

23 January 2024

Property | Real Estate

Eco World (ECW MK)

Not Rated

Time To Pursue The Next Phase Of Growth

Fair Value (Return): MYR1.88 (+46%)
Price: MYR1.29
Market Cap: USD805m
Avg Daily Turnover (MYR/USD) 3.43m/0.71m

Analyst

Loong Kok Wen CFA
+603 9280 8861
loong.kok.wen@rhbgroup.com

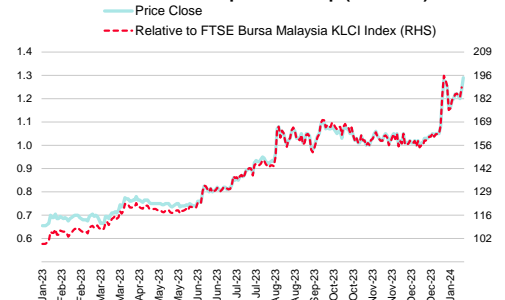


- **MYR1.88 FV based on a 35% discount to RNAV.** With 3,640 acres of landbank spread across key hotspots in Malaysia, Eco World is well-positioned to pursue the next growth phase due to the increasing maturity of its current township developments. We believe the recent land acquisitions will be the key driver. Recently, the company announced two land deals in the high-growth Iskandar Malaysia region. Dividend payment from Eco World International (ECWI MK, NR) should also come in handy for more landbanking activities this year.
- **Prime beneficiary for broad-based sector re-rating.** Eco World should benefit from any uptick in demand in any of the major markets. Currently, the company has 1,800 acres in the Klang Valley (50%), 1,600 acres in Johor (44%) and 214 acres in Penang (6%), with products ranging the evergreen residential township homes, its high-rise duduk series, commercial, as well as the increasingly popular industrial properties. In FY23 (Oct), Eco World raked in MYR3.6bn worth of property sales, of which MYR1.04bn was from all the business park projects.
- **Better cash flow as township lifecycle entering matured stage.** Most of Eco World's township projects are entering their 8-10-year lifecycle. Therefore, cash flow and profit margin from these developments are expected to be more consistent and lucrative going forward. Net margin in FY23 improved to 8.5% from 7.7% in FY22. As such, the maturing phase should enable management to pursue the next phase of growth.
- **Aggressive landbanking in Johor indicates management's strong confidence in Iskandar Malaysia.** Over the last five months, Eco World has successfully added 644 acres of land in Johor, including 404 acres in Kulai and 240 acres in Iskandar Puteri near the Second Link. Both parcels of land are expected to boost the total remaining GDV by 11% (+MYR5.46bn) to MYR56bn. Note, with only three township and three business park projects, the Johor region contributed MYR1.59bn in Eco World's property sales, representing 44% of the total in FY23.
- **Solid financial position for more landbanking opportunities.** ECWI announced its proposed capital reduction exercise in Apr 2023. A total of MYR253m cash distributed back (via dividend) is now Eco World's important war chest to acquire more landbank. In addition to the various cost-cutting initiatives over the last few years, Eco World's net gearing has improved to 0.25x in FY23 from 0.62x in FY20.
- **Valuation.** Our FV is based on 35% discount to RNAV. The slight premium compared to our valuation for other developers under our coverage reflects the company's strong execution track record, better growth prospects ahead as well as the potential upside in dividend given the cash returns from ECWI.

Share Performance (%)

	YTD	1m	3m	6m	12m
Absolute	22.9	24.0	25.2	43.3	96.9
Relative	20.7	21.8	22.1	38.1	97.8
52-wk Price low/high (MYR)				0.66 – 1.29	

Eco World Development Group (ECW MK)



Source: Bloomberg

Forecasts and Valuation	Oct-22	Oct-23	Oct-24F	Oct-25F	Oct-26F
Total turnover (MYRm)	2,044	2,227	2,315	2,579	2,676
Recurring net profit (MYRm)	156	189	198	227	239
Recurring net profit growth (%)	(14.4)	21.1	4.6	14.6	5.3
Recurring EPS (MYR)	0.05	0.06	0.07	0.08	0.08
DPS (MYR)	0.05	0.06	0.06	0.07	0.07
Recurring P/E (x)	24.30	20.06	19.19	16.74	15.90
P/B (x)	0.80	0.80	0.79	0.79	0.78
Dividend Yield (%)	3.9	4.7	4.8	5.0	5.3
Return on average equity (%)	3.3	4.0	4.1	4.7	4.9
Net debt to equity (%)	31.7	25.2	27.0	34.2	33.9

Source: Company data, RHB

See important disclosures at the end of this report

Market Dateline / PP 19489/05/2019 (035080)

Financial Exhibits

Asia	Financial summary (MYR)	Oct-22	Oct-23	Oct-24F	Oct-25F	Oct-26F
Malaysia	Recurring EPS	0.05	0.06	0.07	0.08	0.08
Property	EPS	0.05	0.06	0.07	0.08	0.08
Eco World	DPS	0.05	0.06	0.06	0.07	0.07
ECW MK	BVPS	1.61	1.62	1.63	1.64	1.65
Not Rated	Return on average equity (%)	3.3	4.0	4.1	4.7	4.9
	Return on average assets (%)	1.6	2.1	2.2	2.5	2.6
Valuation basis	Valuation metrics	Oct-22	Oct-23	Oct-24F	Oct-25F	Oct-26F
35% discount to RNAV	Recurring P/E (x)	24.30	20.06	19.19	16.74	15.90
	P/B (x)	0.8	0.8	0.8	0.8	0.8
Key drivers	Dividend Yield (%)	3.9	4.7	4.8	5.0	5.3
Stronger demand for properties given better economic growth and catalysts from infrastructure developments.	EV/EBITDA (x)	15.14	11.80	11.53	11.26	10.78
Key risks	Income statement (MYRm)	Oct-22	Oct-23	Oct-24F	Oct-25F	Oct-26F
Unexpected slowdown in economic growth	Total turnover	2,044	2,227	2,315	2,579	2,676
	Gross profit	490	539	583	639	663
	EBITDA	281	328	343	383	400
	Depreciation and amortisation	(22)	(22)	(23)	(22)	(22)
	Operating profit	259	306	321	361	378
	Net interest	(97)	(123)	(124)	(125)	(127)
	Pre-tax profit	225	270	283	324	341
	Taxation	(69)	(81)	(85)	(97)	(102)
	Reported net profit	156	189	198	227	239
	Recurring net profit	156	189	198	227	239
Company Profile	Cash flow (MYRm)	Oct-22	Oct-23	Oct-24F	Oct-25F	Oct-26F
Eco World has presence across all the key economic regions – the Klang Valley, Johor and Penang. Its products include landed and high-rise residential developments, commercial and industrial properties.	Change in working capital	176	(466)	(68)	(27)	11
	Cash flow from operations	292	(342)	67	134	181
	Cash flow from financing activities	(113)	(253)	0	0	0
	Cash at beginning of period	785	1,316	1,337	1,284	964
	Net change in cash	179	(594)	67	134	181
	Ending balance cash	963	722	1,403	1,418	1,145
	Balance sheet (MYRm)	Oct-22	Oct-23	Oct-24F	Oct-25F	Oct-26F
	Total cash and equivalents	1,316	1,337	1,284	964	1,004
	Tangible fixed assets	3,959	3,357	3,392	3,758	3,805
	Total investments	1,044	1,131	1,131	1,131	1,131
	Total other assets	1,484	1,178	1,178	1,178	1,178
	Total assets	9,400	8,903	8,871	9,030	9,145
	Short-term debt	1,082	740	740	740	740
	Total long-term debt	1,734	1,801	1,837	1,874	1,911
	Total liabilities	4,661	4,129	4,082	4,205	4,282
	Shareholders' equity	4,738	4,774	4,789	4,825	4,863
	Total equity	4,738	4,774	4,789	4,825	4,863
	Total liabilities & equity	9,400	8,903	8,871	9,030	9,145
	Key metrics	Oct-22	Oct-23	Oct-24F	Oct-25F	Oct-26F
	Revenue growth (%)	0.0	9.0	4.0	11.4	3.8
	Recurring net profit growth (%)	(14.4)	21.1	4.6	14.6	5.3
	Recurrent EPS growth (%)	(14.4)	21.1	4.6	14.6	5.3
	Gross margin (%)	24.0	24.2	25.2	24.8	24.8
	Recurring net profit margin (%)	7.6	8.5	8.6	8.8	8.9
	Dividend payout ratio (%)	94.2	93.3	92.2	84.3	83.8

Source: Company data, RHB

Time To Pursue The Next Phase Of Growth

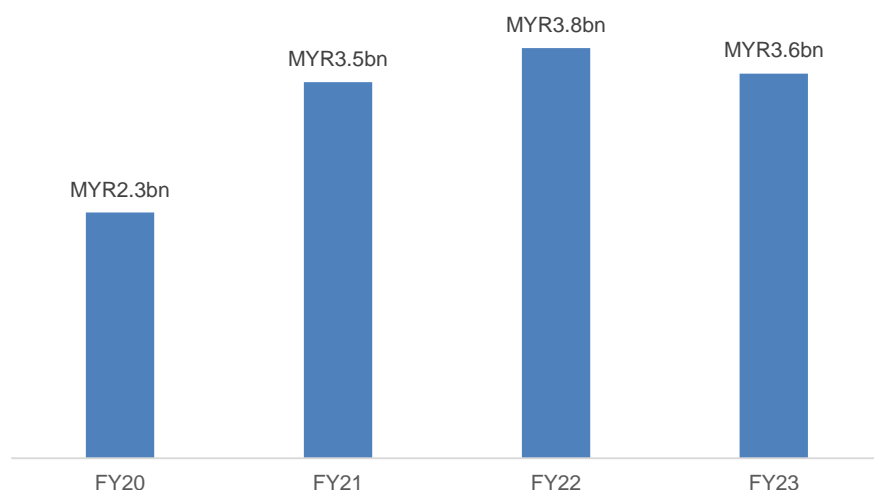
Prime beneficiary for broad-based sector re-rating

Eco World is well-positioned for the prevailing broad-based sector re-rating. The company has a total of 3,600 acres of land across the key hotspots in Malaysia that should capture any uptick in demand. These include 1,800 acres in the Klang Valley (50%), 1,600 acres in Johor (44%) and 214 acres in Penang (6%).

The landbank in the Klang Valley strategically covers the key thriving areas in the northern, western and southern part of the region. There are a total of seven ongoing projects in the Klang Valley, with a combined GDV of MYR34.56bn. Meanwhile, the company has 1,617 acres of undeveloped land (including the new land announced last week) in Johor that yield a total GDV of MYR14bn with six projects, while exposure in Penang is the smallest with only 214 acres of remaining land with MYR5.5bn GDV for only two projects.

Currently Eco World has 16 projects, with a variety of products including the bread-and-butter residential township homes, the high-rise duduk series, commercial developments as well as the increasingly popular industrial properties brand under Eco Business Park. Over the last three years, despite the COVID-19 pandemic, the company has consistently achieved over MYR3.5bn in property sales per financial year (FY21: MYR3.52bn; FY22: MYR3.84bn; FY23: MYR3.60bn). In FY23, Eco Ardence and Eco Business Park V were the top sales performers in the Klang Valley, while Eco Botanic in Johor was the best overall sales contributor. Eco Business Park I, II and III in Johor contributed MYR729.9m in sales.

Figure 1: Eco World's historical property sales

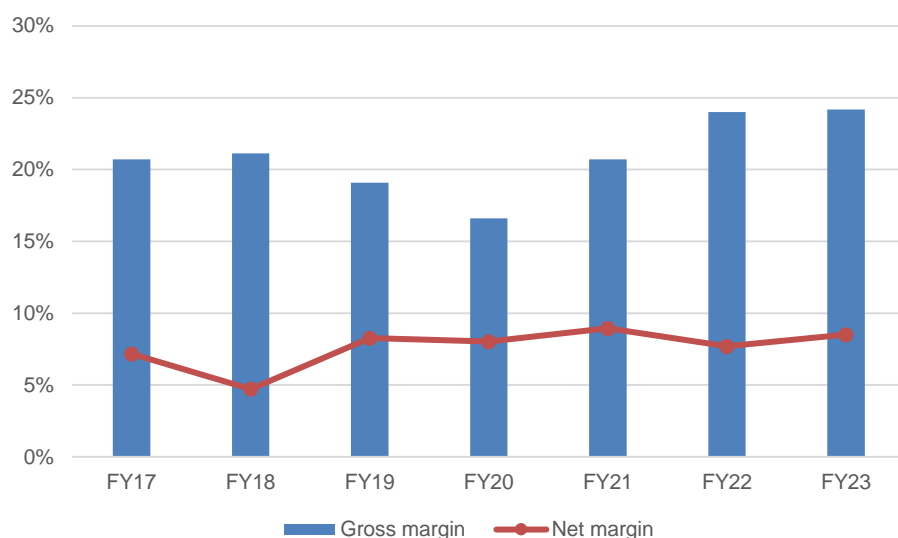


Source: Company data

Existing projects entering high cash-generative phase

FY23 marks the 10th anniversary of the Eco World brand's presence in Malaysia. Recall, 8-10 years ago, management aggressively acquired landbank in different locations to kick start its development business. In addition to the heavy expenditure on land clearing, provision of infrastructure, as well as impressive landscaping for all its new greenfield townships, the company also invested heavily on building its brand, advertising, sales & marketing.

In 2024, most of Eco World's township projects are entering their 8-10-year lifecycle, ie already passed the cash-intensive stage. The timing is good, as this would mean that the company is able to embark on the next phase of growth in tandem with the pick-up in overall demand for property, capitalising on the consistent cash flow from the existing projects. At the same time, profit margin from each project is expected to improve and normalise as these townships mature. Net margin, on a blended basis, will likely gradually expand towards the 10% region over the next 1-2 years. Note that net margin in FY23 improved to 8.5% from 7.7% in FY22.

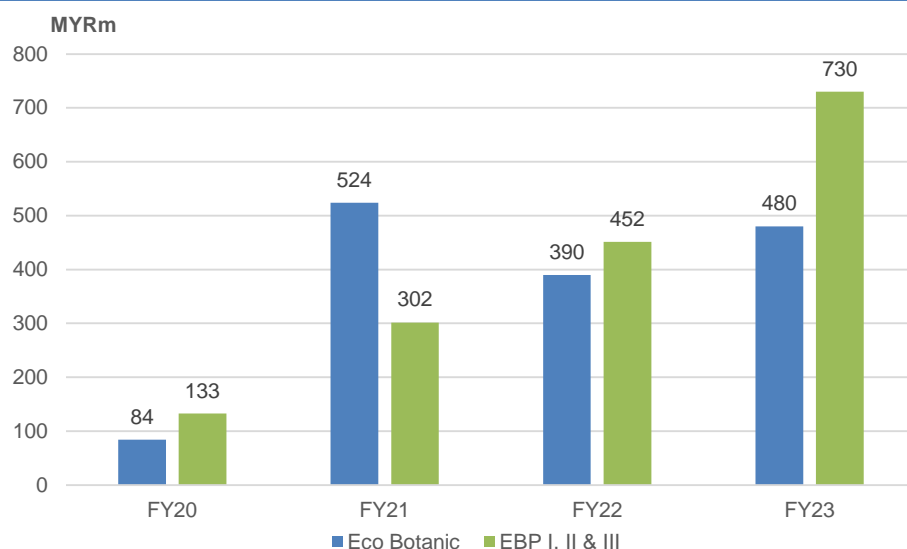
Figure 2: Improving profit margin as projects entering maturing phase

Source: Company data

Entrenching its presence in Iskandar Malaysia

Over the last five months, Eco World has replenished 644 acres of land in Johor, including 404 acres in Kulai and 240 acres in Iskandar Puteri near the Second Link. The aggressive landbanking effort in Johor simply indicates that the company is able to sell its existing products successfully and more importantly, it reflects management's confidence in the growth prospects of Iskandar Malaysia.

Both parcels of land are expected to boost the total remaining GDV in the portfolio by 11% (+MYR5.46bn) to MYR56bn. While the Kulai land is planned for the development of Eco Business Park VI, the 240 acres in Iskandar Puteri is for the extension of Eco Botanic, as the balance undeveloped landbank of the township is only 97 acres. Note, this is one of the most successful townships around the Second Link as its sales surged post pandemic from MYR84.1m in FY20 to MYR524m in FY21. Last year, the township achieved MYR480m sales.

Figure 3: Sales in Eco Botanic and Eco Business Parks in Johor picked up immediately after the pandemic

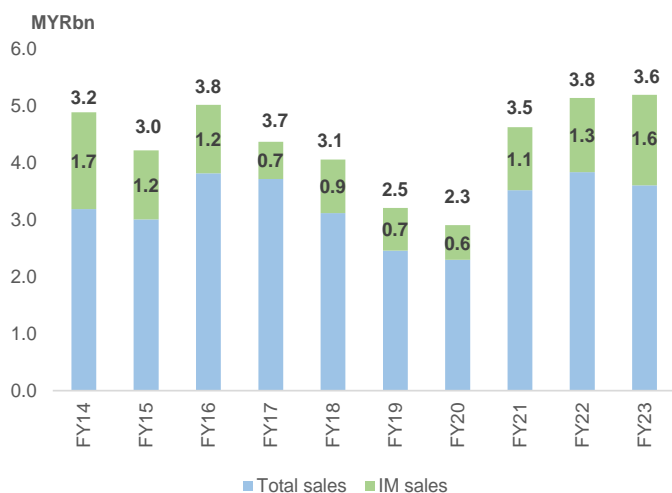
Source: Company data

23 January 2024

Property | Real Estate

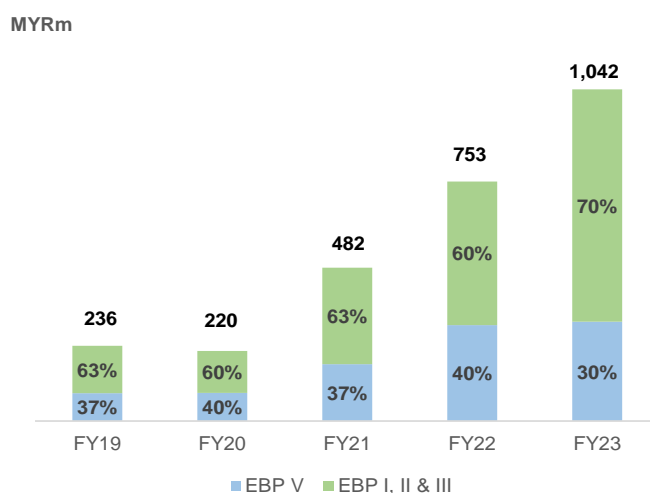
We highlight that, Eco World managed to rake in over MYR1bn worth of property sales pa from Iskandar Malaysia alone over the last three years, and even during the COVID-19 pandemic, it managed to secure MYR608m sales from that region. In addition, the company's industrial developments also saw a rapid increase in sales, especially after the pandemic, which reaffirms our view that multinational corporations are looking to expand or decentralise their operations as part of their risk management strategy.

Figure 4: Eco World's historical property sales and sales contribution from Iskandar Malaysia



Source: Company data

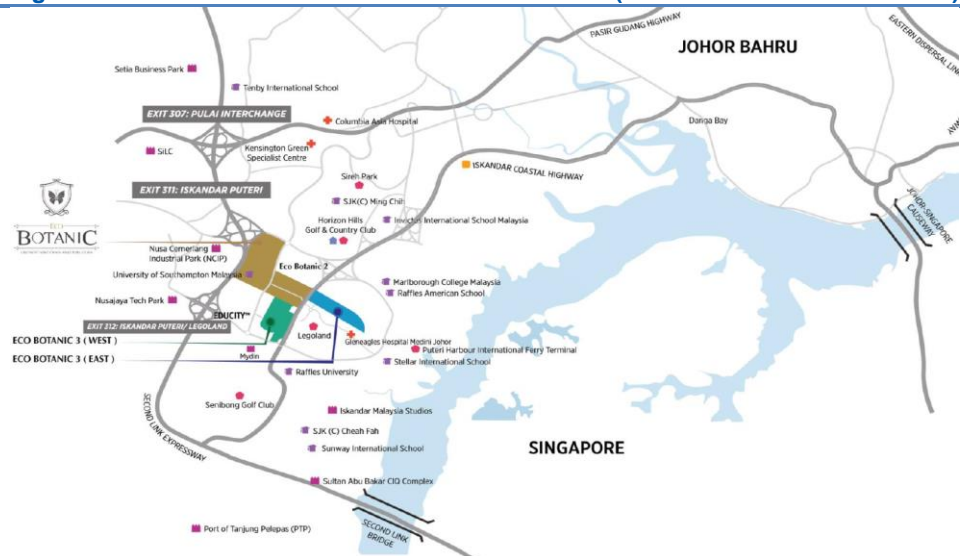
Figure 5: Increasing sales contribution from Eco Business Park I, II and III that are located at Iskandar Malaysia



Source: Company data

Given its landbank exposure in Johor, Eco World is also a potential beneficiary of the upcoming Johor-Singapore Special Economic Zone (JS-SEZ) and KL-Singapore High Speed Rail (HSR). The JS-SEZ is expected to see an influx of investments from Singapore as well as the region. The proposed passport-free QR code clearance of people at land checkpoints suggests that movement of business travellers and workers between Johor and Singapore will be fairly fast and smooth. We also highlight that the location of Eco World's Eco Botanic township is strategically located along the Second Link Expressway, and near to the proposed HSR station (under the previous alignment plan).

Figure 6: Location of the new land in Iskandar Puteri (Eco Botanic 3 East and West)



Source: Company data

Any new landbank will likely re-rate RNAV further

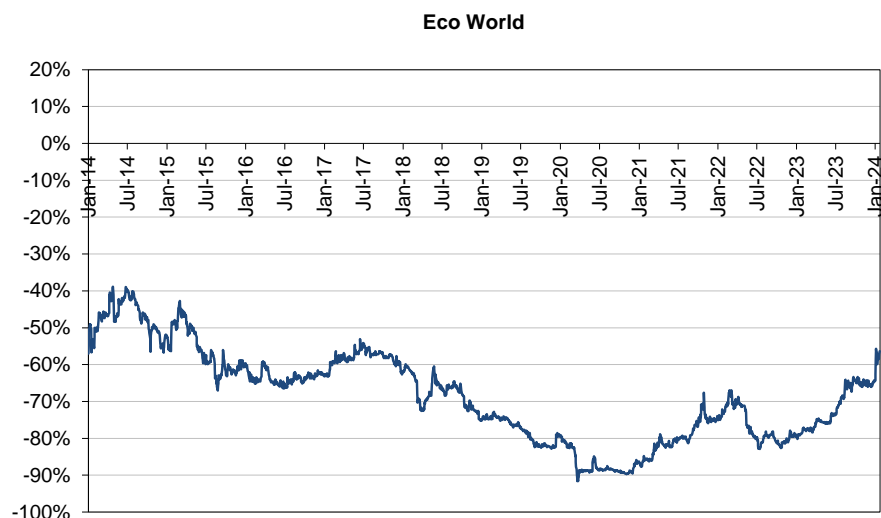
Recall, ECWI announced its proposed capital reduction exercise in Apr 2023. A total of MYR253m cash distributed back via dividend is now Eco World's important war chest for more landbanking activities. In addition, as ECWI clears the balance MYR850m worth of completed and nearly-completed stocks in the UK (effective share of MYR650m) over the next 1-2 years, the excess cash generated will also be distributed back to shareholders.

Financially, we think Eco World has sufficient capability to acquire more landbank, and can afford to gear up if strategic opportunities arise. The company's net gearing has improved to 0.25x in FY23 from 0.62x in FY20, and internally, management has also undertaken various cost-cutting initiatives over the past few years. As such, operational efficiency, stable cash flow from ongoing developments as well as decent net gearing should support the company to embark on more development opportunities.

Valuation

We value Eco World based on a 35% discount to RNAV. The slight premium compared to our valuation for other developers under our coverage reflects the company's strong execution track record, strategic exposure in Iskandar Malaysia from the two recent land deals, and as such, better growth prospects ahead. The cash returning from ECWI could indicate a potential upside in dividend in FY24F-25F.

Figure 7: Eco World's historical discount to RNAV



Source: Bloomberg, RHB

23 January 2024

Property | Real Estate

Figure 8: RNAV estimate

Project	Remaining landbank (acres)	Remaining GDV (MYRm)	Effective stake	Net surplus @ 10% (MYRm)
<u>Eco Central</u>				
Eco Majestic	323.1	6,940	100%	466.0
Eco Forest	136.0	1,530	100%	123.9
Eco Sanctuary	36.1	4,040	100%	314.6
BBCC	7.6	6,420	40%	128.4
Eco Grandeur	799.3	7,870	60%	354.1
Eco Business Park V	377.2	2,160	60%	148.6
Eco Ardence	122.6	5,110	50%	233.5
Se. Duduk D' Kajang	6.9	500	100%	41.7
<u>Eco South</u>				
Eco Botanic & Eco Botanic 2	96.6	2,370	100%	234.4
Eco Botanic 3	240.3	3,880	80%	184.0
Eco Spring & Eco Summer	88.1	2,330	100%	196.5
Eco Tropics	393.9	2,210	100%	202.7
Eco Business Park I, II & III	394.9	2,040	100%	244.2
Eco Business Park VI	403.8	1,580	100%	150.6
<u>Eco North</u>				
Eco Meadows	15.4	480	100%	40.0
Eco Horizon & Eco Sun	198.5	4,970	60%	222.9
Unbilled sales				453.3
Subtotal				3,739.3
Shareholders' fund				4,773.5
Total RNAV				8,512.9
Shares base (mil)				2,944.4
RNAV per share (MYR)				2.89
Discount				35%
Intrinsic value				1.88

Source: Bloomberg, RHB

Recommendation Chart



Source: RHB, Bloomberg

Date	Recommendation	Target Price	Price
2024-01-22			

Source: RHB, 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

Investment Research Disclaimers

RHB has issued this report for information purposes only. This report is intended for circulation amongst RHB and its affiliates' clients generally or such persons as may be deemed eligible by RHB to receive this report and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. This report is not intended, and should not under any circumstances be construed as, an offer or a solicitation of an offer to buy or sell the securities referred to herein or any related financial instruments.

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.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to the applicable laws or regulations. By accepting this report, the recipient hereof (i) represents and warrants that it is lawfully able to receive this document under the laws and regulations of the jurisdiction in which it is located or other applicable laws and (ii) acknowledges and agrees to be bound by the limitations contained herein. Any failure to comply with these limitations may constitute a violation of applicable laws.

All the information contained herein is based upon publicly available information and has been obtained from sources that RHB believes to be reliable and correct at the time of issue of this report. However, such sources have not been independently verified by RHB and/or its affiliates and this report does not purport to contain all information that a prospective investor may require. The opinions expressed herein are RHB's present opinions only and are subject to change without prior notice. RHB is not under any obligation to update or keep current the information and opinions expressed herein or to provide the recipient with access to any additional information. Consequently, RHB does not guarantee, represent or warrant, expressly or impliedly, as to the adequacy, accuracy, reliability, fairness or completeness of the information and opinion contained in this report. Neither RHB (including its officers, directors, associates, connected parties, and/or employees) nor does any of its agents accept any liability for any direct, indirect or consequential losses, loss of profits and/or damages that may arise from the use or reliance of this research report and/or further communications given in relation to this report. Any such responsibility or liability is hereby expressly disclaimed.

Whilst every effort is made to ensure that statement of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable and must not be construed as a representation that the matters referred to therein will occur. Different assumptions by RHB or any other source may yield substantially different results and recommendations contained on one type of research product may differ from recommendations contained in other types of research. The performance of currencies may affect the value of, or income from, the securities or any other financial instruments referenced in this report. Holders of depositary receipts backed by the securities discussed in this report assume currency risk. Past performance is not a guide to future performance. Income from investments may fluctuate. The price or value of the investments to which this report relates, either directly or indirectly, may fall or rise against the interest of investors.

This report may contain comments, estimates, projections, forecasts and expressions of opinion relating to macroeconomic research published by RHB economists of which should not be considered as investment ratings/advice and/or a recommendation by such economists on any securities discussed in this report.

This report does not purport to be comprehensive or to contain all the information that a prospective investor may need in order to make an investment decision. The recipient of this report is making its own independent assessment and decisions regarding any securities or financial instruments referenced herein. Any investment discussed or recommended in this report may be unsuitable for an investor depending on the investor's specific investment objectives and financial position. The material in this report is general information intended for recipients who understand the risks of investing in financial instruments. This report does not take into account whether an investment or course of action and any associated risks are suitable for the recipient. Any recommendations contained in this report must therefore not be relied upon as investment advice based on the recipient's personal circumstances. Investors should make their own independent evaluation of the information contained herein, consider their own investment objective, financial situation and particular needs and seek their own financial, business, legal, tax and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

This report may contain forward-looking statements which are often but not always identified by the use of words such as "believe", "estimate", "intend" and "expect" and statements that an event or result "may", "will" or "might" occur or be achieved and other similar expressions. Such forward-looking statements are based on assumptions made and information currently available to RHB and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement to be materially different from any future results, performance or achievement, expressed or implied by such forward-looking statements. Caution should be taken with respect to such statements and recipients of this report should not place undue reliance on any such forward-looking statements. RHB expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

The use of any website to access this report electronically is done at the recipient's own risk, and it is the recipient's sole responsibility to take precautions to ensure that it is free from viruses or other items of a destructive nature. This report may also provide the addresses of, or contain hyperlinks to, websites. RHB takes no responsibility for the content contained therein. Such addresses or hyperlinks (including addresses or hyperlinks to RHB own website material) are provided solely for the recipient's convenience. The information and the content of the linked site do not in any way form part of this report. Accessing such website or following such link through the report or RHB website shall be at the recipient's own risk.

This report may contain information obtained from third parties. Third party content providers do not guarantee the accuracy, completeness, timeliness or availability of any information and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content. Third party content providers give no express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use. Third party content providers shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of their content.

The research analysts responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously. The research analysts that authored this report are precluded by RHB in all circumstances from trading in the securities or other financial instruments referenced in the report, or from having an interest in the company(ies) that they cover.

The contents of this report is strictly confidential and may not be copied, reproduced, published, distributed, transmitted or passed, in whole or in part, to any other person without the prior express written consent of RHB and/or its affiliates. This report has been delivered to RHB and its affiliates' clients for information purposes only and upon the express understanding that such parties will use it only for the purposes set forth above. By electing to view or accepting a copy of this report, the recipients have agreed that they will not print, copy, videotape, record, hyperlink, download, or otherwise attempt to reproduce or re-transmit (in any form including hard copy or electronic distribution format) the contents of this report. RHB and/or its affiliates accepts no liability whatsoever for the actions of third parties in this respect.

The contents of this report are subject to copyright. Please refer to Restrictions on Distribution below for information regarding the distributors of this report. Recipients must not reproduce or disseminate any content or findings of this report without the express permission of RHB and the distributors.

The securities mentioned in this publication may not be eligible for sale in some states or countries or certain categories of investors. The recipient of this report should have regard to the laws of the recipient's place of domicile when contemplating transactions in the securities or other financial instruments referred to herein. The securities discussed in this report may not have been registered in such jurisdiction. Without prejudice to the foregoing, the recipient is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

The term "RHB" shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case, RHB Investment Bank Berhad and its affiliates, subsidiaries and related companies.

RESTRICTIONS ON DISTRIBUTION

Malaysia

This report is issued and distributed in Malaysia by RHB Investment Bank Berhad ("RHBIB"). The views and opinions in this report are our own as of the date hereof and is subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. RHBIB has no obligation to update its opinion or the information in this report.

Thailand

This report is issued and distributed in the Kingdom of Thailand by RHB Securities (Thailand) PCL, a licensed securities company that is authorised by the Ministry of Finance, regulated by the Securities and Exchange Commission of Thailand and is a

member of the Stock Exchange of Thailand. The Thai Institute of Directors Association has disclosed the Corporate Governance Report of Thai Listed Companies made pursuant to the policy of the Securities and Exchange Commission of Thailand. RHB Securities (Thailand) PCL does not endorse, confirm nor certify the result of the Corporate Governance Report of Thai Listed Companies.

Indonesia

This report is issued and distributed in Indonesia by PT RHB Sekuritas Indonesia. This research does not constitute an offering document and it should not be construed as an offer of securities in Indonesia. Any securities offered or sold, directly or indirectly, in Indonesia or to any Indonesian citizen or corporation (wherever located) or to any Indonesian resident in a manner which constitutes a public offering under Indonesian laws and regulations must comply with the prevailing Indonesian laws and regulations.

Singapore

This report is issued and distributed in Singapore by RHB Bank Berhad (through its Singapore branch) which is an exempt capital markets services entity and an exempt financial adviser regulated by the Monetary Authority of Singapore. RHB Bank Berhad (through its Singapore branch) may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, RHB Bank Berhad (through its Singapore branch) accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact RHB Bank Berhad (through its Singapore branch) in respect of any matter arising from or in connection with the report.

United States

This report was prepared by RHB is meant for distribution solely and directly to "major" U.S. institutional investors as defined under, and pursuant to, the requirements of Rule 15a-6 under the U.S. Securities and Exchange Act of 1934, as amended (the "Exchange Act") via a registered U.S. broker-dealer as appointed by RHB from time to time. Accordingly, any access to this report via Bursa Marketplace or any other Electronic Services Provider is not intended for any party other than "major" US institutional investors (via a registered U.S. broker-dealer), nor shall be deemed as solicitation by RHB in any manner. RHB is not registered as a broker-dealer in the United States and currently has not appointed a U.S. broker-dealer. Additionally, RHB does not offer brokerage services to U.S. persons. Any order for the purchase or sale of all securities discussed herein must be placed with and through a registered U.S. broker-dealer as appointed by RHB from time to time as required by the Exchange Act Rule 15a-6. For avoidance of doubt, RHB reiterates that it has not appointed any U.S. broker-dealer during the issuance of this report. This report is confidential and not intended for distribution to, or use by, persons other than the recipient and its employees, agents and advisors, as applicable. Additionally, where research is distributed via Electronic Service Provider, the analysts whose names appear in this report are not registered or qualified as research analysts in the United States and are not associated persons of any registered U.S. broker-dealer as appointed by RHB from time to time and therefore may not be subject to any applicable restrictions under Financial Industry Regulatory Authority ("FINRA") rules on communications with a subject company, public appearances and personal trading. Investing in any non-U.S. securities or related financial instruments discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in the United States. The financial instruments discussed in this report may not be suitable for all investors. Transactions in foreign markets may be subject to regulations that differ from or offer less protection than those in the United States.

DISCLOSURE OF CONFLICTS OF INTEREST

RHB Investment Bank Berhad, its subsidiaries (including its regional offices) and associated companies, ("RHBIB Group") form a diversified financial group, undertaking various investment banking activities which include, amongst others, underwriting, securities trading, market making and corporate finance advisory.

As a result of the same, in the ordinary course of its business, any member of the RHBIB Group, may, from time to time, have business relationships with, hold any positions in the securities and/or capital market products (including but not limited to shares, warrants, and/or derivatives), trade or otherwise effect transactions for its own account or the account of its customers or perform and/or solicit investment, advisory or other services from any of the subject company(ies) covered in this research report.

While the RHBIB Group will ensure that there are sufficient information barriers and internal controls in place where necessary, to prevent/manage any conflicts of interest to ensure the independence of this report, investors should also be aware that such conflict of interest may exist in view of the investment banking activities undertaken by the RHBIB Group as mentioned above and should exercise their own judgement before making any investment decisions.

In Singapore, investment research activities are conducted under RHB Bank Berhad (through its Singapore branch), and the disclaimers above similarly apply.

Malaysia

Save as disclosed in the following link [RHB Research Conflict Disclosures - Jan 2024](#) and to the best of our knowledge, RHBIB hereby declares that:

1. RHBIB does not have a financial interest in the securities or other capital market products of the subject company(ies) covered in this report.
2. RHBIB is not a market maker in the securities or capital market products of the subject company(ies) covered in this report.
3. None of RHBIB's staff or associated person serve as a director or board member* of the subject company(ies) covered in this report
**For the avoidance of doubt, the confirmation is only limited to the staff of research department*
4. RHBIB did not receive compensation for investment banking or corporate finance services from the subject company in the past 12 months.
5. RHBIB did not receive compensation or benefit (including gift and special cost arrangement e.g. company/issuer-sponsored and paid trip) in relation to the production of this report.

Thailand

Save as disclosed in the following link [RHB Research Conflict Disclosures - Jan 2024](#) and to the best of our knowledge, RHB Securities (Thailand) PCL hereby declares that:

1. RHB Securities (Thailand) PCL does not have a financial interest in the securities or other capital market products of the subject company(ies) covered in this report.
2. RHB Securities (Thailand) PCL is not a market maker in the securities or capital market products of the subject company(ies) covered in this report.
3. None of RHB Securities (Thailand) PCL's staff or associated person serve as a director or board member* of the subject company(ies) covered in this report
**For the avoidance of doubt, the confirmation is only limited to the staff of research department*
4. RHB Securities (Thailand) PCL did not receive compensation for investment banking or corporate finance services from the subject company in the past 12 months.
5. RHB Securities (Thailand) PCL did not receive compensation or benefit (including gift and special cost arrangement e.g. company/issuer-sponsored and paid trip) in relation to the production of this report.

Indonesia

Save as disclosed in the following link [RHB Research Conflict Disclosures - Jan 2024](#) and to the best of our knowledge, PT RHB Sekuritas Indonesia hereby declares that:

1. PT RHB Sekuritas Indonesia and its investment analysts, does not have any interest in the securities of the subject company(ies) covered in this report.
For the avoidance of doubt, interest in securities include the following:
 - a) Holding directly or indirectly, individually or jointly own/hold securities or entitled for dividends, interest or proceeds from the sale or exercise of the subject company's securities covered in this report*;
 - b) Being bound by an agreement to purchase securities or has the right to transfer the securities or has the right to pre subscribe the securities*.
 - c) Being bound or required to buy the remaining securities that are not subscribed/placed out pursuant to an Initial Public Offering*.
 - d) Managing or jointly with other parties managing such parties as referred to in (a), (b) or (c) above.
2. PT RHB Sekuritas Indonesia is not a market maker in the securities or capital market products of the subject company(ies) covered in this report.
3. None of PT RHB Sekuritas Indonesia's staff** or associated person serve as a director or board member* of the subject company(ies) covered in this report.
4. PT RHB Sekuritas Indonesia did not receive compensation for investment banking or corporate finance services from the subject company in the past 12 months.
5. PT RHB Sekuritas Indonesia** did not receive compensation or benefit (including gift and special cost arrangement e.g. company/issuer-sponsored and paid trip) in relation to the production of this report:

Notes:

*The overall disclosure is limited to information pertaining to PT RHB Sekuritas Indonesia only.

**The disclosure is limited to Research staff of PT RHB Sekuritas Indonesia only.

Singapore

Save as disclosed in the following link [RHB Research Conflict Disclosures - Jan 2024](#) and to the best of our knowledge, the Singapore Research department of RHB Bank Berhad (through its Singapore branch) hereby declares that:

1. RHB Bank Berhad, its subsidiaries and/or associated companies do not make a market in any issuer covered by the Singapore research analysts in this report.
2. RHB Bank Berhad, its subsidiaries and/or its associated companies and its analysts do not have a financial interest (including a shareholding of 1% or more) in the issuer covered by the Singapore research analysts in this report.
3. RHB Bank Berhad's Singapore research staff or connected persons do not serve on the board or trustee positions of the issuer covered by the Singapore research analysts in this report.
4. RHB Bank Berhad, its subsidiaries and/or its associated companies do not have and have not within the last 12 months had any corporate finance advisory relationship with the issuer covered by the Singapore research analysts in this report or any other relationship that may create a potential conflict of interest.
5. RHB Bank Berhad's Singapore research analysts, or person associated or connected to it do not have any interest in the acquisition or disposal of, the securities, specified securities based derivatives contracts or units in a collective investment scheme covered by the Singapore research analysts in this report.
6. RHB Bank Berhad's Singapore research analysts do not receive any compensation or benefit in connection with the production of this research report or recommendation on the issuer covered by the Singapore research analysts.

Analyst Certification

The analyst(s) who prepared this report, and their associates hereby, certify that:

(1) they do not have any financial interest in the securities or other capital market products of the subject companies mentioned in this report, except for:

Analyst	Company
-	-

(2) no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.



KUALA LUMPUR

RHB Investment Bank Bhd
Level 3A, Tower One, RHB Centre
Jalan Tun Razak
Kuala Lumpur 50400
Malaysia
Tel : +603 9280 8888
Fax : +603 9200 2216

JAKARTA

PT RHB Sekuritas Indonesia
Revenue Tower, 11th Floor, District 8 - SCBD
Jl. Jendral Sudirman Kav 52-53
Jakarta 12190
Indonesia
Tel : +6221 509 39 888
Fax : +6221 509 39 777

BANGKOK

RHB Securities (Thailand) PCL
10th Floor, Sathorn Square Office Tower
98, North Sathorn Road, Silom
Bangrak, Bangkok 10500
Thailand
Tel: +66 2088 9999
Fax :+66 2088 9799

SINGAPORE

RHB Bank Berhad (Singapore branch)
90 Cecil Street
#04-00 RHB Bank Building
Singapore 069531
Fax: +65 6509 0470