14 January 2025

Utilities

Overweight (Maintained)

The Rise Of Renewables; Still OVERWEIGHT

Stocks Covered	9
Rating (Buy/Neutral/Sell):	6 / 2 / 1
Last 12m Earnings Revision Trend:	Neutral

- **Still OVERWEIGHT; Top Picks: Tenaga Nasional, YTL Power, and Solarvest.** Following the Regulatory Period 4 (2025-2027) announcement, we believe major key themes, ie grid infrastructure upgrade cycle, domestic renewables capacity ramp-up, and experienced independent power producers (IPPs) bridging the supply gap will continue to play out amidst the implementation of NETR. The renewable energy (RE) subsector introduction offers investors with clearer access to opportunities, while RE companies could benefit from increased visibility and funding potential for sustainable development.
- **RP4 is out.** We believe the base tariff 45.62 sen/kWh which will be implemented starting 2H25 would have factored in an average 3-year demand growth of 4-5%. The contingent capex, in our view, will be entitled for the same regulatory return of 7.3% and to be included into RAB. The 3-year planned contingent capex is mainly to cater for potential additional demand (such as data centres) and energy transition-related projects. The list of projects under contingent capex has been pre-approved by the Energy Commission (EC) and will be implemented once the trigger occurs. We see an upside of 5-7% to our net regulatory returns if the full capex numbers are being pencilled in. This somewhat demonstrates that TNB is able to capitalise on the potential upside if electricity demand comes in stronger than what has been imputed in base tariffs.
- **Renewable energy subsector.** Bursa Malaysia has launched a new subsector, reclassifying 13 companies effective 13 Jan 2025 – highlighting the growing prominence of RE. Excluding Cypark, which is an outlier with a P/E of 86x due to its turnaround expectations, the FY25 P/E for the group ranges between 10-23x. Mega First Corporation's (MFCB) low valuation reflects its asset-owner focus. Solar EPCC players are valued at a premium due to Malaysia's RE growth plans targeting a 70% mix by 2050. Share prices for the companies under the subsector have mostly shown strong three-year returns, driven by sector recovery post Large Scale Solar 4 (LSS4) overhang and initiatives like National Energy Transition Roadmap (NETR), Corporate Green Power Programme (CGPP), and Large Scale Solar 5 (LSS5).
- **LSS5 spurring news flow.** Shortlisted bidders were notified on 23 Dec 2024, and companies have since begun announcing their awarded quotas, with more announcements anticipated. EPCC contracts, estimated at MYR7bn, are expected to be awarded in 2H25, providing a strong pipeline of opportunities for solar contractors. This will ensure orderbook replenishment following the expected completion of most CGPP projects by the end of 2025.
- **Risks:** Lower-than-expected new RE capacity rollouts, and higher-than-expected operating costs.

Top Picks	Target Price
Tenaga Nasional (TNB MK) – BUY	MYR16.60
YTL Power (YTLP MK) – BUY	MYR4.70
Solarvest (SOLAR MK) – BUY	MYR2

Analysts

Sean Lim, CFA
+603 2302 8128
sean.lim@rhbgroup.com

Miza Izaimi
+603 2302 8121
miza.izaimi@rhbgroup.com

ESG scores

Company	ESG scores
Solarvest	3.4
Samaiden Group	3.3
Ranhill Utilities	3.2
Taliworks Corporation	3.0
YTL Power	2.9
BM Greentech	2.8
Petronas Gas	2.7
Tenaga Nasional	2.7
Malakoff Corp	2.5

Source: Company data, RHB

Company Name	Rating	Target (MYR)	% Upside (Downside)	P/E (x) Dec-25F	P/B (x) Dec-25F	ROAE (%) Dec-25F	Yield (%) Dec-25F
BM Greentech	Neutral	1.85	8.2	21.1	2.8	14.1	1.3
Malakoff Corp	Buy	1.06	18.2	15.4	1.0	6.4	4.6
Petronas Gas	Neutral	17.47	(0.5)	18.5	2.5	13.4	4.6
Ranhill Utilities	Sell	1.10	(22.2)	38.9	2.3	5.9	0.9
Samaiden Group	Buy	1.62	33.5	17.8	3.1	18.5	1.6
Solarvest	Buy	2.00	19.9	22.0	3.2	16.1	-
Taliworks Corporation	Buy	0.98	25.9	17.1	2.0	12.0	5.2
Tenaga Nasional	Buy	16.60	19.4	17.2	1.3	7.6	3.8
YTL Power	Buy	4.70	17.5	12.0	1.4	12.3	1.9

Source: Company data, RHB

RP4. The Government approved the implementation of the RP4 under the Incentive Base Regulation (IBR) framework for the period of Jan 2025 to Dec 2027. The new tariff schedule, with a base tariff of 45.62 sen/kWh for RP4, is proposed to be implemented from 1 Jul 2025. There are no further details as the tariff schedule is currently under review and yet to be finalised. Any differences from Jan-Jun 2025 will be funded through Kumpulan Wang Industri Elektrik (KWIE).

Higher base tariff and capex. The announced base tariff is c.14% higher than the 39.95sen/kWh in Regulatory Period 3 (RP3). Subsequently, it was explained in the press releases and news reports that the higher base tariffs are also factoring in higher fuel benchmarks including: i) Coal price of USD97/mt (from USD79/mt under RP3); ii) Gas prices: Tier 1 to MYR24-35/mmbtu and Tier 2 to MYR46/mmbtu (vs MYR24-30/mmtbu and MYR33/mmbtu under RP3).

The allowed capex is MYR42.8bn, which consists of MYR26.6bn base capex and MYR16.3bn contingent capex. This translates to MYR14.3bn average annual approved capex – 108% higher than the approved capex in RP3, of which the base tariff is already 29% higher than the RP3-approved capex. The allowed opex was also lifted by 16% to MYR20.8bn vs RP3 in order to support the planning and execution of necessary operational and maintenance activities for all of TNB's electrical infrastructure. The regulatory rate of return has been maintained at 7.3% as per RP3.

How could the potential contingent capex mechanism work? We believe the contingent capex will be entitled for the same regulatory return and included into RAB. The 3-year planned contingent capex are mainly to cater for potential additional demands (eg data centres (DCs)) and Energy Transition (ET)-related projects. The list of projects under contingent capex has been pre-approved by EC and will be implemented once the triggers occur. TNB will be able to recover the investment through a recovery mechanism that is being finalised and further details will be shared in due course.

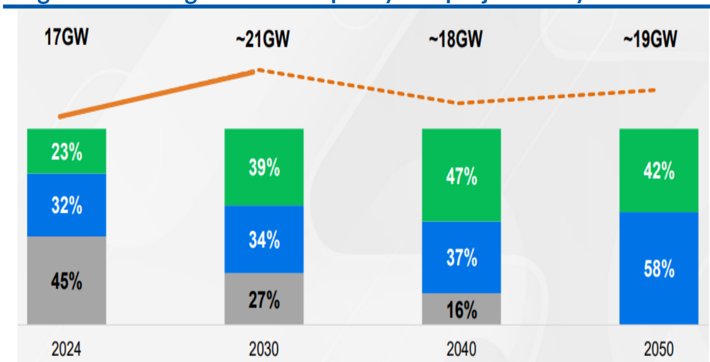
Positive surprise and potential earnings upside. Overall, we are positive on the RP4 announcement as the total allowed average annual capex of MYR14.3bn is higher than our expectations of MYR8.6-9.6bn. We believe the base tariff would have factored in an average 3-year demand growth of 4-5%. However, pending further disclosure by TNB, we are still uncertain on how the recovery mechanism on the contingent capex will be implemented. We maintain our earnings estimate for now but we see an upside of 5-7% to our net regulatory returns if the full capex numbers are being pencilled in. This somewhat demonstrates that TNB is able to capitalise the potential upside if electricity demand comes in stronger than the numbers imputed in base tariffs.

Outlook. Electricity demand rose 6.1% YoY in 3Q24, largely driven by the stronger commercial (+8.8%) and domestic (+6.6%) segments. TNB's current RE capacity rose slightly QoQ to 4.4GW (21% of total capacity). Electricity exports under the Laos-Thailand-Malaysia-Singapore Power Integration Project began in Sep 2024 under a willing buyer-willing seller arrangement (c.7.5GWh delivered to date). TNB signed a 50MW agreement with winning bidders in Dec 2024 under the cross-border electricity sales RE scheme (CBES RE) pilot phase 1 via Energy Exchange Malaysia (ENEGEM). TNB Power Generation's capacity is expected to grow from 17GW currently to 21GW by 2030 with a new plant (up to 10GW of mostly solar and hydro), offsetting a retirement of 5.9GW. TNB anticipates this will moderate to 19GW by 2050 with a RE:gas ratio of 42:58 following the coal plant retirement.

Johor-Singapore Special Economic Zone (JS-SEZ) to spur RE take up. Malaysia and Singapore have formalised an agreement to create the JS-SEZ, which will leverage on the strengths of each country to catalyse growth, attract investments, create jobs, and promote sustainability. Additionally, JS-SEZ facilitates cross-border RE trading between the two countries, allowing Malaysia to export renewable energy to meet Singapore's growing demand. TNB and Sembcorp Power have signed an agreement to supply 50MW of RE to Singapore. The first phase of RE trading has commenced in December last year but the pricing and additional details are still unknown for now.

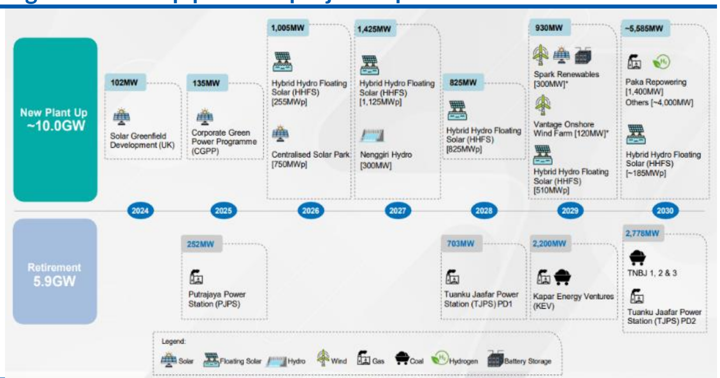
What's next? West Malaysia's electricity consumption growth over the next decade is expected to surpass the 10-year average of 2.4%, led largely by the continued expansion of DCs. We see DC energy consumption alone having a CAGR of 1.6-2.6% between 2023-2035, if 3-5GW of DCs are to be fully operational by 2035. TNB guided that there are 17 projects, including 1.7GW DC projects, completed as of 3Q24 with an actual load utilisation of 248MW. There is another 3GW (1.9GW under construction and 1.1GW electricity supply agreements signed) in the pipeline, bringing the total DC capacity to 4.7GW (31 projects). Bridge DC will be the first DC customer to take 100MW of RE supply under the Corporate Renewable Energy Supply Scheme (CRESS).

Figure 1: TNB's generation capacity mix projection by 2050



Source: Company data

Figure 2: TNB's pipeline of projects up to 2030



Source: Company data

More upside from power generation segment. The Government has projected the reserve margin at 28-36% for 2024-2030. To accommodate such strong demand, we do not discount the possibility of power purchase agreements (PPA) being extended for gas-fired plants and believe IPPs that are experienced in running gas-fired power plants, ie TNB and Malakoff Corp (MLK MK, BUY, TP: MYR1.06), should benefit from additional gas capacity expansions in the long-term (to replace coal). Interestingly, Malakoff believes coal will remain relevant over the next decade and existing coal plants will most likely need to be extended in the medium-term after the PPA expiry if the gas plant additions are insufficient. Even if there is a new gas capacity, cost of generation would be 30-40% higher as new gas molecules will have to be imported at market prices. Furthermore, higher reliance on gas imports may heighten supply sustainability risks in the long-term due to the dependence on the import's country of origin.

The Rise of Renewables

Yesterday, Bursa Malaysia announced the launch of a new RE sub-sector, highlighting the growing significance of the RE space in the market. A total of 13 companies have been finalised for reclassification under this sub-sector, effective 13 Jan 2025.

Figure 3: Sector reclassification for 13 companies

	Company	Previous		New	
		Sector	Subsector	Sector	Subsector
1	Reneuco	Consumer Products & Services	Personal Goods	Energy	Renewable Energy
2	BM Greentech	Industrial Products & Services	Industrial Materials, Components & Equipment	Energy	Renewable Energy
3	Cypark Resources	Industrial Products & Services	Industrial Services	Energy	Renewable Energy
4	Elridge Energy Holdings	Industrial Products & Services	Industrial Services	Energy	Renewable Energy
5	Pekat Group	Industrial Products & Services	Industrial Services	Energy	Renewable Energy
6	Samaiden Group	Industrial Products & Services	Industrial Services	Energy	Renewable Energy
7	Solarvest Holdings	Industrial Products & Services	Industrial Services	Energy	Renewable Energy
8	Sunview Group	Industrial Products & Services	Industrial Services	Energy	Renewable Energy
9	Kinergy Advancement	Industrial Products & Services	Industrial Engineering	Energy	Renewable Energy
10	Trive Property Group	Technology	Technology Equipment	Energy	Renewable Energy
11	Nuenergy Holdings	Transportation & Logistics	Transportation & Logistics Services	Energy	Renewable Energy
12	Eden Inc.	Utilities	Electricity	Utilities	Renewable Energy Electricity
13	Mega First Corporation	Utilities	Electricity	Utilities	Renewable Energy Electricity

Source: Bursa Malaysia

Valuation-wise, based on the forward P/E for FY25, the weighted average stands at 18x. This figure is slightly skewed by Cypark's high P/E of 86x, as the company is expecting a turnaround this year and is anticipated to achieve a normalised P/E by FY26. Excluding Cypark, the sector's P/E generally ranges between 10-23x. MFCB has the lowest P/E in the group, reflecting its status as primarily an asset owner rather than a player in the solar EPCC space. Companies in the solar EPCC segment are valued at a premium due to the significant growth opportunities as Malaysia accelerates its RE initiatives to achieve the country's target of a 70% RE mix by 2050.

Figure 4: Peer comparison for the 13 companies

Company Name	FYE	Last Price	Market Cap	P/E (x)			P/BV (x)	EPS Growth (%)		ROE (%)		EV/ EBITDA	Div. Yield (%)
				FY24	FY25	FY26	FY25	FY25	FY26	FY24	FY25	FY25	FY26
Mega First Corporation	Dec	4.64	4,373.4	9.8	9.6	9.5	1.1	2.1	1.2	13.5	13.1	6.7	2.1
Solarvest Holdings	Mar	1.70	1,228.1	25.4	19.5	18.1	3.4	29.9	8.0	16.9	16.3	12.0	0.3
BM Greentech	Mar	1.72	1,183.0	25.3	21.0	19.8	2.8	20.6	6.1	12.0	12.2	14.4	1.3
Elridge Energy Holdings	Dec	0.42	840.0	22.1	17.5	15.0	na	26.3	16.7	23.4	21.5	8.9	1.2
Kinergy Advancement	Dec	0.35	717.2	na	na	na	na	na	na	na	na	na	na
Cypark Resources	Apr	0.86	707.6	na	86.0	22.6	0.5	110.9	280.0	-7.2	4.4	13.2	0.0
Pekat Group	Dec	1.09	703.0	41.9	22.7	18.5	5.2	84.6	22.9	14.6	20.3	10.9	0.6
Samaiden Group	Jun	1.28	535.9	23.7	19.7	16.4	3.0	20.4	20.0	14.5	16.2	9.5	0.9
Sunview Group	Mar	0.44	249.8	24.4	16.9	14.2	na	44.4	19.2	5.8	na	9.2	na
Nuenergy Holdings	Dec	0.50	93.5	na	na	na	na	na	na	na	na	na	na
Eden Inc	Jun	0.16	78.3	na	na	na	na	na	na	na	na	na	na
Reneuco	Jun	0.06	68.5	na	na	na	na	na	na	na	na	na	na
Trive Property	Jul	0.04	44.2	na	na	na	na	na	na	na	na	na	na
Weighted Average				**15.8**	**18.2**	**13.0**	**1.7**	**23.3**	**24.6**	**11.8**	**12.5**	**8.6**	**1.2**

Source: Bloomberg, RHB

Share price performance. Measuring against the three-year timeframe, most stocks have exhibited positive returns, reflecting the sector boom in 2022. This growth followed the resolution of the LSS4 overhang, which was previously impacted by COVID-19 disruptions and high solar panel prices. Since then, several key initiatives have been announced, including the NETR, CGPP, and LSS5, which have further bolstered investor confidence in the sector.

Figure 5: 1-year and 3-year performances of the 13 companies

Company Name	Last Price	1-year % chg	3-year % chg
Mega First Corporation	4.64	25.6	37.4
Solarvest Holdings	1.70	24.1	40.5
BM Greentech	1.72	94.8	91.3
Elridge Energy Holdings	0.42	na	na
Kinergy Advancement	0.35	-17.9	11.3
Cypark Resources	0.86	-4.4	-0.6
Pekat Group	1.09	147.7	55.9
Samaiden Group	1.28	8.7	77.5
Sunview Group	0.44	-42.9	na
Nuenergy Holdings	0.50	-33.1	30.3
Eden Inc	0.16	-18.4	-6.1
Reneuco	0.06	-70.7	-85.2
Trive Property	0.04	-46.2	-63.2
Weighted Average		**29.9**	**37.3**

Source: Bloomberg, RHB

Figure 6: Coverage and calls for the 13 companies

Company Name	Coverage	Calls		
		Buy	Neutral	Sell
Mega First Corporation	6	4	2	-
Solarvest Holdings	10	9	1	-
BM Greentech	3	1	1	1
Elridge Energy Holdings	-	-	-	-
Kinergy Advancement	-	-	-	-
Cypark Resources	3	-	3	-
Pekat Group	4	4	-	-
Samaiden Group	7	6	1	-
Sunview Group	2	1	1	-
Nuenergy Holdings	-	-	-	-
Eden Inc	-	-	-	-
Reneuco	-	-	-	-
Trive Property	-	-	-	-

Source: Bloomberg, RHB

Developments in the RE space

LSS5 is here. The solar sector is seeing a surge in news flow, with recent developments driving the industry towards notable growth. On 23 Dec 2024, the EC notified the shortlisted bidders for the much-anticipated 2GW LSS5 programme. Unlike previous cycles, the EC did not reveal the full list of winners or the range of tariff bids. Based on listed company announcements (Figure 7) and news report from *The Edge* (Figure 8), c.385.05MW of capacity remains unallocated, leaving room for further awards. There is also the possibility that the total awarded quota could exceed the initial 2GW target. This is timely as asset owners are able to capitalise on the low prices of solar panels which are expected to persist through 2025.

Figure 7: LSS5 announced shortlisted bidders

No	Companies	Capacity (MWac)
1	Tenaga Nasional	500.00
2	Samaiden Group	99.99
3	Wawasan Demi (63%-owned by AIZO group)	99.99
4	Unique Fire Holdings (60%) and HSS Engineers (40%)	95.00
5	Eden Inc	29.99
	Total	**824.97**

Source: Bursa Malaysia

Figure 8: Potential LSS5 shortlisted bidders

No	Companies	Capacity (MWac)
1	Edra Power Holdings and Worldwide Holdings	300.00
2	Gentari	100.00
3	Ditrolic Energy Holdings	100.00
4	Parkland Renewable Energy	99.99
5.	Nusantara Suriamas (70%-owned by Gadang Holdings)	99.99
6.	Conextone Energy	90.00
	Total	**789.98**

Note: Companies that made announcements have been excluded.
Source: The Edge

This momentum is expected to lead to the dishing out of EPCC contracts – estimated at c.MYR7bn – starting in 2HCY25, providing a strong pipeline of projects for solar contractors such as Solarvest, Cypark, Samaiden, Sunview, and Pekat, and ensuring sustained orderbook replenishment following the completion of most CGPP projects, which we estimate will conclude by 2025.

Sabah's LSS-SABAH2024 initiative. Sabah is adding to the excitement in the solar sector with its own LSS-SABAH2024 programme. Under the supervision of the Energy Commission of Sabah (ECoS), this initiative aims to develop 100MWac of solar PV power plants, with capacities ranging from 1MWac to 15MWac, encompassing ground-mounted, floating, and rooftop designs, with operations targeted to commence in 2026. The submission deadline for proposals was 23 Sep 2024, and some awarded companies have already announced their successful bids.

Figure 9: LSS-SABAH2024 announced shortlisted bidders

No	Companies	Capacity (MWac)
1	Regional Utilities (60%-owned by Gadang Holdings and 40%-owned by Hotrend)	15.00
2	Coastal Contracts (95%) and Bina HT (5%)	15.00
3	Nestcon	4.00
	Total	**34.00**

Source: Bursa Malaysia

Activities under CRESS are expected to gain traction following the LSS5 announcement, as developers unable to secure quotas under LSS5 are likely to redirect their planned projects to this scheme. However, the outlook remains subdued as off-takers are adopting a wait-and-see approach due to the high system access charge (SAC). On a positive note, the recently announced base tariff – c.14% higher than the 39.95 sen/kWh in RP3 – could improve the viability of projects and encourage greater off-taker participation, potentially boosting CRESS adoption.

Other notable ongoing initiatives include the Low Carbon Energy Generation programme, which focuses on non-solar renewable resources, ie wind, small hydro, biogas, biomass, and hydrogen. However, participation has been low due to the priority given to solar projects, which offer faster construction timelines. Profitability issues under this programme, related to the feed-in tariffs (FIT), are also under review. The ENEGEM programme also has generated less excitement due to its mechanism, which does not allow the power producers to leverage on higher tariffs for supplying energy to neighbouring countries. Currently, the only agreement under the programme is between TNB and Sembcorp Power for the supply of 50MW of electricity.

Meanwhile, the Net Energy Metering (NEM) initiative continues to see steady quota additions, encouraging adoption among residential and commercial & industrial (C&I) users. Additionally, the Ministry of Energy Transition and Water Transformation, through the EC, announced a competitive bidding process for the development of Battery Energy Storage Systems (BESS) on 28 Nov 2024. Each project will have a capacity of 100MW/400MWh, with a total tender capacity of 400MW/1,600MWh. These projects are expected to commence operations by 2026, with proposal submissions due by 12 Feb 2025. While many RE players have expressed interest, the stringent screening process – requiring a proven track record and strong financial capabilities – has narrowed the field to players with the resources and expertise to meet these criteria. We expect shortlisted bidders to be announced in 2H25. Overall, we remain upbeat as the sector shows strong growth potential, with several key drivers set to boost the industry's performance in the near-term.

Top Picks

Tenaga Nasional (TNB MK, BUY, TP: MYR16.60). We continue to like TNB as a proxy to Malaysia's energy transition growth journey under the NETR. It should also continue to benefit from the continuous upgrade in transmission and distribution assets, where the demand for energy can be anchored by mushrooming DC developments. Overall, we are positive on the RP4 announcement as the total allowed average annual capex of MYR14.3bn was higher than our expectations of MYR8.6-9.6bn. We believe the base tariff of 45.62 sen/kWh, which will be implemented starting 2H25, would have factored in an average 3-year demand growth of 4-5%. The contingent capex, in our view, will be entitled for the same regulatory return of 7.3% and to be included into RAB. The 3-year planned contingent capex is mainly to cater for potential additional demand (such as DCs) and energy transition-related projects. The list of projects under contingent capex has been pre-approved by EC and will be implemented once triggers occur. We see an upside of 5-7% to our net regulatory returns if the full capex numbers are being pencilled in. This somewhat demonstrates that TNB is able to capitalise on the potential upside if electricity demand comes in stronger than what has been imputed in base tariffs.

YTL Power (YTLP, BUY, TP: MYR4.70). Although there is uncertainty over the proposed US rules on advanced chip exports into countries like Malaysia, we still like YTLP for its long-term Artificial Intelligence (AI)-DC play. It was quoted in the news report that YTLP's MD Datuk Seri Yeoh Seok Hong does not expect the AI-DC rollout to be impacted given that YTLP is the first non-US company selected in Asia to partner Nvidia Corp to deploy and manage a supercomputer driven by the GB200 Blackwell GPUs or graphic processing units in the region. He further reiterated that American hyperscalers, which include Nvidia, are not subject to the limits and the customer pipeline for AI-DC shall not be affected. On the other hand, we are positive on Wessex Water's PR24 final determination outcome as it allows Wessex Water to collect higher revenue through higher tariff adjustments. Wessex Water's earnings are expected to improve starting from April 2025 post-tariff adjustments but its bottomline could still be affected by accounting anomalies/additional finance cost from index-linked bonds, albeit at lower amount, as well as potential higher depreciation given higher capex spending.

Solarvest (SOLAR MK, BUY; TP: MYR2). We prefer Solarvest in the RE sector due to its notable market share of c.20-30% in the utility-scale space, based on its involvement in CGPP and LSS4 – underscoring its strong competitive position in the industry. Additionally, it has a robust and consistent replenishment rate for C&I EPCC projects, contributing c.MYR50m to its quarterly revenue. The group has also successfully commercialised its utility-scale asset under LSS4, comprising a total of 67.3MWp from three solar farms, which provides recurring income to balance the lumpy nature of EPCC earnings. Moreover, its strategic regional expansion enhances its ability to tap into emerging markets, supporting its sustainable growth trajectory in the renewable energy industry.

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.

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 2025 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.

Indonesia

Save as disclosed in the following link RHB Research Conflict Disclosures - Jan 2025 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 2025 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 2302 8100
Fax : +603 2302 8134

JAKARTA

PT RHB Sekuritas Indonesia
Revenue Tower, 11th Floor, District 8 - SCBD
Jl. Jendral Sudirman Kav 52-53
Jakarta 12190
Indonesia
Tel : +6221 5093 9888
Fax : +6221 5093 9777

SINGAPORE

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