

# Daya Materials (DAYA MK)

Energy &amp; Petrochemicals - Oil &amp; Gas Services

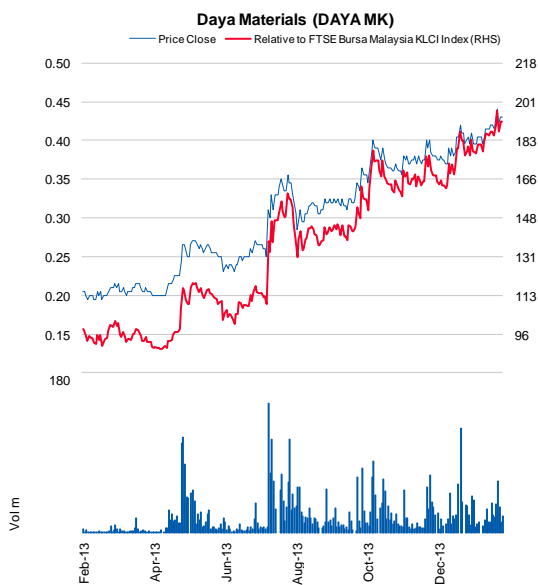
Market Cap: USD180m

**Buy** (Maintained)

Target Price: MYR0.48

Price: MYR0.43

## Sailing On The High Seas

 Macro   
 Risks   
 Growth   
 Value 


Source: Bloomberg

Avg Turnover (MYR/USD)	8.40m/2.56m
Cons. Upside (%)	-14.0
Upside (%)	11.6
52-wk Price low/high (MYR)	0.20 - 0.44
Free float (%)	65
Shareholders (%)	
Dato' Mazlin bin Md Junid	11.7
Dato' Sri Koh Kin Lip JP	6.2
Nathan Tham Jooi Loon	5.7

Shariah compliant

The Research Team +603 9207 7609

[research2@rhbgroup.com](mailto:research2@rhbgroup.com)

Premised on its estimated FY14/15 earnings growth of 86%/18%, Daya Materials (Daya) remains one of our favourite small-cap oil & gas (O&G) picks, especially given its growing O&G division. We raise our FY14/15 forecasts by 13%/29% to reflect better profitability for its technical services (TS) business. Maintain BUY, with a new MYR0.48 FV (from MYR0.42), pegged to an unchanged 15x target FY14 P/E.

- ◆ **Time for execution.** Daya's two offshore support construction vessels (OSCVs) – *Siem Daya 1 (SD1)* and *Siem Daya 2 (SD2)* – will officially begin their North Sea works with Technip Norge AS (Technip Norge) by end-February. Each vessel will be deployed for a period of 220-250 days/contracted year. We project 230 days for North Sea deployment and 30 days for spot charters for each vessel.
- ◆ **51% stake acquisition of SD2 still on track.** Daya's planned acquisition of a 51% stake in SD2, which will cut related costs by around 25%, is targeted to be completed by 1H14. Our calculations suggest that the acquisition will bump up FY14/15 earnings estimates by 2-4%/4-8%.
- ◆ **A third vessel by 4Q14 possible.** Daya is negotiating for another vessel chartering contract with Technip Norge involving a similar vessel as SD1 and SD2. We believe the third vessel's contract arrangement with Siem Offshore (SIOFF NO, NR) could be similar to SD2's and ultimately lead to Daya acquiring a 51% stake.
- ◆ **Management's careful selection.** Daya's technical services (TS) division did not fare well in 3Q13 due to lower project profitability margins. Management said TS showed improvement in 4Q13 and reaffirmed its more selective stance on future projects.
- ◆ **Maintain BUY, higher MYR0.48 FV.** Daya remains one of our favourite small-cap O&G picks, premised on its FY14/15F earnings growth of 86%/18%, driven by significant contributions from its O&G division. We revise our FY14/15 forecasts by 13%/29% to reflect better profitability in its TS business. Maintain BUY, with a new MYR0.48 FV (from MYR0.42), pegged to an unchanged 15x target FY14 P/E, which is on par with other small- to mid-cap O&G companies within our coverage universe.

Forecasts and Valuations	Dec-11	Dec-12	Dec-13F	Dec-14F	Dec-15F
Total turnover (MYRm)	282	277	574	665	766
Reported net profit (MYRm)	19.5	23.0	23.6	44.0	51.8
Recurring net profit (MYRm)	17.8	20.9	23.6	44.0	51.8
Recurring net profit growth (%)	7.4	17.5	13.1	86.4	17.7
Recurring EPS (MYR)	0.02	0.02	0.02	0.03	0.04
DPS (MYR)	0.002	0.003	0.002	0.004	0.005
Recurring P/E (x)	28.1	25.1	25.2	13.5	11.5
P/B (x)	2.45	2.30	2.24	1.97	1.72
P/CF (x)	19	146	8	10	8
Dividend Yield (%)	0.6	0.6	0.5	1.0	1.2
EV/EBITDA (x)	20.1	17.0	15.4	12.6	12.0
Return on average equity (%)	10.1	10.4	9.5	15.5	16.0
Net debt to equity (%)	1.9	6.5	77.4	122.5	149.5
Our vs consensus EPS (%)			0.0	0.0	0.0

Source: Company data, RHB estimates

- ◆ SD1 and SD2 will formally begin their North Sea works by end-Feb 2014

### Emphasising on project execution



**Time for execution.** Both SD1 and SD2 OSCVs will officially begin their North Sea works – under respective long-term contracts with Technip Norge – by end-February. Each vessel will be deployed for a 220-250 days/contracted year period, following SD1's testimonial 1-month stint with the leading subsea engineering contractor on the Norwegian continental shelf in Nov 2013.

**Briefly on contract terms.** SD1 is on a 5-year charter contract with a 2-year extension option, while its sister vessel is on a 3-year contract with a 4-year extension option. Both OSCVs were originally slated for a 100-175 days/year deployment to the North Sea. However, the terms were changed following Daya's successful deployment of SD1 in Nov 2013.

We understand from management that both OSCVs will fetch daily charter rates (DCR) of USD103,300 with an agreed escalation rate of 3% every year.

**Both vessels are chartered from Siem Offshore.** Both SD1 and SD2 are currently being chartered from Siem Offshore for seven years. This matches Daya's commitment to Technip Norge. Both contracts entail a bareboat charter rate of USD65,300 each plus a similar escalation rate of 3% annually. SD1 and SD2 are also equipped with two remotely operated vehicles (ROVs) each. A single ROV has a charter rate of approximately USD10,000/day.

Figure 1: SD1 and SD2 details

	Siem Daya 1	Siem Daya 2
		
Built	2013	2013
Flag	Norway	TBA
Design	STX OSCV 11L	STX OSCV 11L
Capabilities	Operate in water depths up to 3,000m SPS 2008 Clean Design with low fuel consumption	Operate in water depths up to 3,000m SPS 2008 Clean Design with low fuel consumption
	ROV hangar with 2x250Hp WROVs	ROV hangar with 2x250Hp WROVs
	Main crane lifting capacity 250tonnes, operations at depth of 3,000m	Main crane lifting capacity 250tonnes, operations at depth of 3,000m
	Additional crane lifting capacity 50tonnes, operations at depth of 3,000m	Additional crane lifting capacity 50tonnes, operations at depth of 3,000m
	One ROV moonpool	One ROV moonpool
	One work moonpool	One work moonpool
Function	Subsea construction and installation work	Subsea construction and installation work
	Subsea inspection, repair and maintenance	Subsea inspection, repair and maintenance
Shipyard	Vard Brattvaag	Vard Brattvaag
Accommodation	110 persons	110 persons

Source: Company

**Assumptions imputed into our earnings forecasts.** We are assuming that each vessel will be deployed to the North Sea for 230 days and will have an estimated 30 days for spot charters every year. Daya said the OSCVs can fetch a DCR of USD119,000/day/vessel if contracted on a spot basis. This arrangement implies an average DCR of USD105,100/day/vessel. Included in our numbers are: i) a total mobilisation period of 40 days to the two locations, and ii) 65 days of downtime as guided by management.

**What if Technip Norge requires the vessels for 300 days?** According to management, Technip Norge was negotiating for a longer charter of 300 days. The weighted average DCR will then be lower, at USD103,300/day/vessel if the OSCVs are deployed to the North Sea under such an arrangement. This also means that the SD1 and SD2 will not be able to undertake any spot charter contracts, as we believe the remaining 65 days/year window is too short for such opportunities.

Figure 2: Average DCR analysis

Assumptions reflected in FY14 forecasts	DCR, USD	No. of days	Weighted average DCR, USD
Long-term charter	103.3	230	91.4
Spot charter	119.0	30	13.7
		260	105.1 <b>A</b>

Average DCR for longer locked-in charter to Technip	DCR, USD	No. of days	Weighted average DCR, USD
Long-term charter	103.3	300	103.3
Spot charter	119.0	0	-
		300	103.3 <b>B</b>

<b>Discount (A vs B)</b>			<b>2%</b>
--------------------------	--	--	-----------

Source: Company data, RHB estimates

- Management prefers the combination of long-term and spot charters

**The good and the bad.** A combination of spot and long-term charters is, indeed, more lucrative. It also gives Daya the opportunity to build its track record and expertise by working with different parties that may have varied job requirements – a proposition that management prefers. Yet, we cannot ignore the fact that a longer locked-in period of 300 days vs 230 days with Technip Norge provides greater earnings visibility. It eases the risk that the OSCVs may lie idle longer than expected in port, which, in turn, can result in operating costs with no matching chartering revenue.

**51% acquisition stake in SD2 still on track.** The planned acquisition of a 51% stake in SD2 is targeted for completion by 1H14. According to management, owning a 51% stake in a vessel helps to reduce related costs by approximately 25%. Hence, our calculations suggest that the stake acquisition may bump up FY14 and FY15 earnings estimates by 2-4% and 4-8% respectively.

The initial outright acquisition cost for the SD2 was said to be USD120m but, with upgrades done by Siem Offshore to increase the OSCV's power supply capacity, it may now cost USD132m. The 51% stake acquisition will be financed via 25% equity and 75% debt, and we understand that part of the proceeds from Daya's recent 10% placement may be utilised to partly fund the acquisition costs.

**A possible third vessel by 4Q14.** We understood that Daya is negotiating for another vessel chartering contract with Technip Norge, which will involve a similar type of vessel to SD1 and SD2. If successful, this third OSCV will again be chartered from Siem Offshore and is the latter's last vessel built to this specification. We believe the contract arrangement for the third OSCV could be somewhat similar to SD2's and may ultimately lead to Daya acquiring a 51% stake. Although nothing has been confirmed at this current juncture, management said that any further acquisition could be funded via a combination of rights issuance and bonds.

**Refining its craft.** Daya's 3Q13 results came out weaker than expected. This was largely due to higher operational costs and effective tax rate on tax-related non-deductible expenses. Going forward, we believe these costs will be more manageable as management becomes more familiar with the O&G industry. We understand that Daya has also been exploring different avenues to effectively minimise taxation costs. Pending management's guidance, we conservatively assume a corporate tax rate of 24% in FY14/15 across the group.

- Management reaffirmed its more selective stance on future TS projects

**Daya's careful selection.** The group's second-largest contributor, the TS division, did not fare well in 3Q13 as it was dogged mainly by lower project profitability margins. This business historically records PBT margins between 4-11% but this deteriorated sharply to approximately 3% in both 2Q13 and 3Q13. Management said TS did show improvement in 4Q13 and reaffirms its stance to be more selective on future projects that it undertakes.

Although we are comforted by Daya's commitment, we still cautiously assume a conservative 6% PBT margin to this division throughout FY14-15. The group's orderbook currently stands at approximately MYR1bn and we expect these existing projects to continue until FY16.

Daya CMT SB offers design, engineering, construction, project management and maintenance services for commercial and industrial buildings under the TS division. Daya Clarimax SB, on the other hand, provides: i) ISO tank cleaning, repair and maintenance (R&M) services; ii) waste solvents recycling; and iii) the manufacturing of high purity electronics and technical solvents

## Valuations

**Still one of our O&G Top Picks in the small-cap segment.** Daya is still one of our favourite picks in the small-cap O&G space, as we believe its growth potential remains tremendous. The estimated 86.4%/17.7% growth in FY14/FY15 earnings is largely due to the more significant contributions stemming from its subsea O&G division. We are also looking forward to a better performance from the group's TS business in FY14 after consecutive letdowns in 2Q13 and 3Q13. However, we cautiously expect an improved PBT margin of 6% for this division in FY14.

**Possible upside in earnings going forward.** Considering that management is still exploring different ways to minimise taxation costs, we conservatively assume an effective tax rate of 24% across the board in FY14 and FY15.

**Maintain BUY with new FV of MYR0.48 (from MYR0.42).** We maintain our BUY call on the stock with a new FV of MYR0.48 on an unchanged 15x target FY14 P/E. This is largely on par with other small- to mid-cap O&G companies within our coverage universe.

## Financial Exhibits

<b>Profit &amp; Loss (MYRm)</b>	<b>Dec-11</b>	<b>Dec-12</b>	<b>Dec-13F</b>	<b>Dec-14F</b>	<b>Dec-15F</b>
Total turnover	282	277	574	665	766
Cost of sales	(239)	(222)	(471)	(533)	(609)
<b>Gross profit</b>	<b>43</b>	<b>55</b>	<b>103</b>	<b>133</b>	<b>157</b>
Gen & admin expenses	(18)	(25)	(52)	(51)	(59)
Selling expenses	(1)	(1)	(2)	(8)	(9)
Other operating costs	(5)	(5)	(7)	(8)	(11)
<b>Operating profit</b>	<b>20</b>	<b>25</b>	<b>43</b>	<b>65</b>	<b>78</b>
Operating EBITDA	24	30	50	73	89
Depreciation of fixed assets	(5)	(5)	(7)	(8)	(11)
<b>Operating EBIT</b>	<b>20</b>	<b>25</b>	<b>43</b>	<b>65</b>	<b>78</b>
Net income from investments	1	2	2	2	2
Other recurring income	6	6	6	6	6
Interest expense	(4)	(4)	(15)	(14)	(17)
Exceptional income - net	2	3	-	-	-
<b>Pre-tax profit</b>	<b>26</b>	<b>31</b>	<b>35</b>	<b>58</b>	<b>68</b>
Taxation	(6)	(8)	(12)	(14)	(17)
Minority interests	(0)	0	(0)	(0)	(0)
<b>Profit after tax &amp; minorities</b>	<b>20</b>	<b>23</b>	<b>24</b>	<b>44</b>	<b>52</b>
<b>Reported net profit</b>	<b>20</b>	<b>23</b>	<b>24</b>	<b>44</b>	<b>52</b>
<b>Recurring net profit</b>	<b>18</b>	<b>21</b>	<b>24</b>	<b>44</b>	<b>52</b>

Source: Company data, RHB estimates

<b>Cash flow (MYRm)</b>	<b>Dec-11</b>	<b>Dec-12</b>	<b>Dec-13F</b>	<b>Dec-14F</b>	<b>Dec-15F</b>
<b>Operating profit</b>	<b>20</b>	<b>25</b>	<b>43</b>	<b>65</b>	<b>78</b>
<b>Depreciation &amp; amortisation</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>8</b>	<b>11</b>
<b>Change in working capital</b>	<b>13</b>	<b>(17)</b>	<b>46</b>	<b>8</b>	<b>8</b>
Other operating cash flow	(1)	2	7	7	10
<b>Operating cash flow</b>	<b>36</b>	<b>15</b>	<b>103</b>	<b>89</b>	<b>106</b>
Interest received	1	1	-	-	-
Interest paid	(4)	(4)	(15)	(14)	(17)
Tax paid	(7)	(8)	(12)	(14)	(17)
<b>Cash flow from operations</b>	<b>27</b>	<b>4</b>	<b>77</b>	<b>60</b>	<b>73</b>
Capex	(17)	(7)	(200)	(200)	(200)
Other new investments	(1)	(11)	-	-	-
Other investing cash flow	8	5	(33)	(15)	(26)
<b>Cash flow from investing activities</b>	<b>(10)</b>	<b>(12)</b>	<b>(233)</b>	<b>(215)</b>	<b>(226)</b>
Dividends paid	(3)	(3)	(4)	(7)	(9)
Shares repurchased	(0)	(3)	-	-	-
Proceeds from issue of shares	19	-	-	-	-
Increase in debt	(2)	18	180	120	120
Other financing cash flow	(2)	-	-	8	16
<b>Cash flow from financing activities</b>	<b>12</b>	<b>12</b>	<b>176</b>	<b>121</b>	<b>127</b>
Cash at beginning of period	34	63	66	86	51
<b>Total cash generated</b>	<b>29</b>	<b>3</b>	<b>20</b>	<b>(34)</b>	<b>(26)</b>
<b>Implied cash at end of period</b>	<b>63</b>	<b>66</b>	<b>86</b>	<b>51</b>	<b>26</b>

Source: Company data, RHB estimates

## Financial Exhibits

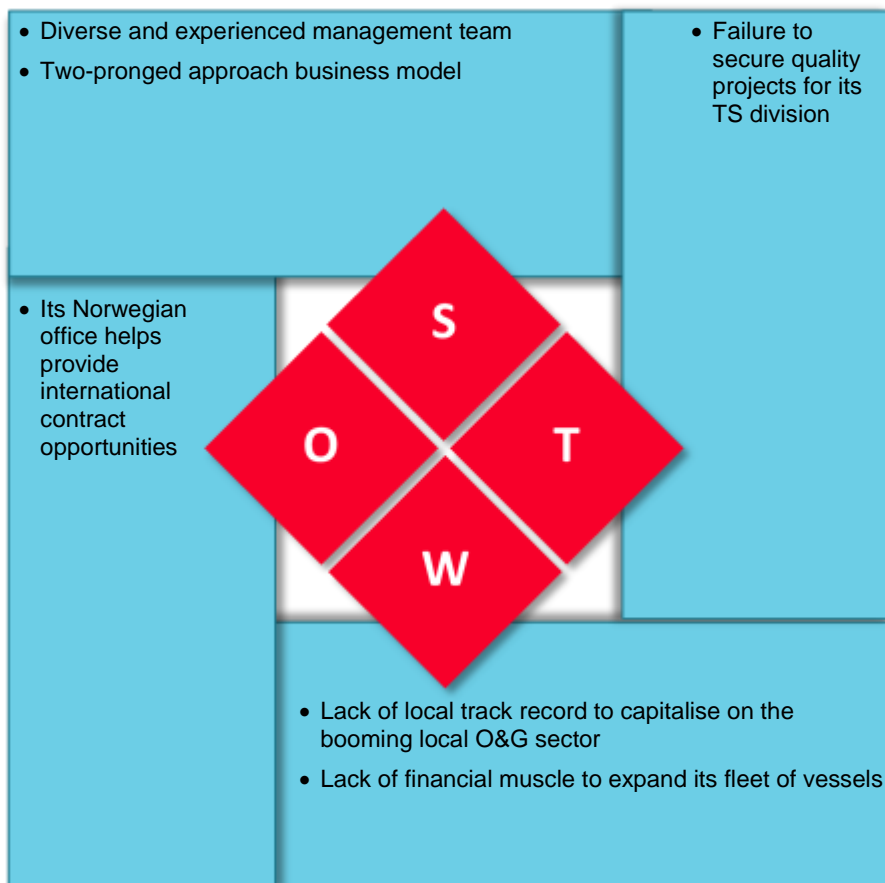
<b>Balance Sheet (MYRm)</b>	<b>Dec-11</b>	<b>Dec-12</b>	<b>Dec-13F</b>	<b>Dec-14F</b>	<b>Dec-15F</b>
Total cash and equivalents	63	66	86	51	26
Inventories	14	14	65	73	83
Accounts receivable	87	73	126	146	168
Other current assets	25	42	55	55	55
<b>Total current assets</b>	<b>189</b>	<b>195</b>	<b>331</b>	<b>325</b>	<b>332</b>
Total investments	6	15	17	18	20
Tangible fixed assets	100	106	299	491	680
Intangible assets	84	84	84	84	84
Total non-current assets	190	204	399	593	783
<b>Total assets</b>	<b>378</b>	<b>399</b>	<b>730</b>	<b>918</b>	<b>1,116</b>
Short-term debt	18	40	80	40	40
Accounts payable	95	86	155	175	200
Other current liabilities	2	1	4	4	4
<b>Total current liabilities</b>	<b>115</b>	<b>127</b>	<b>239</b>	<b>219</b>	<b>244</b>
Total long-term debt	49	41	211	381	501
Other liabilities	4	0	15	16	26
<b>Total non-current liabilities</b>	<b>53</b>	<b>41</b>	<b>226</b>	<b>397</b>	<b>527</b>
<b>Total liabilities</b>	<b>168</b>	<b>168</b>	<b>465</b>	<b>616</b>	<b>771</b>
Share capital	120	123	138	138	138
Retained earnings reserve	91	108	127	164	207
<b>Shareholders' equity</b>	<b>211</b>	<b>231</b>	<b>266</b>	<b>302</b>	<b>345</b>
Minority interests	-	(0)	(0)	(0)	(0)
Other equity	-	0	0	(0)	0
<b>Total equity</b>	<b>211</b>	<b>231</b>	<b>265</b>	<b>302</b>	<b>345</b>
<b>Total liabilities &amp; equity</b>	<b>378</b>	<b>399</b>	<b>730</b>	<b>918</b>	<b>1,116</b>

Source: Company data, RHB estimates

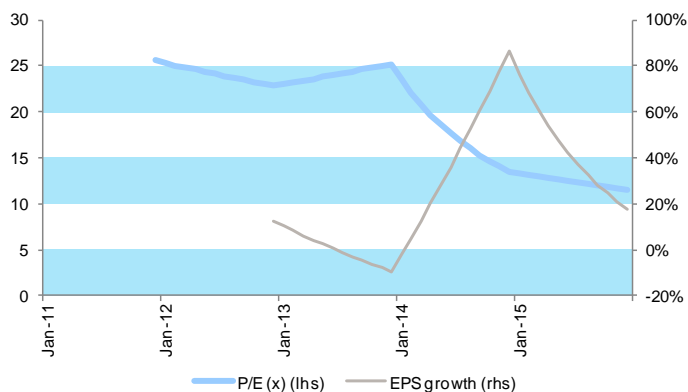
<b>Key Ratios (MYR)</b>	<b>Dec-11</b>	<b>Dec-12</b>	<b>Dec-13F</b>	<b>Dec-14F</b>	<b>Dec-15F</b>
Revenue growth (%)	61.7	(1.7)	107.3	15.9	15.1
Operating profit growth (%)	(11.9)	26.6	69.8	52.8	19.6
Net profit growth (%)	25.0	17.9	2.6	86.4	17.7
EPS growth (%)	10.8	12.3	(9.5)	86.4	17.7
Bv per share growth (%)	9.1	6.6	2.5	13.8	14.2
Operating margin (%)	7.1	9.1	7.5	9.8	10.2
Net profit margin (%)	6.9	8.3	4.1	6.6	6.8
Return on average assets (%)	5.8	5.9	4.2	5.3	5.1
Return on average equity (%)	10.1	10.4	9.5	15.5	16.0
Net debt to equity (%)	1.9	6.5	77.4	122.5	149.5
DPS	0.002	0.003	0.002	0.004	0.005
Recurrent cash flow per share	0.02	0.00	0.06	0.04	0.05

Source: Company data, RHB estimates

## SWOT Analysis

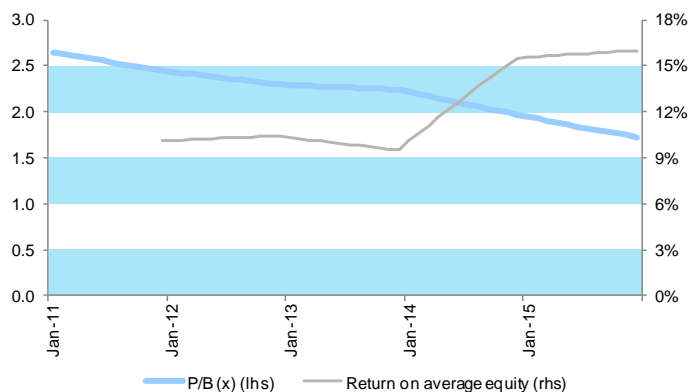


P/E (x) vs EPS growth



Source: Company data, RHB estimates

P/BV (x) vs ROAE



Source: Company data, RHB estimates

## Company Profile

Daya Materials Bhd (Daya) is a small integrated oil & gas (O&G) player that offers mainly offshore and onshore services. Its operation ranges from providing complete logistic, trading and distribution of specialty chemicals & catalysts, technical services to the downstream O&G sector; and subsea, crane and mechanical & engineering services. It also markets and sells specialised polymer compounds with a distributorship network that reaches across Asia.

## Recommendation Chart



Source: RHB estimates, Bloomberg

Date	Recommendation	Target Price	Price
2013-11-20	Buy	0.42	0.37
2013-10-31	Buy	0.48	0.40

Source: RHB estimates, Bloomberg



## RHB Guide to Investment Ratings

- Buy:** Share price may exceed 10% over the next 12 months  
**Trading Buy:** Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain  
**Neutral:** Share price may fall within the range of +/- 10% over the next 12 months  
**Take Profit:** Target price has been attained. Look to accumulate at lower levels  
**Sell:** Share price may fall by more than 10% over the next 12 months  
**Not Rated:** Stock is not within regular research coverage

## Disclosure & Disclaimer

All research is based on material compiled from data considered to be reliable at the time of writing, but RHB does not make any representation or warranty, express or implied, as to its accuracy, completeness or correctness. No part of this report is to be construed as an offer or solicitation of an offer to transact any securities or financial instruments whether referred to herein or otherwise. This report is general in nature and has been prepared for information purposes only. It is intended for circulation to the clients of RHB and its related companies. Any recommendation contained in this report does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This report is for the information of addressees only and is not to be taken in substitution for the exercise of judgment by addressees, who should obtain separate legal or financial advice to independently evaluate the particular investments and strategies.

This report may further consist of, whether in whole or in part, summaries, research, compilations, extracts or analysis that has been prepared by RHB's strategic, joint venture and/or business partners. No representation or warranty (express or implied) is given as to the accuracy or completeness of such information and accordingly investors should make their own informed decisions before relying on the same.

RHB, its affiliates and related companies, their respective directors, associates, connected parties and/or employees may own or have positions in securities of the company(ies) covered in this research report or any securities related thereto, and may from time to time add to, or dispose off, or may be materially interested in any such securities. Further, RHB, its affiliates and related companies do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in securities of such company(ies), may sell them or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory or underwriting services for or relating to such company(ies), as well as solicit such investment, advisory or other services from any entity mentioned in this research report.

RHB and its employees and/or agents do not accept any liability, be it directly, indirectly or consequential losses, loss of profits or damages that may arise from any reliance based on this report or further communication given in relation to this report, including where such losses, loss of profits or damages are alleged to have arisen due to the contents of such report or communication being perceived as defamatory in nature.

The term "RHB" shall denote where applicable, the relevant entity distributing the report in the particular jurisdiction mentioned specifically herein below and shall refer to RHB Research Institute Sdn Bhd, its holding company, affiliates, subsidiaries and related companies.

All Rights Reserved. This report is for the use of intended recipients only and may not be reproduced, distributed or published for any purpose without prior consent of RHB and RHB accepts no liability whatsoever for the actions of third parties in this respect.

### Malaysia

This report is published and distributed in Malaysia by RHB Research Institute Sdn Bhd (233327-M), Level 11, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur, a wholly-owned subsidiary of RHB Investment Bank Berhad (RHBIB), which in turn is a wholly-owned subsidiary of RHB Capital Berhad.

### Singapore

This report is published and distributed in Singapore by DMG & Partners Research Pte Ltd (Reg. No. 200808705N), a wholly-owned subsidiary of DMG & Partners Securities Pte Ltd, a joint venture between Deutsche Asia Pacific Holdings Pte Ltd (a subsidiary of Deutsche Bank Group) and OSK Investment Bank Berhad, Malaysia which have since merged into RHB Investment Bank Berhad (the merged entity is referred to as "RHBIB", which in turn is a wholly-owned subsidiary of RHB Capital Berhad). DMG & Partners Securities Pte Ltd is a Member of the Singapore Exchange Securities Trading Limited. DMG & Partners Securities Pte Ltd may have received compensation from the company covered in this report for its corporate finance or its dealing activities; this report is therefore classified as a non-independent report.

As of 20 February 2014, DMG & Partners Securities Pte Ltd and its subsidiaries, including DMG & Partners Research Pte Ltd do not have proprietary positions in the securities covered in this report, except for:

a) -

As of 20 February 2014, none of the analysts who covered the securities in this report has an interest in such securities, except for:

a) -

### Special Distribution by RHB

Where the research report is produced by an RHB entity (excluding DMG & Partners Research Pte Ltd) and distributed in Singapore, it is only distributed to "Institutional Investors", "Expert Investors" or "Accredited Investors" as defined in the Securities and Futures Act, CAP. 289 of Singapore. If you are not an "Institutional Investor", "Expert Investor" or "Accredited Investor", this research report is not intended for you and you should disregard this research report in its entirety. In respect of any matters arising from, or in connection with this research report, you are to contact our Singapore Office, DMG & Partners Securities Pte Ltd

### Hong Kong

This report is published and distributed in Hong Kong by RHB OSK Securities Hong Kong Limited ("RHBOSK") (formerly known as OSK Securities Hong Kong Limited), a subsidiary of OSK Investment Bank Berhad, Malaysia which have since merged into RHB Investment Bank Berhad (the merged entity is referred to as "RHBIB"), which in turn is a wholly-owned subsidiary of RHB Capital Berhad.

RHBSHK, RHBIB and/or other affiliates may beneficially own a total of 1% or more of any class of common equity securities of the subject company. RHBSHK, RHBIB and/or other affiliates may, within the past 12 months, have received compensation and/or within the next 3 months seek to obtain compensation for investment banking services from the subject company.

### Risk Disclosure Statements

The prices of securities fluctuate, sometimes dramatically. The price of a security may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling securities. Past performance is not a guide to future performance. RHBSHK does not maintain a predetermined schedule for publication of research and will not necessarily update this report

### Indonesia

This report is published and distributed in Indonesia by PT RHB OSK Securities Indonesia (formerly known as PT OSK Nusadana Securities Indonesia), a subsidiary of OSK Investment Bank Berhad, Malaysia, which have since merged into RHB Investment Bank Berhad, which in turn is a wholly-owned subsidiary of RHB Capital Berhad.

### Thailand

This report is published and distributed in Thailand by RHB OSK Securities (Thailand) PCL (formerly known as OSK Securities (Thailand) PCL), a subsidiary of OSK Investment Bank Berhad, Malaysia, which have since merged into RHB Investment Bank Berhad, which in turn is a wholly-owned subsidiary of RHB Capital Berhad.

### Other Jurisdictions

In any other jurisdictions, this report is intended to be distributed to qualified, accredited and professional investors, in compliance with the law and regulations of the jurisdictions.

Kuala Lumpur	Hong Kong	Singapore
<p><b>Malaysia Research Office</b> RHB Research Institute Sdn Bhd Level 11, Tower One, RHB Centre Jalan Tun Razak Kuala Lumpur Malaysia Tel : +(60) 3 9280 2185 Fax : +(60) 3 9284 8693</p>	<p><b>RHB OSK Securities Hong Kong Ltd. (formerly known as OSK Securities Hong Kong Ltd.)</b> 12<sup>th</sup> Floor World-Wide House 19 Des Voeux Road Central, Hong Kong Tel : +(852) 2525 1118 Fax : +(852) 2810 0908</p>	<p><b>DMG &amp; Partners Securities Pte. Ltd.</b> 10 Collyer Quay #09-08 Ocean Financial Centre Singapore 049315 Tel : +(65) 6533 1818 Fax : +(65) 6532 6211</p>
Jakarta	Shanghai	Phnom Penh
<p><b>PT RHB OSK Securities Indonesia (formerly known as PT OSK Nusadana Securities Indonesia)</b> Plaza CIMB Niaga 14th Floor Jl. Jend. Sudirman Kav.25 Jakarta Selatan 12920, Indonesia Tel : +(6221) 2598 6888 Fax : +(6221) 2598 6777</p>	<p><b>RHB OSK (China) Investment Advisory Co. Ltd. (formerly known as OSK (China) Investment Advisory Co. Ltd.)</b> Suite 4005, CITIC Square 1168 Nanjing West Road Shanghai 20041 China Tel : +(8621) 6288 9611 Fax : +(8621) 6288 9633</p>	<p><b>RHB OSK Indochina Securities Limited (formerly known as OSK Indochina Securities Limited)</b> No. 1-3, Street 271 Sangkat Toeuk Thla, Khan Sen Sok Phnom Penh Cambodia Tel: +(855) 23 969 161 Fax: +(855) 23 969 171</p>
Bangkok		
<p><b>RHB OSK Securities (Thailand) PCL (formerly known as OSK Securities (Thailand) PCL)</b> 10th Floor, Sathorn Square Office Tower 98, North Sathorn Road, Silom Bangrak, Bangkok 10500 Thailand Tel: +(66) 2 862 9999 Fax : +(66) 2 108 0999</p>		