

24 July 2023

Property | Real Estate

## Real Estate

## Overweight (Maintained)

### Feeling The Pulse Of Johor

Stocks Covered 10  
 Rating (Buy/Neutral/Sell): 7 / 3 / 0  
 Last 12m Earnings Revision Trend: Positive

- Maintain OVERWEIGHT.** We are feeling more upbeat on the Iskandar property market after our recent trip to Johor. We believe the cross-border traffic will naturally be more rampant with the completion of Johor Bahru-Singapore Rapid Transit System (RTS) in end-2026 and perhaps the KL-Singapore high speed rail (HSR) in ten years' time. In addition to the healthy investment inflow to support the state's economic growth, the Johor property market will likely be back on the radar again in the coming years. UEM Sunrise is a good proxy for this thematic play in our view
- The market has moved on.** We think the Iskandar property market has moved on from the supply glut issue and the "scare of Forest City". Since we last visited in 2019, we feel that the momentum has picked up in Johor, especially in areas surrounding the RTS station at Bukit Chagar. Although none of the listed developers have projects in the Johor Bahru (JB) city centre, the overall Iskandar property market is expected to benefit from the return of property investors and buyers, both locals and foreigners. This will further be boosted by increased spending from visitors from Singapore as well as the revival of the KL-Singapore HSR project.
- Skyline of JB city centre will change.** There are c.11 projects surrounding the RTS station at Bukit Chagar going at an ASP of MYR1k-1.3k psf. This is on par with the average prices of condominiums in the KLCC area. A visit during the night shows that many residential units located near the station are well lighted up. In years to come when the connectivity is enhanced and more buildings are tenanted, JB city centre will likely expand.
- Expensive rental and house price in Singapore will lift demand for rental in JB city.** Apart from the positive news flow, the expensive rentals and house prices in Singapore are becoming a push factor for Malaysians or expats working in Singapore to relocate to Johor, given the proximity and price differentials. Rentals for condominium in Singapore grew 32% YoY in 1Q23, and the Singapore government has also imposed a steeper stamp duty in April this year. We expect rental demand for houses in Johor near the causeway and second link to increase over the next 1-2 years.
- Eco Boulevard is a good example.** The commercial hubs at Eco Botanic (Eco Boulevard), Sutera Utama, Bukit Indah, and Mount Austin are the favourite areas frequent by visitors from Singapore. The shops are well-tenanted and carparks were full during our visit on a weekday morning. With the ease of travelling in three years (or perhaps 10 years for HSR), the visitor flow between Johor and Singapore will be even more intense in the future.
- Rising investment inflows to support economic growth in Johor.** In the recent years, apart from the usual investments in manufacturing sector, Johor is also receiving rising investments in data centres. It was reported that Johor will see MYR17bn worth of new investments in data centres in 2024 alone.

#### Top Picks

#### Target Price

UEM Sunrise (UEMS MK) – BUY MYR0.70  
 IOI Properties (IOIPG MK) – BUY MYR1.46  
 Matrix Concepts (MCH MK) – BUY MYR1.75

#### Analyst

Loong Kok Wen CFA  
 +603 9280 8861  
[loong.kok.wen@rhbgroup.com](mailto:loong.kok.wen@rhbgroup.com)



#### Regular commuters crossing the causeway on a daily basis



Source: [straitstimes.com](http://straitstimes.com)

Company Name	Rating	Target (MYR)	% Upside (Downside)	P/E (x) Dec-24F	P/B (x) Dec-24F	ROAE (%) Dec-24F	Yield (%) Dec-24F
Eastern & Oriental	Neutral	0.33	(12.1)	7.9	0.3	3.4	-
IOI Properties	Buy	1.46	19.5	8.3	0.3	3.8	5.1
LBS Bina	Buy	0.56	15.5	5.8	0.5	9.3	5.2
Mah Sing	Buy	0.77	14.7	7.6	0.4	5.7	5.4
Matrix Concepts	Buy	1.75	25.6	7.5	0.8	11.0	6.6
Sime Darby Property	Buy	0.55	(5.9)	13.0	0.4	3.1	3.1
SP Setia	Buy	0.75	15.8	9.5	0.2	2.0	2.5
Tambun Indah	Neutral	0.90	(0.1)	6.3	0.5	8.0	7.2
UEM Sunrise	Buy	0.70	43.3	28.5	0.4	1.2	-
UOA Development	Neutral	1.71	(4.7)	18.2	0.8	4.2	5.6

Source: Company data, RHB

## RTS Link – A Game Changer

*I would like to express my special appreciation to Mr. Law Ung Ming, Head of Supervisory Branch – Southern Region 1 of RHB Malaysia Retail Broking, for his exceptional hospitality and professionalism as my guide during my recent site visit to Johor. His extensive knowledge of the local area and dedication to providing an informative tour greatly enhanced the depth and quality of this report. I am grateful for his invaluable contribution to my visit.*

### The Iskandar property market has moved on

We think the Iskandar property market has moved on from the supply glut issue and the “scare of Forest City”. Since we last visited in 2019, we feel that things have changed and the momentum has picked up significantly in Johor, especially in areas surrounding the RTS station at Bukit Chagar. However, not all areas are blossoming now, as some completed projects are still seeing prices going at 40% below the initial launching price. Hence, only projects that are strategically located, and commercial properties that are well managed, are popular among property buyers, investors, and tourists.

Although none of the listed developers have projects in the JB city centre, due to scarcity of vacant land available for development, the overall Iskandar property market is expected to benefit from the return of property buyers and investors, both locals and foreigners. This will further be boosted by increased spending from visitors from Singapore, which should benefit the retail and hospitality sectors in Johor. The completion of RTS in three years’ time will not only see more intense cross-border human traffic, but may also potentially attract Malaysians from other states to relocate to Johor and work in Singapore in the future.

Figure 1: Construction site of RTS station in Bukit Chagar



Source: RHB

Figure 2: RTS alignment across Straits of Johor



Source: RHB

### Prices for new launches in Bukit Chagar are already on par with KLCC prices

There are about 11 projects (Sky Suites, V Summer, Sky Habitat, Meldrum Heights, R&F Princess Cove Phase 1 & 2, Tri Tower, Twin Tower, Bukit Chagar Luxurious Apartment, SKS Pavilion, and Paragon Suites) surrounding the RTS station at Bukit Chagar going at an ASP of MYR1k-1.3k psf. This is already on par with the prices of many condominiums in the KLCC area (aside the branded ones). While some projects were launched in 2016-18, some newer projects are seeing strong take-up mostly by local Johoreans.

We also visited the Coronation Square’s sales gallery. This integrated development is located at the heart of the Johor Bahru city and elevated walkways will be built to connect the RTS station and Bangunan Sultan Iskandar CIQ complex. Bank Rakyat and KPJ Healthcare Bhd (KPJ MK, Buy, TP: MYR1.46) already took up an office building each in the project. While KPJ will utilise the space for non-ambulatory and non-emergency medical services such as aesthetic, dentistry, aged care, and paediatrics, Bank Rakyat will turn the building into a digital business hub for banking and digitalised transactions. Both towers were sold at above MYR1,000 psf.

The developer has also recently launched the first residential block in 1Q23. As of now, it is already >80% booked and >30% of the buyers have already signed their sales and purchase agreement (signing started since early May). None of the units was sold to foreigners (yet) given that the unit prices are all below MYR1m mark. We believe the influx of foreign purchasers would start once the developer launches properties priced above MYR1m or if it is able to obtain a waiver.

During our trip, we gather that some Malaysians working in Singapore are already renting units near the RTS station and the commuting time is two hours one way. We note that, upon the completion of RTS, the commuting time will be cut down significantly to only five minutes. According to a news release by the Land Transport Authority in Singapore, the customs, immigration, and quarantine (CIQ) facilities of both countries will be co-located at the Woodlands North and Bukit Chagar stations, which means passengers only need to clear immigration authorities once (at their point of departure).

A visit during the night shows that many high-rise residential blocks in the city centre and near the RTS station are well lighted up. This indicates that the catalyst of the RTS station driving occupancy is real, reinforcing our view that the demand for rental and houses in the area will grow in a longer term given the convenience and connectivity.

**Figure 3: Coronation Square project with skybridge connecting to the RTS station and CIQ**

**Figure 4: R&F Princess Cove project with skybridge connecting to the CIQ**



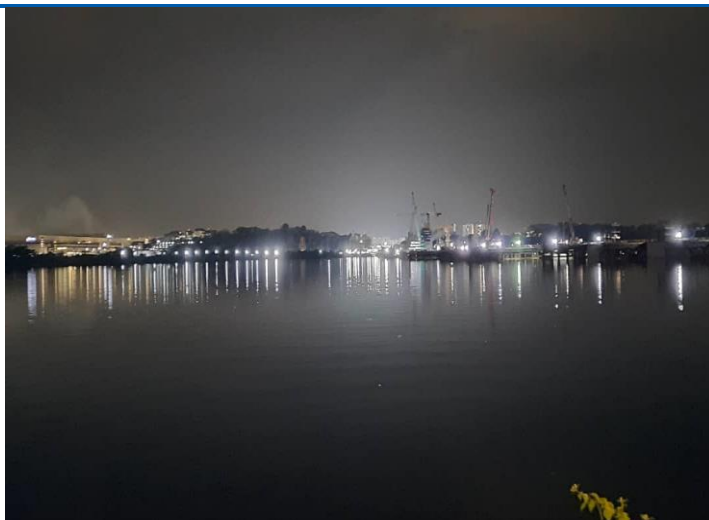
Source: RHB



Source: RHB

**Figure 5: Night view of RTS alignment across the Straits of Johor**

**Figure 6: Night view of high rise residential blocks in JB city centre**



Source: RHB



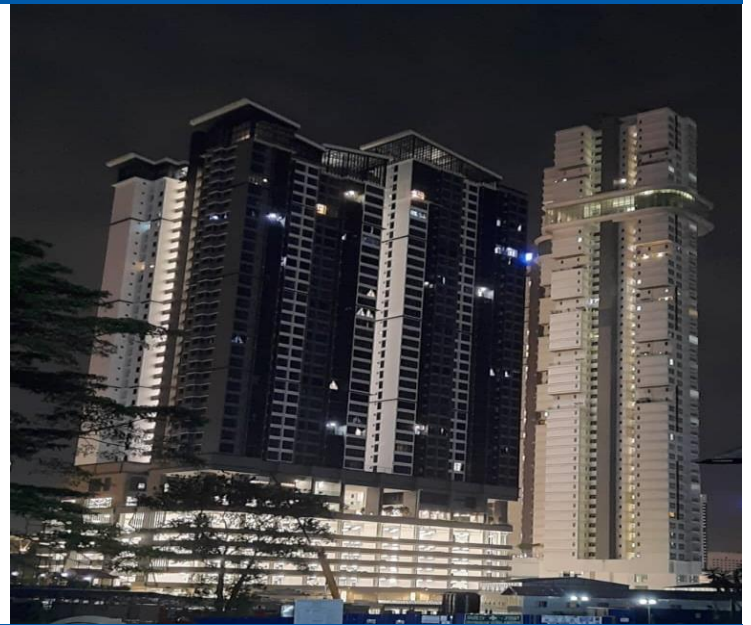
Source: RHB

**Figure 7: Projects near to the RTS station – R&F Princess Cove**



Source: RHB

**Figure 8: Projects near to the RTS station - Twin Tower (which was just handed over in March 23) and Tri Tower**



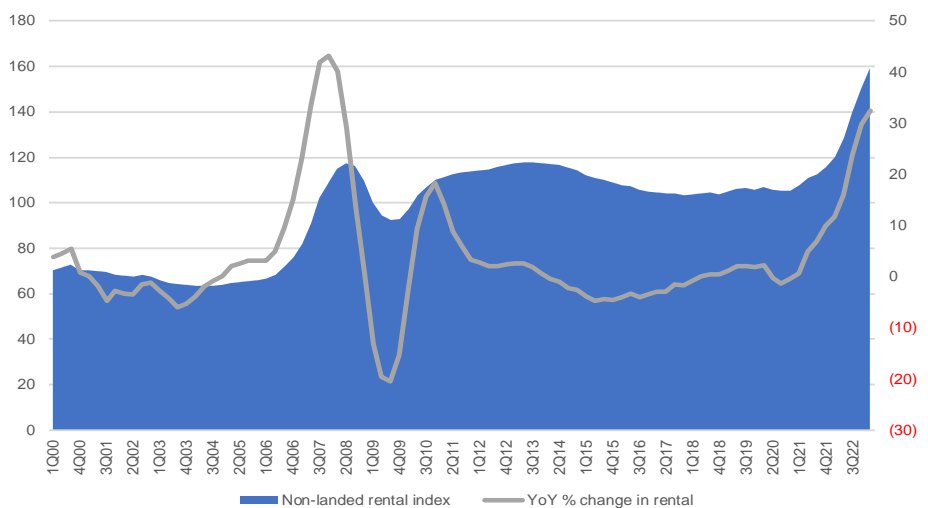
Source: RHB

**Additional positive spillover from expensive rental and house price in Singapore**

Apart from the positive news flow, the expensive rentals and house prices in Singapore are also becoming a push factor for many Malaysians and expats working in Singapore to relocate to Johor, given the proximity and price differentials. Rentals for condominiums in Singapore saw a surge post pandemic, largely due to the delay in construction works and hence completion of many housing projects, as well as pent-up demand due to work-from-home trend (younger population to live separately from parents in order to have personal space for home office). In addition, in end April this year, the Singapore Government has also hiked significantly the additional buyer’s stamp duty (ABSD) for foreigners, from 30% to 60%, mainly targeting at foreign purchasers and local investors.

Therefore, in our opinion, given the price and rental gaps, houses near the JB city centre (causeway) and perhaps the Second Link, will see increasing demand for rentals over the near term, while the completion of RTS and upcoming HSR will drive the demand for property in the Iskandar region over the longer term.

**Figure 9: Rentals in Singapore surged post COVID-19 pandemic**



Source: URA

Figure 10: Adjustment for ABSD for residential properties in Singapore

Additional Buyer's Stamp Duty <sup>1</sup>		Rates from 16 December 2021 to 26 April 2023 <sup>2</sup>	Rates on or after 27 April 2023
Singapore Citizens	First residential property	0%	0% <i>(No change)</i>
	Second residential property	17%	20% <i>(Revised)</i>
	Third and subsequent residential property	25%	30% <i>(Revised)</i>
Permanent Residents	First residential property	5%	5% <i>(No change)</i>
	Second residential property	25%	30% <i>(Revised)</i>
	Third and subsequent residential property	30%	35% <i>(Revised)</i>
Foreigners	Any residential property	30%	60% <i>(Revised)</i>
Entities	Any residential property	35%	65% <i>(Revised)</i>
Trustees <sup>3</sup>	Any residential property	35%	65% <i>(Revised)</i>
Housing Developers <sup>4,5</sup>	Any residential property	35% (remittable, subject to conditions) + 5% (non-remittable) <sup>6</sup>	35% (remittable, subject to conditions) + 5% (non-remittable) <sup>6</sup> <i>(No change)</i>

Note: 1 The ABSD residential property count includes properties that are re-owned wholly, partially, or jointly with others.

2 The ABSD (Trust) rate was for the period from 9 May 2022 to 26 April 2023.

3 ABSD (Trust) is payable by a trustee of any trust when acting in that capacity, but excludes the following: (a) trustee for a collective investment scheme when acting in that capacity; (b) trustee manager for a business trust when acting in that capacity; (c) trustee for a housing developer when acting in that capacity. (a)/(b) and (c) are already subject to ABSD (Entity) and ABSD (Housing Developer) respectively, when they acquire residential property

4 Housing developers refer to entities in the business of housing development (i.e. construction and sale of housing units) with respect to the subject property acquired. These include trustees for housing developers.

5 Housing developers may apply for remission of this ABSD, subject to conditions.

6 This 5% will not be remitted and is to be paid upfront upon purchase of residential property.

Source: URA

### Eco Boulevard is a successful example

We also visited Eco Boulevard in Eco Botanic township during our trip. The township is located along the Second Link Expressway and next to Educity. We were impressed with the car traffic in the commercial hub as the car park was full during our visit just before lunch time. We also observed that almost all the shop lots were fully tenanted. Note that, Eco Boulevard is currently one of the favourite places frequented by visitors from Singapore especially during weekends and this is understandable as the retail shops offer a wide range of modern F&B, beauty and wellness, as well as entertainment options. Eco Galleria, which is a high-street shopping mall is complementing the commercial hub, The University of Southampton Malaysia is one of the anchor tenants, and Jaya Grocer is going to open soon.

In the pipeline, Eco World is going to launch Sa.Young under the "duduk" series by the company; it is a mid-range high rise project sitting in the centre of Eco Boulevard, with units size of 1,000 sqf (semi-furnished). With an indicative selling price of MYR550 psf, buyers' interest has been strong as we were told that there are already >1,600 registrants compared with only 383 units available for sale. Tri key units, which should attract many investors for renting purpose, are limited.

Figure 11: Carpark is full and shops are well tenanted in Eco Boulevard



Source: RHB

Figure 12: Eco World's upcoming launch of duduk in Eco Botanic



Source: RHB

Figure 13: Jaya Grocer is opening soon at Eco Galleria



Source: RHB

Figure 14: Night life at Eco Palladium @ Eco Spring (near Mount Austin)



Source: RHB

### Rising investment inflow to support the economic growth in Johor

Johor has always been one of preferred destinations in Malaysia among multinational investors. The ready infrastructure and reasonable land prices are the key attractions in our view, given various road accessibility, airport and sea ports, as well as proximity to Singapore. According to the Malaysian Investment Development Authority (MIDA), Malaysia has attracted MYR264.6bn (-14.5% YoY) in approved investments in the services, manufacturing, and primary sectors in 2022, and Johor was the top state for foreign direct investment inflow with MYR70.6bn recorded last year, representing 27% of the total.

In the recent years, Johor has also become a popular area for data centre investments. This is largely catalysed by the moratorium imposed by the Singapore Government in 2019 on data centres construction - please refer to our thematic report for more information: [Telecommunications : The Rise Of Data Centres In ASEAN \(13 Apr 2023\)](#). The moratorium was lifted in 2022 but stringent conditions were imposed to enable the country to meet its carbon goals. In 2022, data centres investments alone contributed c.MYR51.1bn for Johor, and it was cited that the state would see MYR17bn worth of new investment in data centres in 2024.

Apart from data centres, Johor continues to see investments from many international manufacturers and pharmaceutical players. Over the last 1-2 years, notable investors include: Bucher Emhart Glass (an international glass container supplier), Colorcon Inc (a global healthcare company), HQ Pack (a high-tech packaging manufacturer), and Insulet Corp (a US-based medical device company).

We look forward to more updates on the Johor-Singapore special economic zone, and we expect renewable energy to be a new economic driver for the Johor state in the coming years. Further economic collaboration between Johor and Singapore will likely result in positive spillover to the Iskandar property market given the low base (in terms of property prices) and almost standstill demand situation over the last 6-7 years.

Figure 15: Upcoming data centre launches in Johor in 2024

COMPANY / INVESTOR / PARTNER	LOCATION	TOTAL POWER (MW)	SIZE (SQ FT)	ESTIMATED LAUNCH	ESTIMATED COSTS
 YTL Power YTL GROUP	Kulai	500	530k	1Q 2024 (first phase)	RM15 billion
 yondr GROUP	STP	200	1350k	2024	N.A.
 AIRTRUNK	Johor Bahru	150	235k	2024	N.A.
 MN HOLDINGS	STP	120	38.5k	1H 2024	RM600 million
 GOS HOLDINGS	Nusajaya Tech Park	54	242k	1Q 2024	RM1.38 billion
 EQUINIX	Nusajaya Tech Park	N.A.	21k	1Q 2024	RM176 million

(list is not exhaustive)

Source: freemalaysiatoday.com

### Developers with landbank at strategic locations and good products should do well

While there are many landowners in Johor, we think developers with landbank at strategic locations will be the initial winners and the subsequent performance of the project will depend on the developers' ability to nurture the areas.

We continue to believe that the RTS and HSR projects will be the key catalysts for the Iskandar property market to recover, and the connectivity and convenience at CIQ will be the major factors driving the long-term growth in demand, property, and land value. UEMS is the best proxy for Iskandar property market recovery given that 92% of its landbank in the portfolio is located in Johor, and its 2,461 acres of land in Gerbang Nusajaya is expected to benefit from the upcoming HSR, as the proposed Iskandar Puteri station (under the previous plan) will be located there.

Other developers with landbank further away from the second link will likely have more visible growth in the longer run, as works on the HSR project progress in the future and more foreign and local investments take place in Johor.

**Figure 16: Developers' exposure to Johor property market**

	Total remaining land in Johor (acres)	Total landbank portfolio (acres)	% exposure
UEMS	7,877	8,533	92%
IOIPG	5,852	9,231	63%
Mah Sing	1,120	2,342	48%
Eco World	1,000	3,056	33%
SP Setia	2,189	7,903	28%

Source: Company, RHB

### Stock recommendations

The RTS link will be a game changer that will significantly enhance the connectivity between Johor Bahru and Singapore. Upcoming news flow that may favour the Iskandar property market include the review of Malaysia My Second Home (MM2H) programme, update on the Johor-Singapore special economic zone as well as the progress of HSR project.

Over the near term, developers with big and strategically located landbank in Johor, especially those closer to the Second Link or RTS will benefit the most. The spillover in a longer term will benefit other landowners in the outer area. UEMS is a good proxy for this thematic play in our view. The stock is our Top Pick for the sector, followed by IOIPG, and Matrix Concepts.

Figure 17: A zoom-in map on Iskandar Puteri (note that the location of the proposed HSR station is under the previous plan)



Source: Ho Chin Soon map (2021)

## RHB Guide to Investment Ratings

<b>Buy:</b>	Share price may exceed 10% over the next 12 months
<b>Trading Buy:</b>	Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain
<b>Neutral:</b>	Share price may fall within the range of +/- 10% over the next 12 months
<b>Take Profit:</b>	Target price has been attained. Look to accumulate at lower levels
<b>Sell:</b>	Share price may fall by more than 10% over the next 12 months
<b>Not Rated:</b>	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 - Jul 2023](#) and to the best of our knowledge, RHBIB hereby declares that:

- RHBIB does not have a financial interest in the securities or other capital market products of the subject company(ies) covered in this report.
- RHBIB is not a market maker in the securities or capital market products of the subject company(ies) covered in this report.

- 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*
- RHBIB did not receive compensation for investment banking or corporate finance services from the subject company in the past 12 months.
- 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 - Jul 2023](#) and to the best of our knowledge, RHB Securities (Thailand) PCL hereby declares that:

- 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.
- 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.
- 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*
- RHB Securities (Thailand) PCL did not receive compensation for investment banking or corporate finance services from the subject company in the past 12 months.
- 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 - Jul 2023](#) and to the best of our knowledge, PT RHB Sekuritas Indonesia hereby declares that:

- 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:  
  - 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\*\*;
  - 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\*.
  - Being bound or required to buy the remaining securities that are not subscribed/placed out pursuant to an Initial Public Offering\*.
  - Managing or jointly with other parties managing such parties as referred to in (a), (b) or (c) above.
- 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.
- 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.
- PT RHB Sekuritas Indonesia did not receive compensation for investment banking or corporate finance services from the subject company in the past 12 months.
- 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 - Jul 2023](#) and to the best of our knowledge, the Singapore Research department of RHB Bank Berhad (through its Singapore branch) hereby declares that:

- 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.
- 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.
- 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.
- 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.
- 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.
- 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:

- 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