGS	0.35	27%	0.00
BEIJING CAPITAL	1.20	20%	0.0
JIANDE INT'L	0.08	20%	0.02
NEW PROVENANCE	0.03	19%	0.4
SHING CHI HOLDIN	1.83	19%	0.2

TOP LOSERS

Stock	Price (HK\$)	Chg (%)	Value (\$m)
FOREBASE INTL HD	0.23	-22%	0.1
FORTUNE SUN	0.56	-21%	0.2
GLOBAL SWEET	0.09	-20%	0.1
VEEKO INTL HLDGS	0.09	-19%	0.8
UBA INVESTMENTS	0.04	-19%	0.0

ANALYST

Ivan Ip

+852 2236 6752

ivan.ip@uobkayhian.com.hk

COMPANY RESULTS
Tencent Holdings (700 HK)

Q19: Soft top-line Growth; Margins Continued To Recover, Strong Deferred revenue growth

Tencent reported mixed 2Q19 results. Revenue grew 21% yoy, missing consensus by 5%. Non-GAAP net income increased 19% yoy, 3% ahead of consensus. Gross margin shrank 2.7ppt yoy to 44.1% due to higher contribution from FinTech and cloud business, and is in line with consensus estimates of 44.6%. Non-GAAP EPS of Rmb2.46 was up 19% yoy. We maintain BUY, with a lower target price of HK\$423.00 (from HK\$437.00).

2Q19 RESULTS OVERVIEW

(RMB mn)	2Q18A	1Q19A	2Q19A	QoQ	YoY	Cons	Variance
Revenue	73,675	85,465	88,821	4%	21%	93,409	-5%
Social networking	16,867	20,461	20,773	2%	23%		
Online games	25,202	28,513	27,307	-4%	8%		
Online ads	14,110	13,377	16,409	23%	16%		
FinTech and Cloud and others	17,496	23,114	24,332	5%	39%		
Cost of sales	-39,229	-45,645	-49,695	9%	27%		
Gross profit	34,446	39,820	39,126	-2%	14%	41,646	-6%
Operating expenses	-16,217	-15,575	-17,295	11%	7%		
Non-GAAP Operating profit	22,258	28,470	27,281	-4%	23%		
Non-GAAP net income	19,716	20,930	23,525	12%	19%	22,940	3%
Non-GAAP diluted EPS (RMB)	2.06	2.19	2.46	12%	19%	2.39	3%
GPM	46.8%	46.6%	44.1%	-2.5 ppts	-2.7 ppts	44.6%	-0.5 ppts
GAAP OPM	29.6%	43.0%	31.0%	-12.0 ppts	1.4 ppts		
Non-GAAP NPM	26.8%	24.5%	26.5%	2.0 ppts	-0.3 ppts	24.6%	1.9 ppts

Source: Tencent Holdings Limited, UOB Kay Hian

RESULTS

- **Online games revenue increased 8% yoy to Rmb27.3b.** Mobile games revenues was up 26% yoy to Rmb22.2b in 2Q19, thanks to the growth of existing titles such as PUBG MOBILE, as well as recently-launched titles like Perfect World Mobile, Catchya and Peacekeeper Elites. PC client games revenue dropped 9% yoy to Rmb11.7b despite increased cash receipts, and was down 15% qoq due to it being the weak season. Deferred revenue recorded strong growth of 25% yoy in 2Q19 (1Q19: 9%; 2Q18: -5%). We maintain positive on mobile game revenue growth throughout 3Q19 due to the strong performance of newly-released games including KartRider Rush and Game of Thrones.
- **Online advertising revenue growth was lower than expected.** This increased 16% yoy (1Q19:25%; 2Q18:39%) to Rmb16.4b. Social advertising grew by 28% yoy, driven by Weixin Moments ads, Mini Programs, QQ KanDian and Tencent Video. Media advertising dropped 7% yoy (1Q19:5%; 2Q18:26%), due to delays in airing certain top-tier drama series and the absence of the FIFA World Cup tournament. The company expects the negative impact from the current business environment to persist in 2H19 and potentially into 2020.
- **FinTech and Business Services revenue was Rmb22.9b, up 37% yoy.** Excluding interest income on custodian cash balances, revenues were up 57% yoy, driven by commercial payment, other FinTech services such as micro-loan products. Gross margin was recorded at 24.0% (1Q19: 28.5%; 2Q18: 26%) due to the absence of interest income.

BUY
(Maintained)

Share Price	HK\$340.00
Target Price	HK\$423.00
Upside	+24.4%
(Previous TP)	HK\$437.00)

ANALYST(S)

Julia Pan Meng Yao

+8621 5404 7225 ext 808

juliapan@uobkayhian.com

Oscar Jiang

+8621 5404 7225 ext 858

oscarjiang@uobkayhian.com

Retail Market Monitor

Thursday, 15 August 2019

STOCK IMPACT

- **Social network VAS revenue** growth accelerated to 23% yoy vs (13% yoy in 1Q19) to Rmb20.8b in 2Q19. Fee-based VAS subscriptions revenue was up by 9.7% yoy to 168.9m as of end-Mar 19, with video subscriptions growing 30% yoy and 2% qoq to 96.9m.
- **Margin performance.** Gross margin shrank 2.7ppt yoy to 44.0% due to higher contribution from FinTech and cloud business, slight lower than consensus estimates of 44.6%. Non-GAAP operating profit grew 22.6% yoy to Rmb27.3b, vs 12.7%/11.1% yoy growth in 1Q19/1Q18. Non-GAAP net profit margin improved 0.5ppt yoy, due to constraints in marketing investment.
- **Operating metric.** QQ's MAU dropped 2% qoq to 808m in 2Q19, while the MAU from smart devices increased 0.9% yoy to 706.7m, thanks to the expansion in young user base. Combined MAU of Weixin and WeChat grew 7.1% yoy to 1,132.7m, with increasing use cases offered by Weixin Pay and Mini Programs.

EARNINGS REVISION

- We cut our revenue forecast for 2019/2020 by 4%/4% to reflect the weaker-than-expected 2Q19 revenue growth. However, we maintain our EPS estimates largely unchanged, due to the improving margins.
- Risks: Uncertainty in timeline of gaming approvals and increasing competition in video content industry.

VALUATION/RECOMMENDATION

- **We maintain BUY on the company with a lower target price of HK\$423.00 (from HK\$437.00).** The company is trading at 26.8x 12-month forward PE, slightly lower than its historical mean of 28.x.

SHARE PRICE CATALYST

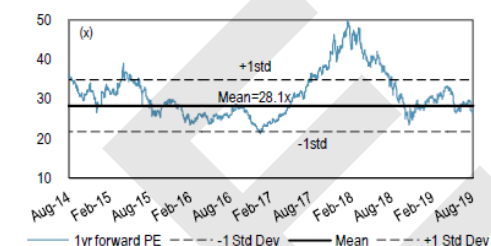
- a) Game approval recovery, margin recovery, newly-launched content platform to boost media-related subscription revenue and advertising revenue, b) higher-than-expected social network penetration into lower-tier cities, and c) better-than-expected demand for mobile advertising.

SOTP DETAILS

(Rmb m)	2019/2020 revenue	2019/2020F non-GAAP earnings	Valuation (2019/20F)	Est. fair value to Tencent (RMB bn)	Fair value to Tencent (US\$ b)	Fair value/ share (HK\$)
Online game (PC + Mobile game)	122,742	39,904	18x PE	718	104	85
Social networking (QQ + Weixin VAS)	98,277	31,166	18x PE	561	82	67
Online ads (Portal + Video + Social ads)	79,647	17,425	18x PE	314	46	37
Payment	97,122		12x PE	1,122	163	138
Cloud	29,572		10x PS	296	43	35
Total EV	300,665	88,495	34x PE	3010	438	357
Investees						48
2019F cash per share (HK\$)						13
Target price (HK\$)						423

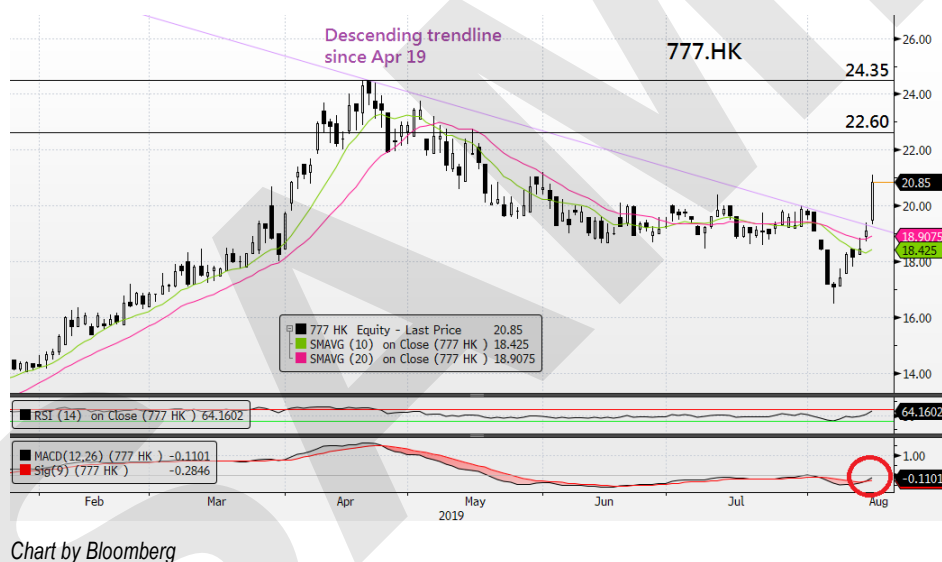
Source: UOB Kay Hian

TENCENT PE BAND



Source: Bloomberg, Tencent, UOB Kay Hian

TRADERS' CORNER



Netdragon (777 HK)

Trading Buy Range: HK\$20.40-20.85

Last price: HK\$20.85

Target price: HK\$22.60/ HK\$24.35

Protective stop: Breaks below HK\$18.40

The stock has just broken above a descending trendline (formed since Apr 19) and major resistance at HK\$20.00 in a larger candle. The MACD has crossed above its signal line and is approaching 0-level. The daily RSI is above its neutrality level at 50% and is heading upwards. Meanwhile, the 10-day and 20-day moving averages have flattened out and are playing support roles.

As long as HK\$18.40 is not broken, look for further upside towards HK\$22.60 and HK\$24.35. A break below HK\$18.40 would indicate that the upward breakout is false, and investors should close their positions to control risk.

Average time frame: Around 2 weeks.

ANALYST

Ivan Ip

+852 2236 6752

Ivan.ip@uobkayhian.com.hk

FOCUS NEWS

Market News

Yesterday (14 August), the balance of Northbound Trading of Shanghai-Hong Kong Stock Connect was RMB 52.367 billion, accounted for about 100.71% of the daily quota of RMB 52 billion. The balance of Southbound Trading was RMB 38.879 billion, accounted for about 92.57% of the daily quota of RMB 42 billion.

The balance of Northbound Trading of Shenzhen-Hong Kong Stock Connect was RMB 50.097 billion, accounted for about 96.34% of the daily quota of RMB 52 billion. The balance of Southbound Trading was RMB 41.094 billion, accounted for about 97.84% of the daily quota of RMB 42 billion.

PBOC News

The People's Bank of China conducted RMB 100 billion reverse repos yesterday. On that day, no reverse repo was due and the PBOC has a net injection of RMB 100 billion.

Industry News

The National Bureau of Statistics announced that China's value-added industrial output of above-scale enterprises expanded 4.8% year-on-year (YoY) in July, lower than the 6% rise forecast by the market. Retail sales growth was also weaker than expected, increasing 7.6% YoY in July. The market had expected growth of 8.6%.

Stock News

Sunny Optical (2382 HK, HK\$93.95) announced results for the first half of 2019. The Group's revenue was RMB15,575 million, representing an increase of 30% YoY. Profit attributable to owners of the Company increased 21.3% YoY to RMB1,430 million. The gross profit margin was 18.4%, which was 1 percentage point lower YoY, mainly due to the fact that the production lines of handset camera modules were still in the process of optimisation and further improvement of automation levels. The stock rose 8.7% yesterday.

Li Ning (2331 HK, HK\$19.86) announced results for the first half of 2019. Revenue increased 33% YoY to RMB6,255 million. Excluding the one-off profit and loss not related to operations, the profit attributable to equity holders amounted to RMB561 million with a YoY increase of 109%. Operating cash flow of the Group increased 107% YoY. Sales channels and financial ratios such as the inventory ratio have been improving. The stock rose 7.4% yesterday.

Nexteer (1316 HK, HK\$6.50) announced results for the first half of 2019. Revenue decreased 10.5% YoY to US\$1,832 million, whilst profit attributable to equity holders of the Company decreased 34.3% YoY to US\$131 million. The stock fell 13.4% yesterday.

Ausnutria Dairy (1717 HK, HK\$12.18) announced results for the first half of 2019. Revenue rose by 21.9% YoY to RMB3,147 million. Adjusted profit attributable to equity holders of the Company rose by 63.8% YoY to RMB434 million. Gross profit margins of the Company increased sharply by 5.7 percentage points YoY to 52.1%, mainly attributable to the proportionate increase in the sales of own-branded formula milk powder products. The stock fell 1.8% yesterday.

HKEX (388 HK, HK\$235.20) announced results for the first half of 2019. Revenue and other income rose 5% YoY to HK\$8,578 million, whilst profit attributable to shareholders rose 3% YoY to HK\$5,205 million. In particular, the average daily turnover of the Northbound Stock Connect reached a record quarterly high in the second quarter of 2019, up 29% compared with the first quarter. This was boosted by the further inclusion of China A shares in the MSCI and FTSE Russell indexes. The stock rose 0.5% yesterday.

China Everbright International (257 HK, HK\$6.58) announced results for the first half of 2019. Revenue increased by 38% YoY to HK\$16,220 million. Profit

ECONOMIC CALENDAR

	Event	Period	Survey	Prior
Aug 15 (Thu)				
US	Empire Manufacturing	Aug	3.3	4.3
US	Philadelphia Fed Business Outlook	Aug	10.0	21.8
US	Retail Sales Advance MoM	Jul	0.2%	0.4%
US	Retail Sales Ex Auto MoM	Jul	0.4%	0.4%
US	Retail Sales Ex Auto and Gas	Jul	--	0.7%
US	Initial Jobless Claims	Aug 10	--	--
US	Continuing Claims	Aug 3	--	--
US	Industrial Production MoM	Jul	0.2%	0.0%
US	Capacity Utilization	Jul	77.8%	77.9%
Aug 16 (Fri)				
US	Net Long-term TIC Flows	Jun	--	\$3.5b
US	Total Net TIC Flows	Jun	--	\$32.9b
US	Housing Starts	Jul	1257k	1253k
US	Building Permits	Jul	1270k	1220k
US	U. of Mich. Sentiment	Aug P	97.0	98.4
Aug 19 (Mon)				
EC	CPI Core YoY	Jul F	--	0.9%
EC	CPI MoM	Jul	--	0.2%
EC	CPI YoY	Jul F	--	1.3%
Aug 21 (Wed)				
US	MBA Mortgage Applications	Aug 16	--	--
US	Existing Home Sales	Jul	5.35m	5.27m

Source: Bloomberg (HK Time), UOBKayHian

attributable to equity holders of the Company increased by 20% YoY to HK\$2,630 million. The Group declared an interim dividend of HK13 cents per share. The stock fell 1.3% yesterday.

TCL Electronics (1070 HK, HK\$3.47) announced a positive profit alert. The Group is expected to record a significant YoY increase in its consolidated profit for the first half of 2019, mainly attributable to enhancement in overall gross profit margins and a substantial increase in sales volume in overseas markets. The stock rose 8.4% yesterday.

Stock Data

Dongfeng Motor Group (489 HK, HK\$6.73) announced sales volume data for July. Total sales volume of vehicles for the month grew 18.8% YoY to 220,800 units. In the first 7 months of this year, the aggregated sales volume of vehicles dropped 5.9% YoY to 1.595 million units. The stock rose 0.4% yesterday.

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.

Copyright 2019, UOB Kay Hian (Hong Kong) Ltd. All rights reserved.

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