

Malaysia Thematic

Counting our ~~eggs~~ durians before they ~~hatch~~ fall

Consider AEON, RCE, MBM, BIMB & LAGENDA

On 16 Aug 2024, details of the civil service salary hike that will take effect on 1 Dec 2024 will be revealed. Referencing back to the last 2 civil service salary hikes of 2007 and 2012, we gather that there will be many beneficiaries. Potential beneficiaries under our coverage are **AEON Co. (M)**, **RCE Capital**, **MBM Resources** and **Bank Islam Malaysia**. Potential beneficiaries out of our coverage are **MBSB**, **AEON Credit Service (M)**, **DRB-Hicom** and **Legenda Properties**.

Analyst

Yin Shao Yang
(603) 2297 8916
samuel.y@maybank-ib.com

Civil service salary hike details to be released soon

Salaries of the civil service will be reviewed upwards on 1 Dec 2024. According to the Public Services Department, more details will be released on 16 Aug 2024. The Communications Minister gave a teaser by revealing that salaries will be raised by 15% to 43%. Our 'back of the envelope' calculation indicates that the civil service salary scheme review will translate into an additional \geq MYR6,666 p.a. in average disposable income for each employee which we believe is meaningful.

Many beneficiaries of civil service salary hikes

The last civil service salary scheme review took effect on 1 Apr 2012 and the one before that was on 1 Jul 2007. Our research indicates that many sectors benefitted, including the direct selling industry (Amway, Beshom and Zhulian) and even jewelers (Poh Kong and Tomei). Yet, we believe that the positive impact of the civil service salary scheme reviews on the aforesaid beneficiaries was, at most, temporary and not very meaningful. Our preferred exposure in the Consumer sector is **AEON Co. (M)** as there was a perfect correlation between government emoluments and its retail sales pre-COVID.

NBFIs and autos biggest beneficiaries, in our view

We note that there is a near perfect correlation between government emoluments and RCE Capital and MBSB's financing receivables. Other potential beneficiaries are Bank Islam Malaysia and AEON Credit Service (M) which also lend to government employees, albeit, at a relatively smaller scale. We also note that national passenger total industry volume did better after the last 2 civil service salary scheme reviews. Thus, we posit MBM Resources and DRB-Hicom as potential beneficiaries this time around. Another honourable mention is Legenda Properties, with government employees accounting for ~60% of buyers of its properties.

Other companies mentioned in this report:-

1. Amway (AMW MK, Not Rated, CP: MYR6.90)
2. Beshom (BESHOM MK, Not Rated, CP: MYR0.89)
3. Zhulian (ZHCB MK, Not Rated, CP: MYR1.24)
4. Poh Kong (PKH MK, Not Rated, CP: MYR1.11)
5. Tomei (TOME MK, Not Rated, CP: MYR1.81)
6. MBSB (MBS MK, Not Rated, CP: MYR0.77)
7. AEON Credit Service (M) (ACSM MK, Not Rated, CP: MYR6.90)
8. DRB-Hicom (DRB MK, Not Rated, CP: MYR1.21)
9. Legenda Properties (LAGENDA MK, Not Rated, CP: MYR1.24)

Potential beneficiaries under research coverage

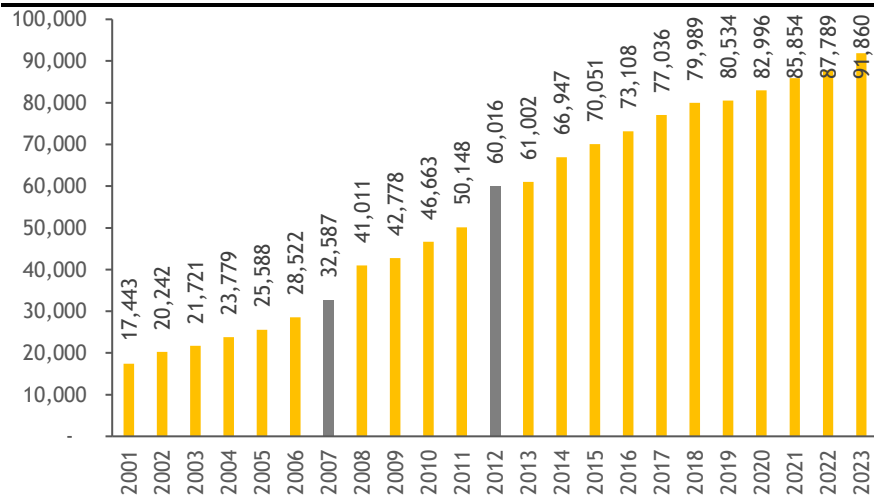
	Bberg	Price	TP	Rec	Mkt Cap	PER (x)	PER (x)	ROE (%)	Div Yld (%)	P/B (x)	Px chg (%)
		MYR	MYR		MYRm	CY24E	CY25E	CY24E	CY24E	CY24E	YTD
Bank Islam M'sia	BIMB MK	2.46	2.75	Hold	5,576	9.5	8.8	7.9	6.9	0.7	11.3
RCE Capital	RCE MK	3.20	3.00	Hold	2,103	16.2	14.9	17.2	5.2	2.8	(6.2)
MBM Resources	MBM MK	5.26	4.69	Hold	2,037	6.9	6.7	12.6	8.0	0.9	22.9
AEON Co. (M)	AEON MK	1.42	1.74	Buy	1,811	13.9	12.9	7.4	2.8	1.0	18.3

* Share price as of 8 Aug 2024; Source: Maybank IBG Research

Civil service salary hike details to be released soon

On 1 May 2024, the Prime Minister announced that civil service salaries will be reviewed upwards by $\geq 13\%$ on 1 Dec 2024 and this will cost the government $\geq \text{MYR}10\text{b}$ p.a. According to the Public Services Department, more details will be released on 16 Aug 2024. The Communications Minister gave a teaser on 7 Aug 2024 that civil service salaries will be raised by 15% to 43% on 1 Dec 2024. The last salary scheme review took effect on 1 Apr 2012 where salaries were raised by 7% to 13%. The one before that was on 1 Jul 2007 where salaries were raised by 8% to 35% (Fig. 1).

Figure 1: Government emoluments (MYRm)



* grey denotes years with civil service salary scheme reviews

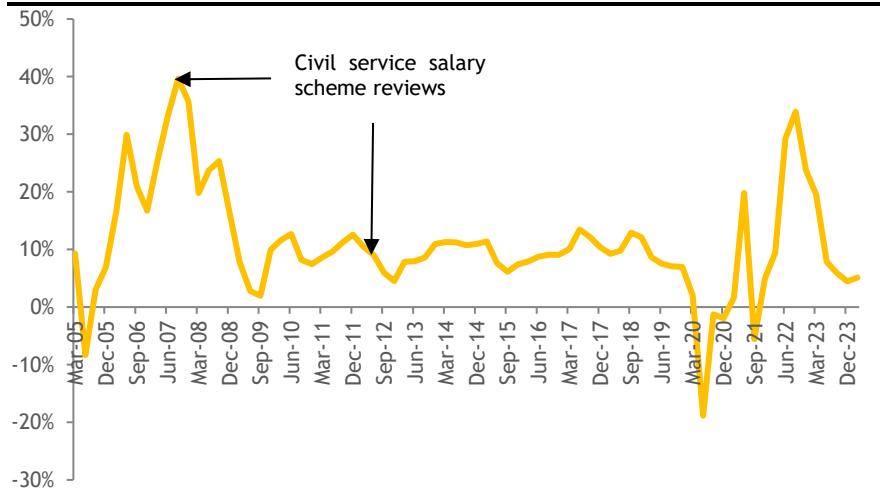
Source: Bank Negara Malaysia

Many beneficiaries of civil service salary hikes

Our ‘back of the envelope’ calculation indicates that this will translate into an additional $\geq \text{MYR}6,666$ p.a. in average disposable income for each government employee (= MYR10b/1.5m civil servants) which we believe is meaningful. Thus, we look back into history to posit potential beneficiaries from the upcoming civil service salary scheme review:-

- **Consumer sector** - we note that there was a ‘bump up’ in retail sales in the quarters following the civil service salary scheme reviews (3Q07: +40% YoY, 2Q12: +9% YoY) (Fig. 2). It follows that with higher salaries, government employees were able to buy more consumer goods. That said, the impact was moderated as RON92/RON95 petrol prices were subsequently raised.
 - In mid-2008 (one year after the Jul 2007 civil service salary review), RON92 petrol price was hiked +74sen/litre on 5 Jun 2008.
 - In late-2013 (one-and-a-half year after the Apr 2012 civil service salary review), RON95 petrol price was increased +20sen/litre on 1 Sep 2013, again by +20sen/litre on 1 Oct 2014 and +40sen/litre between 1 Jan 2017 (+20sen/litre) and 1 Feb 2017 (+20sen/litre).

Figure 2: Total retail sales chg YoY

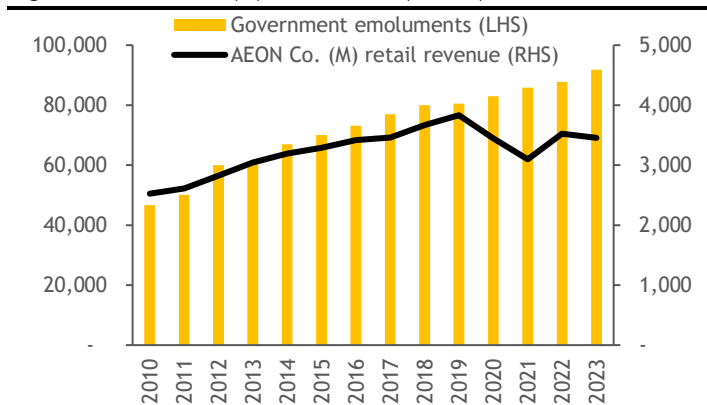


Source: Department Of Statistics

In the consumer sector, we posit **AEON Co. (M)** as a potential beneficiary. Pre-COVID, we note that there was a perfect correlation between government emoluments and its retail sales ($R^2: 1.0$) (Fig. 3). Its retail sales eased in 2020 and 2021 only due to the Movement Control Orders then brought about by the COVID-19 pandemic. We also posit direct sales companies like **Amway, Beshom** and **Zhulian** as potential beneficiaries. We note that direct selling sales did better in the year after civil service salary scheme reviews were executed (2008: +16% YoY and 2013: +25% YoY) (Fig. 4).

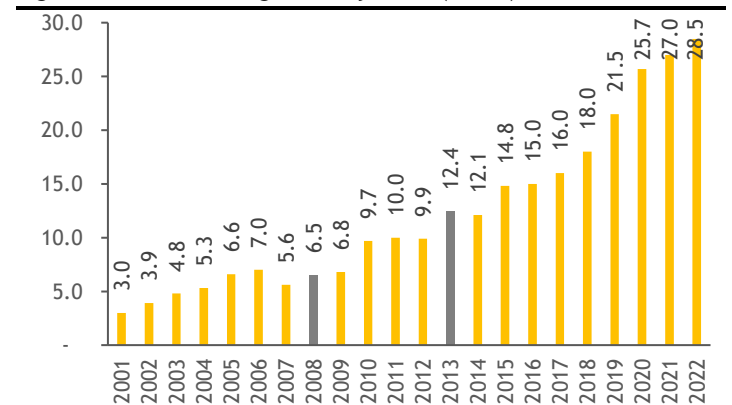
That said, we notice that direct selling industry sales fell in 2007 (-20% YoY), 2012 (-1% YoY) and 2014 (-2% YoY) for reasons unknown to us. Compare and contrast this to AEON Co. (M) retail sales which has grown consistently with government emoluments. We also acknowledge that the direct selling industry is currently very competitive as they now have to contend with sales via social media like TikTok Shop. Thus, they may not benefit as much this time around relative to the last 2 salary scheme reviews. Hence, AEON Co. (M) is our preferred exposure from the consumer sector for civil service salary hikes.

Figure 3: AEON Co. (M) retail sales (MYRm)



Source: Department Of Statistics

Figure 4: Direct selling industry sales (MYRb)

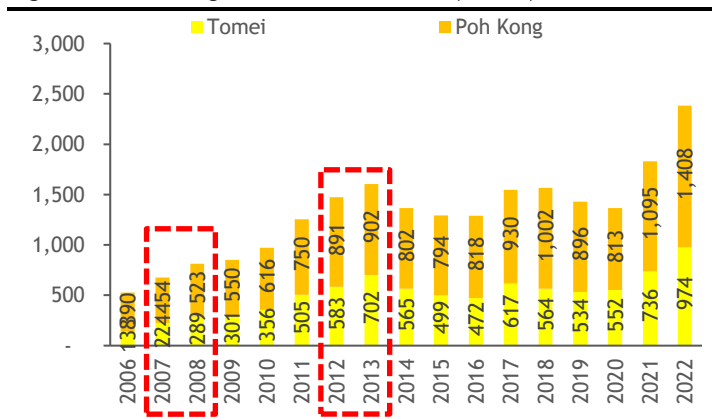


* grey denotes years after civil service salary scheme reviews

Source: Ministry of Domestic Trade and Cost of Living

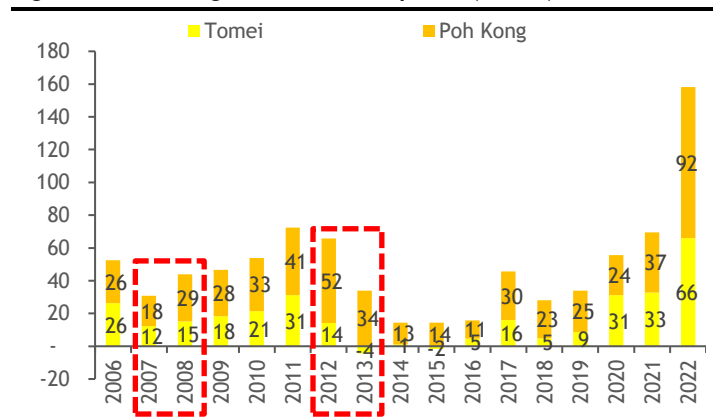
- Jewellers** - we note that the sales of **Poh Kong** and **Tomei** surged in the year civil service salary scheme reviews were executed and after (2007, 2008, 2012 and 2013) (Fig. 5). Their higher sales may be due to higher gold prices. Yet, we believe that the additional disposable income for government employees enabled them to purchase higher priced jewels. That said, jeweler margins are often inconsistent due to the volatile price of gold which serves as their raw material (Fig. 6). Thus, higher sales do not necessarily translate into higher profits for jewelers. For example, Poh Kong and Tomei net profit fell in 2007 and 2013 even though sales grew YoY.

Figure 5: Poh Kong and Tomei revenue (MYRm)



Source: Poh Kong, Tomei

Figure 6: Poh Kong and Tomei net profit (MYRm)



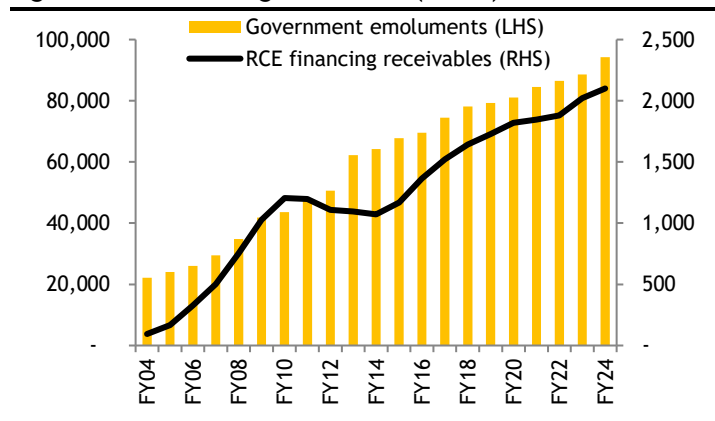
Source: Poh Kong, Tomei

NBFIs and autos biggest beneficiaries, in our view

In our opinion, the positive impact of civil service salary scheme reviews in the past on the aforesaid beneficiaries ex-AEON Co. (M) (i.e. direct selling companies and jewellers) was temporary and not very meaningful. Instead, we propose the 2 following group of beneficiaries and **Legenda Properties** who we gather will experience lasting and more meaningful impact:-

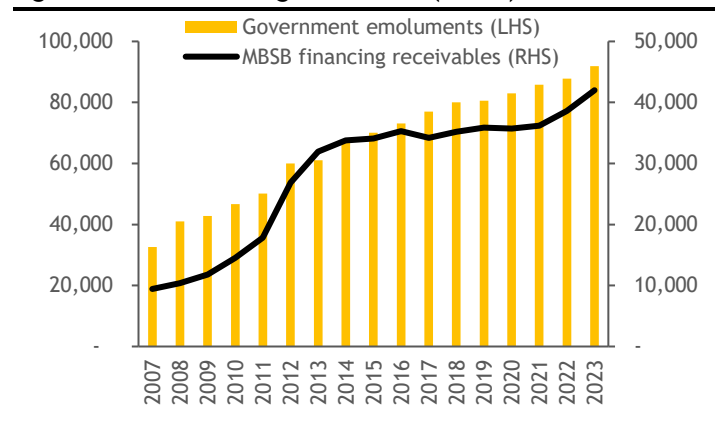
- Non-bank financial institutions** - non-bank financial institutions like **RCE Capital** and **MBSB** lend to government employees. We note that there is a near perfect correlation between government emoluments and their financing receivables (Fig. 7 and 8). Our channel checks reveal that government employees tend to borrow more after they receive higher salaries. Civil servants account for almost all of RCE's financing receivables. 68% of MBSB's financing receivables is attributable to consumers, which we understand is comprised largely of civil servants. Thus, we would say that they are the prime beneficiaries of the upcoming salary scheme review. Other potential beneficiaries are **Bank Islam Malaysia** and **AEON Credit Service (M)** which also lend to government employees but we understand that their exposure to this category of borrowers is $\leq 33\%$ of net profit.

Figure 7: RCE financing receivables (MYRm)



Source: RCE Capital

Figure 8: MBSB financing receivables (MYRm)

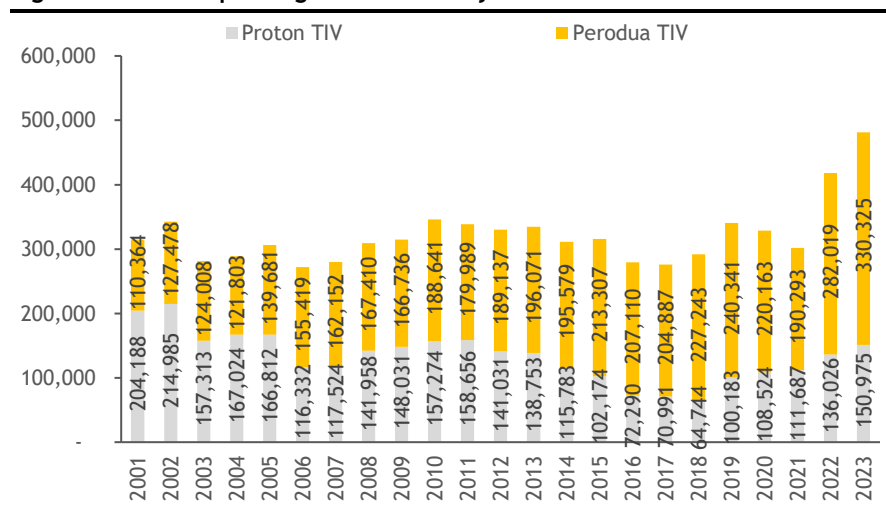


Source: MBSB

- Automotive sector** - we note that national passenger total industry volume (TIV) did better in the year after civil servants salary scheme reviews were executed (2008: +11% YoY and 2013: +1% YoY). The slower growth in 2013 was due to 2 events:- (i) Bank Negara Malaysia introducing macro prudential measures to restrain household debt in Jul 2013 by capping personal loans at 10 years and debt service ratios at 60%; and (ii) Proton ceding market share before Geely acquired 49.9% of it in Jun 2017. Note also that Perodua sales surged in 2015 after it introduced the popular Axia model in Sep 2014.

We gather that this was a delayed reaction to the civil servants salary scheme review of 2012. Since then, both marque's TIV have improved significantly, especially Proton after it introduced its range of sports utility vehicles in Dec 2018. Short of another round of macro prudential measures being introduced by Bank Negara Malaysia, we posit **MBM Resources** (owns 20% of Perodua) and **DRB-Hicom** (owns 50% of Proton) as potential beneficiaries. We understand that MBM Resources sources >80% of its earnings from Perodua and DRB-Hicom sources ~60% of its earnings from Proton.

Figure 9: National passenger total industry volume



Source: Malaysian Automotive Association

- **Lagenda Properties** - Lagenda Properties is a Perak-based property developer that focuses on low cost/affordable housing in self sustaining townships. With a price range of MYR150K-MYR200k/unit, the properties are targeted at the B40 and M40 income groups. Government employees account for ~60% of its buyers. The high civil servant population in its townships is due to the presence of the Royal Malaysian Navy home base, various government institutions and public/private universities in the vicinity of its townships.

Potential upside to our AEON, RCE and MBM earnings and TPs

Seeing that we cover AEON, RCE and MBM which we believe will be the biggest beneficiaries of the upcoming civil service salary scheme review, we postulate the potential positive impact to them. Although we cover BIMB, we exclude it from our postulation as only 35% of its financing receivables is attributable to government employees.

- **AEON Co. (M)** - Our earnings estimates and MYR1.74 TP (based on 17x FY24E PER) are premised on FY25E retail segment sales growth of +2.8% (FY24E: -1.7%, FY23A: -2.0%). Based on our sensitivity analysis, every 1 ppt increase in retail sales growth translates to a 2% lift in our earnings estimates and 2% to our TP.
- **RCE Capital** - Our earnings estimates and MYR3.00 TP (based on 2.5x end-CY25E P/BV) are premised on financing receivables growing an average 15.0% for 12 months from 1 Dec 2024 onwards. Every 1.0ppt higher-than-expected financing receivables growth will accrete 0.8% to our EPS estimates and 0.3% to our TP.
- **MBM Resources** - Our earnings estimates and MYR4.69 TP (based on 6.0x FY25E PER) are premised on its FY25E vehicle sales growing by 3.0%. Every 1.0ppt higher-than-expected vehicle sales growth will accrete 0.9% to our EPS estimates and 0.9% to our TP.

Research Offices

ECONOMICS

Suhaimi ILIAS
Chief Economist
Malaysia | Philippines | Global
(603) 2297 8682
suhaimi_ilias@maybank-ib.com

CHUA Hak Bin
Regional Thematic Macroeconomist
(65) 6231 5830
chuahb@maybank.com

Dr Zamros DZULKAFI
Malaysia | Philippines
(603) 2082 6818
zamros.d@maybank-ib.com

Erica TAY
China | Thailand
(65) 6231 5844
erica.tay@maybank.com

Brian LEE Shun Rong
Indonesia | Singapore | Vietnam
(65) 6231 5846
brian.lee1@maybank.com

Fatin Nabila MOHD ZAINI
(603) 2297 8685
fatinnabila.mohdzaini@maybank-ib.com

Luong Thu Huong
(65) 6231 8467
hana.thuhoang@maybank.com

LEE Jia Yu
(65) 6231 5843
jiayu.lee@maybank.com

FX

Saktiandi SUPAAT
Head of FX Research
(65) 6320 1379
saktiandi@maybank.com

Fiona LIM
(65) 6320 1374
fionalim@maybank.com

Alan LAU, CFA
(65) 6320 1378
alantau@maybank.com

Shaun LIM
(65) 6320 1371
shaunlim@maybank.com

STRATEGY

Anand PATHMAKANTHAN
ASEAN
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com

FIXED INCOME

Winson PHOON, FCA
Head of Fixed Income
(65) 6231 5831
winsonphoon@maybank.com

SE THO Mun Yi, CFA
(603) 2074 7606
munyi.st@maybank-ib.com

PORTFOLIO STRATEGY

ONG Seng Yeow
(65) 6231 5839
ongsengyeow@maybank.com

MIBG SUSTAINABILITY RESEARCH

Jigar SHAH
Head of Sustainability Research
(91) 22 4223 2632
jigars@maybank.com

Neerav DALAL
(91) 22 4223 2606
neerav@maybank.com

REGIONAL EQUITIES

Anand PATHMAKANTHAN
Head of Regional Equity Research
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com

WONG Chew Hann, CA
Head of ASEAN Equity Research
(603) 2297 8686
wchewh@maybank-ib.com

MALAYSIA

WONG Chew Hann, CA Head of Research
(603) 2297 8686
wchewh@maybank-ib.com
• Equity Strategy
• Non-Bank Financials (stock exchange)
• Construction & Infrastructure

Anand PATHMAKANTHAN
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com
• Equity Strategy

Desmond CH'NG, BFP, FCA
(603) 2297 8680
desmond.chng@maybank-ib.com
• Banking & Finance

ONG Chee Ting, CA
(603) 2297 8678
ct.ong@maybank-ib.com
• Plantations - Regional

YIN Shao Yang, CPA
(603) 2297 8916
samuel.y@maybank-ib.com
• Gaming - Regional
• Media • Aviation • Non-Bank Financials

TAN Chi Wei, CFA
(603) 2297 8690
chiwei.t@maybank-ib.com
• Power • Telcos

WONG Wei Sum, CFA
(603) 2297 8679
weisum@maybank-ib.com
• Property • Glove

Jade TAM
(603) 2297 8687
jade.tam@maybank-ib.com
• Consumer Staples & Discretionary

Nur Farah SYIFAA
(603) 2297 8675
nurfarahsyifaa.mohamadfuad@maybank-ib.com
• Renewable Energy • REITs

LOH Yan Jin
(603) 2297 8687
lohyanjin.loh@maybank-ib.com
• Ports • Automotive • Technology (EMS)

Jeremie YAP
(603) 2297 8688
jeremie.yap@maybank-ib.com
• Oil & Gas • Petrochemicals

Arvind JAYARATNAM
(603) 2297 8692
arvind.jayaratnam@maybank.com
• Technology (Semicon & Software)

TEE Sze Chiah Head of Retail Research
(603) 2082 6858
szechiah.t@maybank-ib.com
• Retail Research

Amirah AZMI
(603) 2082 8769
amirah.azmi@maybank-ib.com
• Retail Research

SINGAPORE

Thilan WICKRAMASINGHE Head of Research
(65) 6231 5840
thilanw@maybank.com
• Strategy • Consumer
• Banking & Finance - Regional

Eric ONG
(65) 6231 5849
ericong@maybank.com
• Healthcare • Transport • SMIDs

LI Jialin
(65) 6231 5845
jialin.li@maybank.com
• REITs

Jarick SEET
(65) 6231 5848
jarick.seet@maybank.com
• Technology

Krishna GUHA
(65) 6231 5842
krishna.guha@maybank.com
• REITs • Industrials

Hussaini SAIFEE
(65) 6231 5837
hussaini.saifee@maybank.com
• Telcos • Internet

PHILIPPINES

Kervin Laurence SISAYAN Head of Research
(63) 2 5322 5005
kervin.sisayan@maybank.com
• Strategy • Banking & Finance

Daphne SZE
(63) 2 5322 5008
daphne.sze@maybank.com
• Consumer

Raffy MENDOZA
(63) 2 5322 5010
joseraphael.mendoza@maybank.com
• Property • REITs • Gaming

Michel ALONSO
(63) 2 5322 5007
michelxavier.alonso@maybank.com
• Conglomerates

Germaine GUIINTO
(63) 2 5322 5006
germaine.guinto@maybank.com
• Utilities

THAILAND

Chak REUNGSINPINYA Head of Research
(66) 2658 5000 ext 1399
chak.reungsinpinya@maybank.com
• Strategy • Energy

Jesada TECHAHUSDIN, CFA
(66) 2658 5000 ext 1395
jesada.t@maybank.com
• Banking & Finance

Wasu MATTANAPOTCHANART
(66) 2658 5000 ext 1392
wasu.m@maybank.com
• Telcos • Technology • REITs • Property
• Consumer Discretionary

Surachai PRAMUALCHAROENKIT
(66) 2658 5000 ext 1470
surachai.p@maybank.com
• Auto • Conmat • Contractor • Steel

Suttatip PEERASUB
(66) 2658 5000 ext 1430
suttatip.p@maybank.com
• Food & Beverage • Commerce

Natchaphon RODJANAROWAN
(66) 2658 5000 ext 1393
natchaphon.rodjanarowan@maybank.com
• Utilities

Boonyakorn AMORNSANK
(66) 2658 5000 ext 1394
boonyakorn.amornsank@maybank.com
• Services

Nontapat SAHAKITPINYO
(66) 2658 5000 ext 2352
nontapat.sahakitpinyo@maybank.com
• Healthcare

INDONESIA

Jeffrosenberg CHENLIM Head of Research
(62) 21 8066 8680
jeffrosenberg.lim@maybank.com
• Strategy • Banking & Finance • Property

Willy GOUTAMA
(62) 21 8066 8688
willy.goutama@maybank.com
• Consumer

Etta Rusdiana PUTRA
(62) 21 8066 8683
etta.putra@maybank.com
• Telcos • Internet • Construction

William JEFFERSON
(62) 21 8066 8687
william.jefferson@maybank.com
• Property • Materials

Paulina MARGARETA
(62) 21 8066 8690
paulina.tjoa@maybank.com
• Autos

Jocelyn SANTOSO
(62) 21 8066 8689
jocelyn.santos@maybank.com
• Consumer

Hasan BARAKWAN
(62) 21 8066 2694
hasan.barakwan@maybank.com
• Metals & Mining

Adi WICAKSONO
(62) 21 8066 8686
adi.wicaksono@maybank.com
• Plantations

Satriawan HARYONO, CEWA, CTA
(62) 21 8066 8682
satriawan@maybank.com
• Chartist

VIETNAM

Quan Trong Thanh Head of Research
(84 28) 44 555 888 ext 8184
thanh.quan@maybank.com
• Strategy • Banks

Hoang Huy, CFA
(84 28) 44 555 888 ext 8181
hoanghuy@maybank.com
• Strategy • Technology

Le Nguyen Nhat Chuyen
(84 28) 44 555 888 ext 8082
chuyen.le@maybank.com
• Oil & Gas • Logistics

Nguyen Thi Sony Tra Mi
(84 28) 44 555 888 ext 8084
trami.nguyen@maybank.com
• Consumer Discretionary

Tran Thi Thanh Nhan
(84 28) 44 555 888 ext 8088
nhan.tran@maybank.com
• Consumer Staples

Nguyen Le Tuan Loi
(84 28) 44 555 888 ext 8182
loi.nguyen@maybank.com
• Property

Nguyen Thanh Hai
(84 28) 44 555 888 ext 8081
thanhhai.nguyen@maybank.com
• Industrials

Nguyen Thanh Lam
(84 28) 44 555 888 ext 8086
thanhlam.nguyen@maybank.com
• Retail Research

APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "Maybank IBG") and consequently no representation is made as to the accuracy or completeness of this report by Maybank IBG and it should not be relied upon as such. Accordingly, Maybank IBG and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. Maybank IBG expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Maybank IBG and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of Maybank IBG may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of Maybank IBG's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Maybank IBG and Maybank IBG and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

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 law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Research Pte. Ltd. ("MRPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact MRPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act 2001), MRPL shall be legally liable for the contents of this report.

Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Securities (Thailand) Public Company Limited. Maybank Securities (Thailand) Public Company Limited ("MST") accepts no liability whatsoever for the actions of third parties in this respect.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research products of MST Institutional and Retail Research departments may differ in either recommendation or target price, or both. MST reserves the rights to disseminate MST Retail Research reports to institutional investors who have requested to receive it. If you are an authorised recipient, you hereby tacitly acknowledge that the research reports from MST Retail Research are first produced in Thai and there is a time lag in the release of the translated English version.

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. MST does not confirm nor certify the accuracy of such survey result.

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, MST does not confirm, verify, or certify the accuracy and completeness of the assessment result.

US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Wedbush Securities Inc. ("Wedbush"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Wedbush in the US shall be borne by Wedbush. This report is not directed at you if Wedbush is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Wedbush is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Wedbush Securities Inc. 1000 Wilshire Blvd, Los Angeles, California 90017, +1 (646) 604-4232 and not with the issuer of this report.

UK

This document is being distributed by Maybank Securities (London) Ltd (“MSUK”) which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

DISCLOSURES

Legal Entities Disclosures

Malaysia: This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938- H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. **Singapore:** This report is distributed in Singapore by MRPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Maybank Sekuritas Indonesia (“PTMSI”) (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). **Thailand:** MST (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. **Philippines:** Maybank Securities Inc (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. **Hong Kong:** MIB Securities (Hong Kong) Limited (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** MIB Securities India Private Limited (“MIBSI”) is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India (“SEBI”) (Reg. No. INZ000010538). MIBSI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH000000057). **UK:** Maybank Securities (London) Ltd (Reg No 2377538) is authorized and regulated by the Financial Conduct Authority.

Disclosure of Interest

Malaysia: Maybank IBG and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

Singapore: As of 8 August 2024, Maybank Research Pte. Ltd. and the covering analyst do not have any interest in any companies recommended in this research report.

Thailand: MST may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MST, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

Hong Kong: As of 8 August 2024, MIB Securities (Hong Kong) Limited and the authoring analyst do not have any interest in any companies recommended in this research report.

India: As of 8 August 2024, and at the end of the month immediately preceding the date of publication of the research report, MIBSI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report. In the past twelve months MIBSI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report on any account what so ever except as otherwise disclosed in the research report.

Maybank IBG may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

OTHERS

Analyst Certification of Independence

The views expressed in this research report accurately reflect the analyst’s personal views about any and all of the subject securities or issuers; and no part of the research analyst’s compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of Maybank IBG.

Definition of Ratings

Maybank IBG Research uses the following rating system

BUY	Return is expected to be above 10% in the next 12 months (including dividends)
HOLD	Return is expected to be between 0% to 10% in the next 12 months (including dividends)
SELL	Return is expected to be below 0% in the next 12 months (including dividends)

Applicability of Ratings

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

Malaysia

Maybank Investment Bank Berhad
(A Participating Organisation of
Bursa Malaysia Securities Berhad)
33rd Floor, Menara Maybank,
100 Jalan Tun Perak,
50050 Kuala Lumpur
Tel: (603) 2059 1888;
Fax: (603) 2078 4194

Stockbroking Business:
Level 8, Tower C, Dataran Maybank,
No.1, Jalan Maarof
59000 Kuala Lumpur
Tel: (603) 2297 8888
Fax: (603) 2282 5136

Singapore

Maybank Securities Pte Ltd
Maybank Research Pte Ltd
50 North Canal Road
Singapore 059304

Tel: (65) 6336 9090

Indonesia

PT Maybank Sekuritas Indonesia
Sentral Senayan III, 22nd Floor
Jl. Asia Afrika No. 8
Gelora Bung Karno, Senayan
Jakarta 10270, Indonesia

Tel: (62) 21 2557 1188

Fax: (62) 21 2557 1189

Thailand

Maybank Securities (Thailand) PCL
999/9 The Offices at Central World,
20th - 21st Floor,
Rama 1 Road Pathumwan,
Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales)

Tel: (66) 2 658 6801 (research)

London

Maybank Securities (London) Ltd
PNB House
77 Queen Victoria Street
London EC4V 4AY, UK

Tel: (44) 20 7332 0221

Fax: (44) 20 7332 0302

India

MIB Securities India Pte Ltd
1101, 11th floor, A Wing, Kanakia
Wall Street, Chakala, Andheri -
Kurla Road, Andheri East,
Mumbai City - 400 093, India

Tel: (91) 22 6623 2600

Fax: (91) 22 6623 2604

Vietnam

Maybank Securities Limited
Floor 10, Pearl 5 Tower,
5 Le Quy Don Street,
Vo Thi Sau Ward, District 3
Ho Chi Minh City, Vietnam

Tel : (84) 28 44 555 888

Fax : (84) 28 38 271 030

Hong Kong

MIB Securities (Hong Kong)
Limited
28/F, Lee Garden Three,
1 Sunning Road, Causeway Bay,
Hong Kong

Tel: (852) 2268 0800

Fax: (852) 2877 0104

Philippines

Maybank Securities Inc
17/F, Tower One & Exchange
Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines 1200

Tel: (63) 2 8849 8888

Fax: (63) 2 8848 5738

Sales Trading

Indonesia

Helen Widjaja
helen.widjaja@maybank.com
Tel: (62) 21 2557 1188

Philippines

Keith Roy
keith_roy@maybank.com
Tel: (63) 2 5322 3184

London

Greg Smith
gsmith@maybank.com
Tel: (44) 207 332 0221

India

Sanjay Makhija
sanjaymakhija@maybank.com
Tel: (91) 22 6623 2629

www.maybank.com/investment-banking
www.maybank-keresearch.com