

## Hartalega (HART MK)

# ESG 2.0: Defending an above average scoring

### ESG score improves, to 64/100; maintain BUY

We revisit HART's ESG disclosures post release of its FY24 Annual and Corporate Governance Reports and have assigned an above average ESG score of 64 (out of 100), which is higher than its previous ESG score of 61 when first introduced in FY22. We maintain our earnings forecasts and MYR4.28 TP based on an unchanged 3x CY26E P/B peg. Reiterate BUY.

### Some headwinds were noted...

HART's overall ESG score of 64 is above average, exceeding its sector peer, Top Glove (TOP MK, HOLD, CP: MYR1.08, TP: MYR1.08), which is rated at 56 (above average). HART's score experienced some drag from the rising trend in carbon emissions and total waste generated intensity. Average training hours per employee also decreased to 13 hours from 19 hours. Additionally, despite a -31% reduction in Directors' remuneration, the Board's salary as a percentage of core net profit increased to 11.6% due to a lower core net profit arising from higher costs related to the decommissioning of the Bestari Jaya facilities.

### ...but offset by aggressive carbon reduction initiatives

HART is committed to environmental stewardship, focusing on transitioning to a circular economy and reducing carbon footprint. HART's plan emphasizes optimizing energy usage, expanding renewable energy adoption and minimizing reliance on fossil fuels to support Malaysia's national emissions goals. Key initiatives include cogeneration, solar power integration and ongoing investments in energy-efficient technologies. HART aims to reduce emissions intensity by 25% by FY2026.

### Maintain earnings forecasts

We maintain our earnings forecasts. We continue to like HART for its hands-on management, proven track record in technology and product quality and strong balance sheet (MYR0.39/sh net cash in end-June 2024). HART's ongoing technological investments/advancements should improve its cost efficiency and support its long-term prospects.

FYE Mar (MYR m)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue	2,410	1,838	2,731	2,926	3,316
EBITDA	(20)	178	328	364	419
Core net profit	162	50	184	207	246
Core FDEPS (sen)	4.7	1.5	5.4	6.0	7.2
Core FDEPS growth(%)	(95.0)	(69.2)	267.6	12.7	18.8
Net DPS (sen)	0.0	0.4	3.2	3.6	4.3
Core FD P/E (x)	40.2	nm	61.0	54.2	45.6
P/BV (x)	1.4	2.0	2.4	2.3	2.3
Net dividend yield (%)	0.0	0.1	1.0	1.1	1.3
ROAE (%)	(4.8)	0.3	3.9	4.4	5.1
ROAA (%)	2.8	0.9	3.5	3.9	4.4
EV/EBITDA (x)	nm	45.2	29.9	26.9	23.1
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Consensus net profit	-	-	191	290	383
MIBG vs. Consensus (%)	-	-	(3.9)	(28.4)	(35.7)

Wong Wei Sum, CFA  
weisum@maybank-ib.com  
(603) 2297 8679

# BUY

Share Price	MYR 3.27
12m Price Target	MYR 4.28 (+32%)
Previous Price Target	MYR 4.28

### Company Description

Hartalega is the world's largest nitrile medical gloves producer.

### Statistics

52w high/low (MYR)	3.82/2.14
3m avg turnover (USDm)	5.2
Free float (%)	42.7
Issued shares (m)	3,428
Market capitalisation	MYR11.2B
	USD2.6B

### Major shareholders:

Hartalega Industries Sdn. Bhd.	34.3%
Employees Provident Fund	8.6%
BNP Paribas Wealth Management	3.2%

### Price Performance



— Hartalega - (LHS, MYR) — Hartalega / Kuala Lumpur Composite Index - (RHS, %)

	-1M	-3M	-12M
Absolute (%)	18	32	58
Relative to index (%)	19	25	42

Source: FactSet

ESG@MAYBANK IBG  
Tear Sheet Insert

Risk Rating & Score <sup>1</sup>	11.7 (Low)
Score Momentum <sup>2</sup>	-0.2
Last Updated	16 Oct 2024
Controversy Score <sup>3</sup> (Updated: 17 Sep 2024)	0 - No reported incidents

Business Model & Industry Issues

- HART retains its SEDEX membership and has been a constituent of the FTSE4Good Bursa Malaysia Index since 2014, with regular social compliance audits following BSCI, SMETA, WRAP, and ETI standards. As of March 2024, HART received an “A” or “Prime” rating in MSCI ESG, ISS ESG, amfori BSCI, and WRAP, and won the Silver Award in the Healthcare Category at The Edge ESG Awards 2023.
- Like other glove manufacturers, HART relies on migrant workers, facing rising social compliance costs due to evolving regulations. Its long-term vision aims for fully “humanless” factories to reduce manual labor dependency.
- Hartalega scores above-average in our ESG proprietary scoring methodology (see next page) with an overall score of 64/100.

Material E issues

- HART has established two cogeneration power plants to improve energy efficiency through combined heat and power production. This will help to reduce its dependency on fossil fuels, consequently lowering emissions.
- In FY24, HART implemented several initiatives across its production lines, including completing oven optimization, reprofiling projects, and introducing an advanced burner system to reduce energy consumption.
- Hartalega has invested over MYR127m to shift toward greener energy. A key initiative is the 1.65 MW rooftop solar PV system at the NGC facility, which generated 2,980 MWh of clean electricity in FY24 (+15% YoY),
- More than MYR48m invested in improving wastewater systems at HART plants, allowing it to adopt advanced tracking technologies alongside other innovative measures to minimise the impact on the environment.
- In FY24, HART reported zero incidents of non-compliance with discharge limits and zero incidents of environmental non-compliance.

Material S issues

- Female representation was 36% of workforce in FY24 (FY23: 37%).
- Lost Time Injury Frequency Rate reduced to 0.27 (FY23: 0.47). In FY24, there were 6 cases of Lost Time Injury.
- Founding member of the Responsible Glove Alliance and a member of the Responsible Labor Initiative, collaborating with global industry stakeholders to promote responsible recruitment and employment practices.
- Providing first-rate workers’ accommodation by investing more than MYR142m to date.
- Contributed MYR451,647 towards enriching the lives of 10,944 individuals through initiatives across our four pillars of Education, Health, Environment and Community.
- In FY24, HART recorded zero work-related fatalities across its operations.
- In FY2024, HART recorded zero reported incidents of forced labour.

Key G metrics and issues

- There are 10 members on HART’s Board comprising 2 Executive Directors (including CEO and Executive Chairman), 3 Non-Independent Non-Executive Director (NINED) and 5 Independent Non-Executive Director (INED).
- Independent Directors made up 50% of HART’s Board, in-line with the Malaysian Code of Corporate Governance’s (MCCG) recommendation.
- In FY24, Hartalega has 3 female directors on the board, representing 30% of the board (minimum requirement is 30%).
- Its audit committee is made up by the 1 NINED and 4 INEDs while remuneration committee is made up by 1 NINED and 3 INEDs.
- Its risk management and sustainability committee is made up of 3 INEDs and 1 NINED.
- Deloitte PLT has been Hartalega’s external auditor since 2014.
- HART has implemented essential policies, including an Anti-Bribery and Anti-Corruption Policy, Whistleblowing Policy and Procedure, Supplier Code of Conduct, and Code of Conduct for Employees and Directors. Its whistleblowing platform is managed by a third-party global service provider.
- There was zero reported cases of bribery or corruption across all departments in FY24.

<sup>1</sup>**Risk Rating & Score** - derived by Sustainabilitytics and assesses the company’s exposure to unmanaged ESG risks. Scores range between 0 - 50 in order of increasing severity with low/high scores & ratings representing negligible/significant risk to the company’s enterprise value, respectively, from ESG-driven financial impacts. <sup>2</sup>**Score Momentum** - indicates changes to the company’s score since the last update - a **negative** integer indicates a company’s improving risk score; a **positive** integer indicates a deterioration. <sup>3</sup>**Controversy Score** - reported periodically by Sustainabilitytics in the event of material ESG-related incident(s), with the impact severity scores of these events ranging from Category 0-5 (0 - no reports; 1 - negligible risks; ...; 5 - poses serious risks & indicative of potential structural deficiencies at the company).

Quantitative Parameters (Score: 44)						
	Particulars	Unit	FY22	FY23	FY24	TOPG MK (FY23)
E	Scope 1 emissions	tCO <sub>2</sub> e	521,681	378,118	394,037	273,483
	Scope 2 emissions	tCO <sub>2</sub> e	658,386	114,517	62,039	152,403
	<b>Total</b>	<b>tCO<sub>2</sub>e</b>	<b>1,180,067</b>	<b>492,635</b>	<b>456,076</b>	<b>425,886</b>
	Scope 3 emissions	tCO <sub>2</sub> e	NA	5,383.0	4,679.0	6,033.0
	<b>Total</b>	<b>tCO<sub>2</sub>e</b>	<b>1,180,067</b>	<b>498,018</b>	<b>460,755</b>	<b>431,919.0</b>
	GHG intensity (Scope 1 and 2)	tCO <sub>2</sub> e/rev MYRm	149.6	204.4	248.2	188.7
	Electricity consumption intensity	kWh/1,000 pcs				
		gloves	8.1	9.2	5.2	9.4
	Water consumption intensity	cu. M/1,000 pcs				
		gloves	0.1	0.1	0.1	0.4
	Natural gas consumption intensity	MMBTU/1,000 pcs				
		gloves	0.3	0.3	0.4	0.3

S	Proportion of women in the workforce	%	37.0	37.0	36.0	28
	Women in Sr management	%	36.0	34.0	38.0	52.0
	Proportion of locals as new hires	% (avg)	45.0	12.0	15.0	94
	Lost time injury frequency (LTIF) rate	Rate	0.5	0.5	0.3	0.81
	Training hours per employee	number	43.2	19.3	13.1	43.9

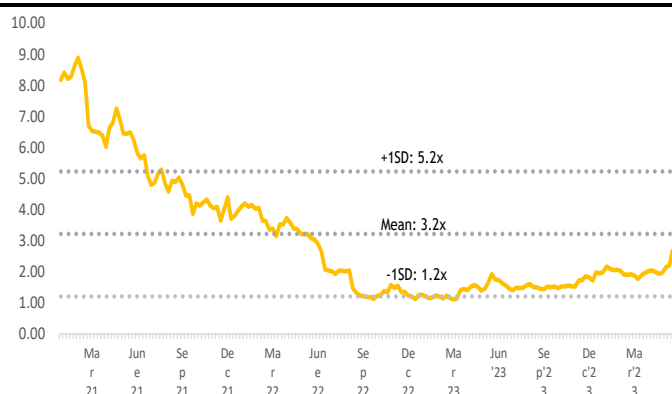
G	MD/CEO salary as % of reported net profit	%	0.1	1.8	3.6	-0.2
	Board salary as % of reported net profit	%	0.3	5.2	11.6	-1.3
	Independent directors on the Board	%	56	56	44	58
	Female directors on the Board	%	33	33	30	42

Qualitative Parameters (Score: 67)						
a)	Is there an ESG policy in place and whether there is a standalone ESG committee or is it part of a risk committee? <i>Yes -Sustainability governance is led by the Board's Risk Management and Sustainability Committee. Supported by the Sustainability Working Committee (SWC), chaired by the CEO and including members of the C-Suite and Senior Management, the SWC drives ethical business conduct and integrates ESG practices.</i>					
b)	Is the senior management salary linked to fulfilling ESG targets? <i>No.</i>					
c)	Does the company follow the Task Force of Climate Related Disclosures (TCFD) framework for ESG reporting? <i>No, but HART will align its climate-related disclosures with TCFD by 2025.</i>					
d)	Does the company have a mechanism to capture Scope 3 emissions - which parameters are captured? <i>Yes, Scope 3 captures business travel and employee commuting.</i>					
e)	What are the 2-3 key carbon mitigation/water/waste management strategies adopted by the company? <i>Energy efficiency: Established two cogeneration power plant to improve energy efficiency. Water mgmt: Installing water ultrafiltration system which allows HART to utilise treated water (from local rivers) at production site and reducing dependency on municipal water sources. Waste mgmt: Invested over MYR48m in enhancing state-of-the-art wastewater treatment at its plants.</i>					
f)	Does carbon offset form part of the net zero/carbon neutrality target of the company? <i>No.</i>					

Target (Score: 100)		
Particulars	Target	Achieved
Established a 5% reduction target for water consumption intensity by FY2026, with FY2021 as a baseline	11%	13%
Cut carbon emissions intensity from 0.0232 to 0.0172 tonnes CO2 per 1,000 pieces of gloves by FY26, using FY23 as a baseline	0.0172	0.13
Manufacturing plants are certified with ISO 45001:2018	100%	100%
Zero Cost Recruitment Policy	100%	100%
Impact		
NA		
Overall Score: 64		
As per our ESG matrix, Hartalega Holdings Berhad (HART MK) has an overall score of 64.		

ESG score	Weights	Scores	Final Score
Quantitative	50%	44	22
Qualitative	25%	67	17
Target	25%	100	25
<b>Total</b>			<b>64</b>

As per our ESG assessment, HART has an established framework, internal policies, and tangible mid/long-term targets but needs to make headway in improving its quantitative "E" metrics YoY. HART's overall ESG score is 64, which makes its ESG rating above average in our view (average ESG rating = 50; refer to Appendix I for our ESG Assessment Scoring).

**Fig 1: Hartalega's 1-year forward PBV (2021-2024)**


Source: Bloomberg, Company data, Maybank IBG Research

## Risk factors

Risk factors for our earnings estimates, target price and rating for HART are: (i) aggressive capacity expansion from the Chinese counterparts; (ii) an aggressive pricing strategy from Chinese producers due to their relatively lower production costs supported by lower energy costs; (iii) spikes in raw material prices that are unable to be fully passed on; and (iv) prolonged price wars and oversupply issues.

## Appendix I

Methodology of our proprietary ESG scoring methodology.

We evaluate the ESG ratings based on quantitative, qualitative and ESG targets. We assign a score for each of these three parameters. The overall rating is based on the weighted average of the scores: quantitative (50%), qualitative (25%) and ESG target (25%).

For the quantitative, qualitative and ESG target, the sub-parameters are assigned a score - '0' for data not available, '+1' for improving trajectory, positive change, 'Yes', better than peers or a positive number if historical is not available and '-1' for declining trajectory, negative change, 'No', lower than peers or a negative number. The total of the scores of all the sub-parameters is divided by the total number of sub-parameters, to derive the score of each of the three parameters.

The sub-parameters may be different for different industries depending on the key areas to monitor for each industry. A company should achieve a minimum score of 50 for an average ESG rating.

FYE 31 Mar	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Key Metrics</b>					
P/E (reported) (x)	nm	617.6	57.4	50.9	42.9
Core P/E (x)	40.0	187.8	57.4	50.9	42.9
Core FD P/E (x)	40.2	nm	57.7	51.2	43.1
P/BV (x)	1.4	2.0	2.2	2.2	2.2
P/NTA (x)	1.4	2.0	2.3	2.2	2.2
Net dividend yield (%)	0.0	0.1	1.0	1.2	1.4
FCF yield (%)	nm	nm	0.7	1.8	2.0
EV/EBITDA (x)	nm	45.2	28.0	25.2	21.7
EV/EBIT (x)	nm	nm	47.9	40.9	33.0
<b>INCOME STATEMENT (MYR m)</b>					
Revenue	2,409.6	1,837.6	2,730.7	2,926.1	3,316.3
EBITDA	(20.0)	177.7	328.2	363.5	419.4
Depreciation	(163.0)	(132.0)	(136.0)	(140.0)	(144.0)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	(183.0)	45.7	192.1	223.5	275.4
Net interest income / (exp)	35.2	53.0	59.5	58.8	58.2
Associates & JV	0.0	0.0	0.0	0.0	0.0
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	(214.4)	38.7	251.6	282.3	333.6
Income tax	(24.4)	(18.7)	(60.4)	(67.8)	(80.1)
Minorities	3.7	(7.3)	(7.3)	(7.3)	(7.3)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	(235.1)	12.7	183.9	207.2	246.2
Core net profit	162.4	50.0	183.9	207.2	246.2
<b>BALANCE SHEET (MYR m)</b>					
Cash & Short Term Investments	1,724.5	1,427.4	1,421.4	1,516.5	1,607.7
Accounts receivable	323.5	386.3	366.6	392.8	445.2
Inventory	232.4	385.7	263.4	282.2	319.8
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	1,943.1	1,901.0	1,845.0	1,785.0	1,720.9
Intangible assets	42.6	45.2	45.2	45.2	45.2
Investment in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other assets	1,038.9	1,111.7	1,368.8	1,429.4	1,488.9
<b>Total assets</b>	<b>5,304.9</b>	<b>5,257.3</b>	<b>5,310.3</b>	<b>5,451.0</b>	<b>5,627.8</b>
ST interest bearing debt	87.3	62.3	62.3	62.3	62.3
Accounts payable	252.7	316.1	286.4	306.9	347.9
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	62.3	4.3	6.1	36.1	66.1
Other liabilities	244.0	230.0	230.0	230.0	230.0
<b>Total Liabilities</b>	<b>646.6</b>	<b>612.8</b>	<b>584.9</b>	<b>635.4</b>	<b>706.3</b>
Shareholders Equity	4,640.1	4,648.0	4,721.6	4,804.5	4,902.9
Minority Interest	18.3	(3.4)	3.9	11.2	18.6
<b>Total shareholder equity</b>	<b>4,658.4</b>	<b>4,644.6</b>	<b>4,725.5</b>	<b>4,815.7</b>	<b>4,921.5</b>
<b>Total liabilities and equity</b>	<b>5,304.9</b>	<b>5,257.3</b>	<b>5,310.3</b>	<b>5,451.0</b>	<b>5,627.8</b>
<b>CASH FLOW (MYR m)</b>					
Pretax profit	(214.4)	38.7	251.6	282.3	333.6
Depreciation & amortisation	163.0	132.0	136.0	140.0	144.0
Adj net interest (income)/exp	(35.7)	(53.1)	(59.5)	(58.8)	(58.2)
Change in working capital	118.6	(146.9)	(112.3)	(24.6)	(49.1)
Cash taxes paid	(442.3)	(32.7)	(60.4)	(67.8)	(80.1)
Other operating cash flow	374.1	6.7	0.0	0.0	0.0
Cash flow from operations	(36.8)	(55.2)	155.4	271.2	290.2
Capex	(18.5)	(46.7)	(80.0)	(80.0)	(80.0)
Free cash flow	(55.3)	(101.9)	75.4	191.2	210.2
Dividends paid	(239.2)	0.0	(110.3)	(124.3)	(147.7)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	(102.1)	(91.6)	30.0	30.0	30.0
Other invest/financing cash flow	(257.5)	(108.4)	(1.1)	(1.7)	(1.4)
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
<b>Net cash flow</b>	<b>(654.1)</b>	<b>(301.9)</b>	<b>(6.0)</b>	<b>95.1</b>	<b>91.2</b>

FYE 31 Mar	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Key Ratios</b>					
<b>Growth ratios (%)</b>					
Revenue growth	(69.5)	(23.7)	48.6	7.2	13.3
EBITDA growth	nm	nm	84.7	10.8	15.4
EBIT growth	nm	nm	320.6	16.3	23.2
Pretax growth	nm	nm	549.6	12.2	18.1
Reported net profit growth	nm	nm	1,345.3	12.7	18.8
Core net profit growth	(95.0)	(69.2)	267.6	12.7	18.8
<b>Profitability ratios (%)</b>					
EBITDA margin	nm	9.7	12.0	12.4	12.6
EBIT margin	nm	2.5	7.0	7.6	8.3
Pretax profit margin	nm	2.1	9.2	9.6	10.1
Payout ratio	0.0	94.0	60.0	60.0	60.0
<b>DuPont analysis</b>					
Net profit margin (%)	nm	0.7	6.7	7.1	7.4
Revenue/Assets (x)	0.5	0.3	0.5	0.5	0.6
Assets/Equity (x)	1.1	1.1	1.1	1.1	1.1
ROAE (%)	(4.8)	0.3	3.9	4.4	5.1
ROAA (%)	2.8	0.9	3.5	3.9	4.4
<b>Liquidity &amp; Efficiency</b>					
Cash conversion cycle	55.3	74.6	53.3	43.1	41.8
Days receivable outstanding	55.4	69.5	49.6	46.7	45.5
Days inventory outstanding	52.5	63.9	51.3	41.4	41.5
Days payables outstanding	52.6	58.8	47.6	45.1	45.1
Dividend cover (x)	nm	1.1	1.7	1.7	1.7
Current ratio (x)	6.7	5.9	6.0	6.1	5.9
<b>Leverage &amp; Expense Analysis</b>					
Asset/Liability (x)	8.2	8.6	9.1	8.6	8.0
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Net gearing (%) (excl. perps)	net cash	net cash	net cash	net cash	net cash
Net interest cover (x)	5.2	na	na	na	na
Debt/EBITDA (x)	nm	0.4	0.2	0.3	0.3
Capex/revenue (%)	0.8	2.5	2.9	2.7	2.4
Net debt/ (net cash)	(1,574.9)	(1,360.8)	(1,353.0)	(1,418.1)	(1,479.3)

Source: Company; Maybank IBG Research



Research Offices

ECONOMICS

**Suhaimi ILIAS**  
Chief Economist  
Malaysia | Philippines | Global  
(603) 2297 8682  
suhaimi\_ili@maybank-ib.com

**CHUA Hak Bin**  
Regional Thematic Macroeconomist  
(65) 6231 5830  
chuahb@maybank.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**  
Malaysia | Philippines  
(603) 2297 8685  
fatinnabila.mohdzaini@maybank-ib.com

**Luong Thu Huong**  
(65) 6231 8467  
hana.thu@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  
fionallim@maybank.com

**Alan LAU, CFA**  
(65) 6320 1378  
alanlau@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

**SOH Jing Ying**  
(603) 2074 7606  
jingying.soh@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

**Nur Natasha ARIZA**  
(603) 2297 8691  
natashaariza.aizarizal@maybank-ib.com  
• Healthcare

**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 • SMIDs

**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 • Telcos

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

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

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

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

**Ronalyn Joyce LALIMO**  
(63) 2 5322 5009  
rona.lalimo@maybank.com  
• SMIDs

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

INDONESIA

**Jefffrosenberg CHENLIM Head of Research**  
(62) 21 8066 8680  
jefffrosenberg.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

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

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

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

**Faiq ASAD**  
(62) 21 8066 8692  
faiq.asad@maybank.com  
• Banking & Finance

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

THAILAND

**Chak REUNGINSINPINYA 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 (Software) • REITs  
• Property • Consumer Discretionary

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

**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 • Property

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

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

**Yugi TAKESHIMA**  
(66) 2658 5000 ext 1530  
yugi.takeshima@maybank.com  
• Technology (EMS & Semicon)

## 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 5 November 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 5 November 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 5 November 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

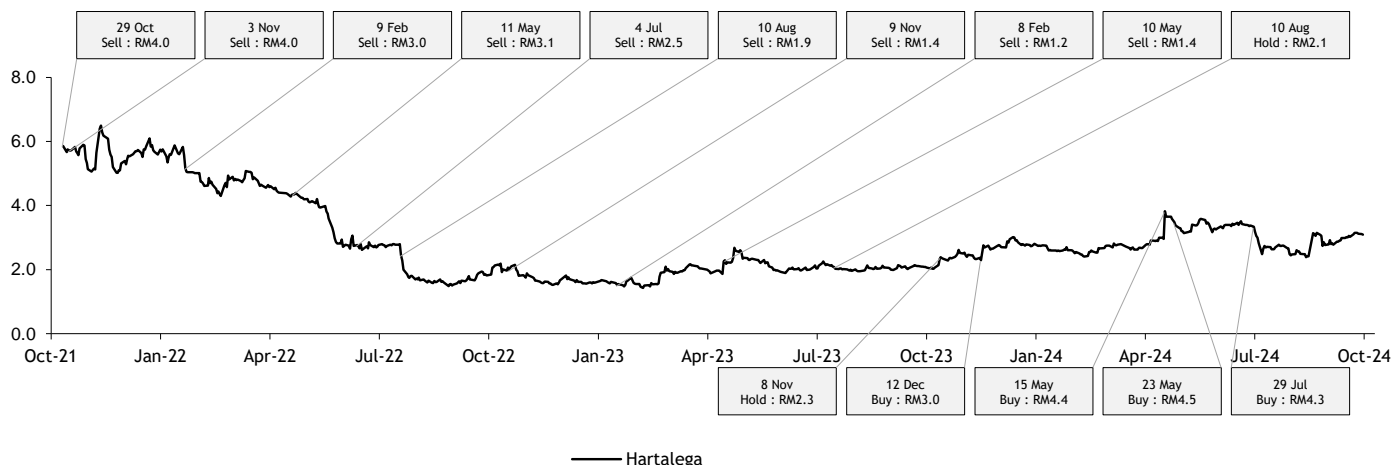
The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed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

## Historical recommendations and target price: Hartalega (HART MK)



### 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, 22<sup>nd</sup> 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,  
20<sup>th</sup> - 21<sup>st</sup> 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, 11<sup>th</sup> 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](http://www.maybank.com/investment-banking)  
[www.maybank-keresearch.com](http://www.maybank-keresearch.com)