

PLEASE CLICK ON THE PAGE NUMBER TO MOVE TO THE RELEVANT PAGE.

### KEY HIGHLIGHTS

#### Company Results

**Axis REIT (AXRB MK/HOLD/RM1.80/Target: RM1.86)** Page 2  
3Q23: Results below expectations.

**CTOS Digital (CTOS MK/HOLD/RM1.44/Target: RM1.52)** Page 5  
3Q23: Results in line. Maintain HOLD and target price of RM1.52 as growth catalysts have been reasonably priced in.

#### Company Update

**Ekovest (EKO MK/BUY/RM0.48/Target: RM1.10)** Page 8  
Latest details from the restructuring are better than expected and enhance earnings accretion.

**OM Holdings (OMH MK/BUY/RM1.45/Target: RM2.26)** Page 11  
9M23 production volume came in within expectations. OMH has successfully adapted another dual-use MetSi furnace to produce FeSi for a production boost.

#### UOBKH Highlights

**CIMB Group (CIMB MK/BUY/RM5.68/ Target: RM6.00)** Page 14  
3Q23: Aided by cost discipline and lower provisions.

### TRADERS' CORNER

Page 15

**Able Global (ABLE MK):** Technical BUY

**SWS Capital (SWS MK):** Technical BUY

### KEY INDICES

	Index	pt chg	% chg
FBMKLCI	1,441.90	1.3	0.1
Bursa Emas	10,634.00	2.3	0.0
Ind Product	172.73	0.9	0.5
Finance	16,233.37	(9.4)	(0.1)
Consumer	553.50	2.0	0.4
Construction	186.72	(0.1)	(0.1)
Properties	847.30	(2.0)	(0.2)
Plantations	6,888.85	13.4	0.2

### BURSA MALAYSIA TRADING & PARTICIPATION

Malaysia Turnover	27-Oct-23	% chg
Volume (m units)	2,723	(15.8)
Value (RMm)	1,695	(14.7)

By Investor type	(%)	ppt chg
Foreign investors	30.6	(4.7)
Local retail	26.3	0.4
Local institution	43.1	4.2

### TOP TRADING TURNOVER / GAINERS / LOSERS

Top Trading Turnover	Price (RM)	Chg (%)	5-day ADT (RM'000)
AirAsia X	1.98	(4.8)	16
AEON Credit	11.48	0.5	1,707
Alliance Bank Malaysia	3.37	0.3	1,393
AMMB Holdings	3.83	0.3	6,550
Astro Malaysia	0.41	0.0	1,103

#### Top Gainers

UEM Sunrise	0.82	9.3	30,981
YTL Corp	1.40	5.3	45,091
GD Express Carrier	0.21	5.0	242
Eastern & Orient	0.59	3.5	4,065
MRCB	0.43	2.4	13,170

#### Top Losers

Parkson Holdings	0.28	(3.4)	4,871
IOI Properties	1.78	(2.7)	16,670
Axiata Group	2.35	(2.5)	9,599
Yinson	2.40	(2.4)	12,879
Inari Amertron	2.87	(2.4)	20,581

### OTHER STATISTICS

	27-Oct-23	chg	% chg
RM/US\$	4.78	(0.01)	(0.2)
CPO 3rd mth future (RM/mt)	3,775	13.0	0.3

Notes:

ADT = Average daily turnover.

Top trading turnover, gainers and losers are based on FBM100 component stocks.

### COMPANY RESULTS

#### Axis REIT (AXRB MK)

3Q23: Results Below Expectations

**AXRB's 9M23 core net profit of RM103.6m declined 15% mainly due to lower-than-expected rental income. Given the recent increase in the 10-year MGS rate to 4.108%, AXRB's forward dividend yield of 4.4-5.0% for the period 2023-25F does not appear as appealing. Downgrade to HOLD. Target price: RM1.86.**

#### 3Q23 RESULTS

Year to 31 Dec (RMm)	3Q23	2Q23	qoq % chg	yoy % chg	9M23	yoy % chg
<b>Revenue</b>	<b>71.5</b>	<b>68.1</b>	<b>5.0</b>	<b>0.0</b>	<b>209.3</b>	<b>(0.5)</b>
Property Expenses	(10.7)	(10.3)	4.4	2.1	(32.6)	11.6
Net Property Income	60.7	57.8	5.1	(0.4)	176.7	(2.4)
Other Income	0.3	0.4	(16.5)	69.3	1.1	83.8
Trust expenses	(8.2)	(9.8)	(17.0)	6.4	(29.7)	28.8
Finance costs	(15.6)	(14.6)	6.9	8.4	(44.6)	18.7
<b>Core PAT</b>	<b>37.3</b>	<b>33.7</b>	<b>10.5</b>	<b>(4.6)</b>	<b>103.6</b>	<b>(14.5)</b>
Core EPU (sen)	2.1	1.9	10.5	(10.1)	6.1	(18.0)
Core DPU (sen)	2.2	2.1	4.9	(12.2)	6.3	(15.8)
<b>Margins</b>	<b>%</b>	<b>%</b>	<b>+/- ppt chg</b>	<b>+/- ppt chg</b>	<b>%</b>	<b>+/- ppt chg</b>
Net property income	85.0	84.9	0.1	(0.3)	84.4	(1.7)
Core PAT	52.2	49.6	2.6	(2.5)	49.5	(8.1)

Source: Axis REIT, UOB Kay Hian

#### RESULTS

- **Below expectations.** Axis REIT (AXRB) reported 3Q23 revenue of RM71.5m (-5% qoq, 0% yoy) and core net profit of RM37.3m (+11% qoq, -5% yoy). Cumulatively, 9M23 core net profit of RM103.6m (-15% yoy) accounted for 62% and 68% of our and consensus' full-year forecasts respectively. The negative deviation was mainly due to lower-than-expected rental income.
- Nonetheless, 3Q23 revenue increased by 5% qoq while net profit increased by 11% qoq on new commencement of tenancy from Bukit Raja Distribution Center 2 as well as new tenancy for Axis Shah Alam Distribution Centre 3 since Aug 23.
- 9M23 core net profit of RM103.6m was arrived at after excluding non-cash items of RM3.9m (mainly on fair value gain of derivatives) from reported net profit of RM107.5m.
- **2.15 sen dividend declared for the quarter.** 9M23 dividend of 6.25 sen (9M22: 7.42 sen) represents an annualised yield of 4.6%.

#### KEY FINANCIALS

Year to 31 Dec (RMm)	2021	2022	2023F	2024F	2025F
Net turnover	242	282	284	300	315
EBITDA	184	212	204	220	235
Operating profit	183	211	204	219	234
Net profit (rep./act.)	201	188	143	154	164
Net profit (adj.)	138	158	143	154	164
EPU (sen)	9.5	9.6	8.2	8.9	9.4
DPU (sen)	9.5	9.8	7.9	8.5	9.1
PE (x)	19.0	18.7	21.9	20.3	19.1
P/B (x)	1.0	1.1	1.2	1.2	1.2
DPU Yld (%)	5.3	5.4	4.4	4.7	5.0
Net margin (%)	82.8	66.6	50.5	51.4	52.2
Net debt/(cash) to asset (%)	25.8	35.3	36.7	38.8	40.6
Interest cover (x)	4.0	4.0	3.4	3.4	3.4
ROE (%)	8.6	7.4	5.5	5.8	6.1
Consensus DPU (sen)	n.a.	n.a.	8.8	9.9	10.5
UOBKH/Consensus (x)	-	-	0.90	0.86	0.86

n.m. : not meaningful; negative PE, EV/EBITDA reflected as "n.m."  
Source: Axis REIT, Bloomberg, UOB Kay Hian

### HOLD

(Downgraded)

Share Price	RM1.80
Target Price	RM1.86
Upside	+3.3%
(Previous TP)	RM2.04)

#### COMPANY DESCRIPTION

Axis Real Estate Investment Trust is a real estate investment trust that owns and invests in a portfolio of commercial, office and office/retail real estate located in Malaysia.

#### STOCK DATA

GICS sector	Real Estate
Bloomberg ticker:	AXRB MK
Shares issued (m):	1,741.1
Market cap (RMm):	3,133.9
Market cap (US\$m):	656.0
3-mth avg daily t'over (US\$m):	0.3

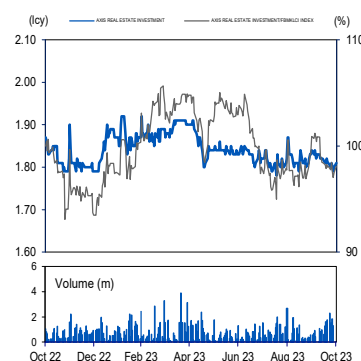
#### Price Performance (%)

52-week high/low	RM1.92/RM1.78			
<b>1mth</b>	<b>3mth</b>	<b>6mth</b>	<b>1yr</b>	<b>YTD</b>
(1.6)	(0.6)	(5.3)	(3.7)	0.6

#### Major Shareholders

Employees Provident Fund	16.2
Kumpulan Wang Persaraan	10.5
Tabung Haji	5.2
FY23 NAV/Share (RM)	1.53
FY23 Net Debt/Share (RM)	0.94

#### PRICE CHART



Source: Bloomberg

#### ANALYST(S)

**Nazira Abdullah**  
+603 2147 1934  
nurulnazira@uobkayhian.com

### TOCK IMPACT

- **9M23 revenue was largely flattish** as termination of lease agreement with Yongnam Engineering was partly offset by new commencement of tenancy from Bukit Raja Distribution Center 2. As at 3Q23, occupancy stood at 92% (2Q23: 89%; 3Q22: 95%).
- **NPI margin was also lower.** 9M23 net property income (NPI) margin fell 1.7ppt to 84.4% on higher opex (+11.6% yoy) mainly due to higher one-off building expenses for the portfolio in 1H23 (which we estimate to be around RM2m). Additionally, there were increases in trust expenses (+28.8% yoy) mainly due to higher provision of doubtful debt (about RM5.3m) from rental default on one of its tenants (Yongnam Engineering) as well as higher financing cost (+18.7%), which contributed to 15% decline in PAT. Excluding the one-off building expenses and provision of doubtful debt, we estimate PAT to decline about 8% (from higher financing cost). Net gearing stood at 34.6%.
- **However, we expect a better 4Q23 on full quarter contribution from Bukit Raja Distribution Center 2.** The Bukit Raja Distribution Centre 2 development project was successfully handed over to Shopee Express Malaysia and rental has commenced since 1 Aug 23 with starting rental of RM1.35m per month or RM16.2m annually (which translates to gross yield of 6.5% on RM250m development cost including land). The recently announced acquisition in Sendayan Tech Valley (with purchase price of RM48m) is expected to be completed in 1H24 with RM3m rental income annually (6.5% gross yield). ARXB also received an acceptance of Letter of Offer to acquire a hypermarket for RM25.8m located in Temerloh, Pahang (we estimate rental income to be RM1.7m annually assuming 6.5% gross yield).

### EARNINGS REVISION/RISK

- **We cut our net profit forecast by largely 14% for 2023-25F** to account for lower rental income.

### VALUATION/RECOMMENDATION

- **Downgrade to HOLD with a lower target price of RM1.86 (from RM2.04)** as we cut our earnings base. Our target price is based on a dividend discount model (required rate of return: 7.3%, terminal growth: 1.7%) with an implied yield of 4.9%. Given the recent increase in the 10-year MGS rate to 4.108%, AXRB's forward dividend yield of 4.4-5.0% for the period 2023-25F does not appear as appealing with its yield spread now reaching -2SD below to five-year historical mean of 1.47ppt.

### ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) UPDATES

#### • Environmental

- Total energy consumption and GHG emissions decreased by 10% in 2022 when compared to the 2019 baseline year.
- Received provisional GreenRE Gold-certification for Bukit Raja Distribution Centre 2 development and provisional GreenRE Silver-certification for Axis Facility 2 @ Bukit Raja.
- Acquired DW1 Logistics Warehouse, which is a GBI-certified building.

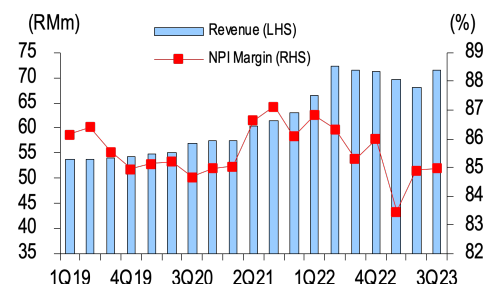
#### • Social

- Annual allocation of RM150,000 by the Manager to support qualified employees' children in furthering their education.
- CSR budget in 2022 was around RM193,000, and this was channeled for Health services for children with disabilities at IQ70+ and Ambulance donation to St John Ambulance of Malaysia.

#### • Governance

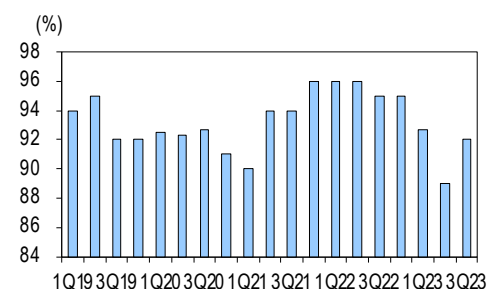
- In addition to the Board Charter and the Code of Conduct, the company has a Whistle-Blowing Policy and an Anti-Bribery and Anti-Corruption Policy.
- Independent Directors made up the majority of the Board and this complies with the requirements prescribed under the SC's Guidelines on Listed REITs.
- A participant member of GRESB, a widely-recognised, international ESG benchmark used by investors, developers and property managers globally, measures the sustainability performance of a company's assets and provides a comparative analysis against industry peers.

### REVENUE AND NPI MARGIN



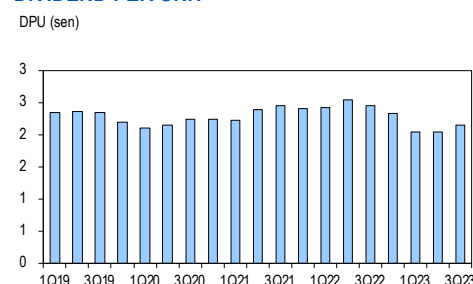
Source: AXRB, UOB Kay Hian

### OCCUPANCY RATE



Source: AXRB, UOB Kay Hian

### DIVIDEND PER UNIT



Source: AXRB, UOB Kay Hian

### ASSUMPTIONS

	2023F	2024F	2025F
Portfolio Occupancy (%)	93	94	95
Blended rental step-up (%)	-1.2	+1.0	+1.5

Source: UOB Kay Hian

### FORWARD YIELD SPREAD



Source: Bloomberg, UOB Kay Hian

### PROFIT & LOSS

Year to 31 Dec (RMm)	2022	2023F	2024F	2025F
<b>Net turnover</b>	<b>282</b>	<b>284</b>	<b>300</b>	<b>315</b>
EBITDA	212	204	220	235
Deprec. & amort.	1	1	1	1
EBIT	211	204	219	234
Associate contributions	0	0	0	0
Net interest income/(expense)	(53)	(60)	(65)	(70)
<b>Pre-tax profit</b>	<b>189</b>	<b>143</b>	<b>154</b>	<b>164</b>
Tax	(2)	0	0	0
Minorities	0	0	0	0
<b>Net profit</b>	<b>188</b>	<b>143</b>	<b>154</b>	<b>164</b>
Net profit (adj.)	158	143	154	164

### CASH FLOW

Year to 31 Dec (RMm)	2022	2023F	2024F	2025F
<b>Operating</b>	<b>228</b>	<b>166</b>	<b>190</b>	<b>198</b>
Pre-tax profit	158	143	154	164
Tax	0	0	0	0
Deprec. & amort.	1	1	1	1
Working capital changes	17	(8)	5	2
Other operating cashflows	53	30	30	31
<b>Investing</b>	<b>(537)</b>	<b>(210)</b>	<b>(110)</b>	<b>(110)</b>
Capex (growth)	(57)	(10)	(10)	(10)
Investments	(487)	(200)	(100)	(100)
Others	7	0	0	0
<b>Financing</b>	<b>163</b>	<b>58</b>	<b>(107)</b>	<b>(71)</b>
Distribution to unitholders	(157)	(132)	(142)	(151)
Issue of shares	11	100	0	0
Proceeds from borrowings	0	0	0	0
Loan repayment	360	150	100	150
Others/interest paid	(52)	(60)	(65)	(70)
<b>Net cash inflow (outflow)</b>	<b>(147)</b>	<b>14</b>	<b>(28)</b>	<b>16</b>
<b>Beginning cash &amp; cash equivalent</b>	<b>185</b>	<b>38</b>	<b>52</b>	<b>24</b>
Changes due to forex impact	5	0	0	0
<b>Ending cash &amp; cash equivalent</b>	<b>44</b>	<b>52</b>	<b>24</b>	<b>41</b>

### BALANCE SHEET

Year to 31 Dec (RMm)	2022	2023F	2024F	2025F
Fixed assets	4,186	4,395	4,505	4,614
Other LT assets	2	2	2	2
Cash/ST investment	44	52	24	41
Other current assets	24	32	30	31
<b>Total assets</b>	<b>4,255</b>	<b>4,481</b>	<b>4,561</b>	<b>4,688</b>
ST debt	813	963	1,063	1,213
Other current liabilities	55	55	58	61
LT debt	733	733	733	733
Other LT liabilities	83	68	31	(9)
Shareholders' equity	2,572	2,662	2,676	2,690
Minority interest	0	0	0	0
<b>Total liabilities &amp; equity</b>	<b>4,255</b>	<b>4,481</b>	<b>4,561</b>	<b>4,688</b>

### KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
<b>Profitability</b>				
EBITDA margin	75.2	71.9	73.3	74.6
Pre-tax margin	67.2	50.5	51.4	52.2
Net margin	66.6	50.5	51.4	52.2
ROA	4.6	3.3	3.4	3.6
ROE	7.4	5.5	5.8	6.1
<b>Growth</b>				
Turnover	16.2	0.8	5.7	4.8
EBITDA	15.0	(3.6)	7.8	6.7
Pre-tax profit	(7.4)	(24.3)	7.6	6.5
Net profit	(6.5)	(23.6)	7.6	6.5
Net profit (adj.)	14.8	(9.4)	7.6	6.5
EPU	1.6	(14.6)	7.6	6.5
<b>Leverage</b>				
Debt to total capital	37.5	38.9	40.2	42.0
Debt to asset	36.3	37.8	39.4	41.5
Net debt/(cash) to asset	35.3	36.7	38.8	40.6
Interest cover (x)	4.0	3.4	3.4	3.4

### COMPANY RESULTS

## CTOS Digital (CTOS MK)

3Q23: Results Within Expectations; Growth Adequately Priced In

CTOS' 3Q23 core net profit of RM29.2m was largely in line, fueled by yoy improving Malaysia operations as momentum ramps up across all three business segments, and stronger associate contribution. While we anticipate CTOS to continue charting earnings growth driven by better services penetration, customer base expansion and synergies with associates, we maintain our view that these have been fairly priced in. Maintain HOLD. Target price: RM1.52.

### 3Q23 RESULTS

Year to 31 Dec (RMm)	3Q23	qoq % chg	yoy % chg	9M23	yoy % chg
<b>Revenue</b>	<b>66.5</b>	<b>6.8</b>	<b>25.7</b>	<b>188.3</b>	<b>32.6</b>
Key Accounts	29.7	7.2	47.2	83.1	55.5
Commercial	30.9	6.9	7.8	88.4	14.1
Direct-to-business	5.8	3.7	46.3	16.8	50.6
International B2B	0.0	n.a.	n.a.	0.0	n.a.
<b>Gross Profit</b>	<b>50.7</b>	<b>6.3</b>	<b>11.6</b>	<b>146.0</b>	<b>21.0</b>
<b>EBITDA</b>	<b>23.6</b>	<b>(9.0)</b>	<b>(4.0)</b>	<b>73.3</b>	<b>20.1</b>
PBT	30.4	16.6	10.1	78.4	17.1
Tax Expense	(6.1)	22.7	24.9	(16.4)	77.0
Net Profit	24.3	15.2	7.0	62.1	7.5
<b>Core Net Profit</b>	<b>29.2</b>	<b>14.6</b>	<b>10.8</b>	<b>75.5</b>	<b>17.1</b>
<b>Margins (%)</b>	<b>(%)</b>	<b>qoq ppt chg</b>	<b>yoy ppt chg</b>	<b>(%)</b>	<b>yoy ppt chg</b>
EBITDA	35.5	(6.2)	(11.0)	38.9	(4.1)
PBT	45.8	3.9	(6.5)	41.7	(5.5)
Core net profit	44.0	3.0	(5.9)	40.1	(5.3)

Source: CTOS Digital Berhad, UOB Kay Hian

### RESULTS

- **Within expectations.** CTOS Digital's (CTOS) 3Q23 core net profit came in at RM29.2m (+10.8% yoy, +24.6% qoq), excluding RM4.9m in exceptional items. 9M23 core net profit accounted for 71% and 72% of our and consensus full-year estimates respectively.
- **Declared third interim dividend of 0.64 sen.** The group has announced a third interim dividend of 0.64 sen, bringing 9M23 dividend to 1.62 sen. This represents a payout ratio of 60% and is in line with the group's minimum dividend policy of 60%.

### KEY FINANCIALS

Year to 31 Dec (RMm)	2021	2022	2023F	2024F	2025F
Net turnover	153	195	238	285	343
EBITDA	47	62	86	105	127
Operating profit	51	67	91	109	132
Net profit (rep./act.)	43	71	106	125	149
Net profit (adj.)	55	71	106	125	149
EPS (sen)	2.5	3.1	4.6	5.4	6.5
PE (x)	58.0	46.6	31.5	26.5	22.3
P/B (x)	10.3	6.5	6.1	5.6	5.1
EV/EBITDA (x)	72.9	55.8	40.0	32.9	27.1
Dividend yield (%)	0.8	1.3	1.9	2.3	2.7
Net margin (%)	28.1	36.7	44.3	44.0	43.6
Net debt/(cash) to equity (%)	(5.6)	25.3	22.2	12.8	3.1
Interest cover (x)	9.1	16.2	n.a.	n.a.	n.a.
ROE (%)	20.6	17.5	20.0	22.1	24.1
Consensus net profit	-	-	105	123	147
UOBKH/Consensus (x)	-	-	1.00	1.02	1.02

Source: CTOS Digital Berhad, Bloomberg, UOB Kay Hian

## HOLD

(Maintained)

Share Price	RM1.44
Target Price	RM1.52
Upside	+5.6%

### COMPANY DESCRIPTION

CTOS is mainly involved in the business of credit reporting, digital software-related services, software development, outsourcing and training services, and investment holding. It also facilitates credit extension and commercialises credit risk management

### STOCK DATA

GICS sector	Industrials
Bloomberg ticker:	CTOS MK
Shares issued (m):	2,310.0
Market cap (RMm):	3,326.4
Market cap (US\$m):	696.3
3-mth avg daily t'over (US\$m):	0.9

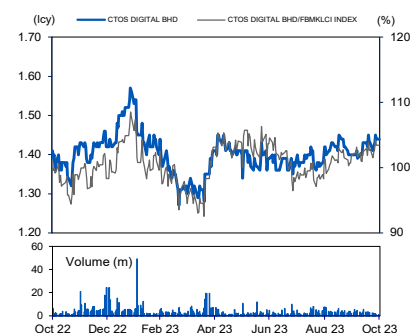
### Price Performance (%)

52-week high/low	RM1.57/RM1.27			
<b>1mth</b>	<b>3mth</b>	<b>6mth</b>	<b>1yr</b>	<b>YTD</b>
2.9	4.3	2.9	7.5	1.4

### Major Shareholders

Jade Vine Sdn Bhd	18.4
Employees Provident Fund Board	11.5
Abrdn Asset Management	5.6
FY23 NAV/Share (RM)	0.24
FY23 Net Debt/Share (RM)	0.05

### PRICE CHART



Source: Bloomberg

### ANALYST(S)

**Jack Goh**  
 +603 2147 1983  
 jackgoh@uobkayhian.com



• **Revenue and profit improved 6.8% and 14.6% qoq respectively.** In 3Q23, CTOS recorded commendable revenue of RM66.5m (+25.7% yoy, +6.8% qoq), mainly reflecting strong growth for all three business segments in its Malaysian operations as well as impressive international operations. The earnings growth also reflects better demand of CTOS Data Systems reports and comprehensive portfolio review and analytics services within the key accounts and commercial customers' segments. On a qoq basis, bottom line grew 14.6% qoq due to the higher net margin and stronger contribution from share of associates (+24.7% qoq), aided by discipline cost control.

### STOCK IMPACT

• **Extension of the group's pioneer status and tax incentives.** CTOS' subsidiary, CTOS Data Systems, was awarded pioneer status incentives under the PIA 1986 for MSC Malaysia Qualifying Activities. While its pioneer status expired in Jun 21, CTOS has finally secured the extension with another relief period of five years until Nov 26 after rounds of applications and approval.

• **Recent three acquisitions and partnership synergistic...** With the recent acquisitions and partnership, CTOS is paving its way to become an established multinational platform with comprehensive data analytics and performance insights. The acquisition of Prime Analytics and Finscore as well as strategic partnership with FICO are deemed to enhance CTOS' ability to penetrate and address the emerging digital lending space in Philippines, Indonesia and Thailand, besides strengthening its core business with strong synergies that will be realised moving forward.

• **... and bridging the gap for ASEAN's underserved and unbanked population.** Within ASEAN, Indonesia and Philippines are among the countries that have the lowest household debt vs GDP per capita ratio at <20% of GDP. This is opposed to Malaysia and Thailand at >75%. Meanwhile, the Indonesia and Philippines markets are also largely underbanked, with unbanked population at 81% and 75% respectively, making it difficult for lenders to evaluate consumers' new loans application with traditional methods. As such, we deem that the recent acquisition of Prime Analytics and Finscore is able to help CTOS further penetrate into these underserved countries and provide analytics for lenders to limit the potentially high credit risk within these underserved market segments.

• **Credit growth moderation resumes, but well-weathered by CTOS' inelastic business model.** Malaysia's loans growth sustained its downward momentum and declined to 4.1% in Aug 23 (July: 4.2%) on slower working capital loans growth. Nevertheless, CTOS' products and digital solutions are counter-cyclical in nature and widely utilised in assessing counterparty risk and creditworthiness during periods of economic expansion or recessions. Furthermore, a big chunk of the company's business is habitually recurring income (>75% for key accounts). As such, we believe that CTOS will chart strong revenue growth of 20-22% in 2023-25, riding on more activations and income pulls for its various business analytic and credit assessment solutions.

### EARNINGS REVISION/RISK

• **No changes.**

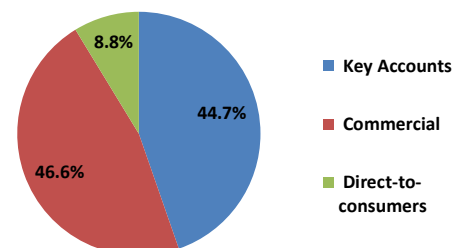
### VALUATION/RECOMMENDATION

• **Maintain HOLD and target price of RM1.52.** Our target price implies 28x 2023F PE (industry's five-year mean). We still reckon that CTOS is well-positioned to be the direct proxy to growing demand for Malaysia's credit reporting industry, but current risk-reward appears neutral at this juncture.

### ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) UPDATES

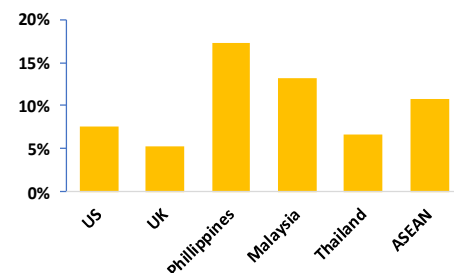
<ul style="list-style-type: none"> <li>• <b>Environmental</b> <ul style="list-style-type: none"> <li>- No environmental issues which may materially impact biodiversity or climate change in any significant way.</li> </ul> </li> <li>• <b>Social</b> <ul style="list-style-type: none"> <li>- Conducted over 200 financial education roadshows for Malaysia's consumers.</li> </ul> </li> <li>• <b>Governance</b> <ul style="list-style-type: none"> <li>- Comprehended and applied Malaysian Code on Corporate Governance (MCCG).</li> </ul> </li> </ul>
---

### REVENUE BY SEGMENT (3Q23)



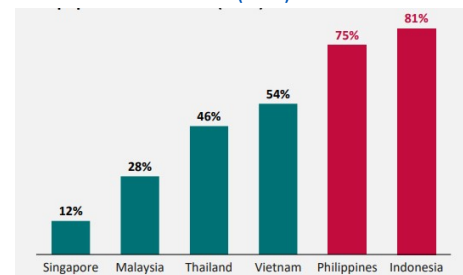
Source: CTOS, UOB Kay Hian

### CREDIT REPORTING INDUSTRY CAGR (2023-25)



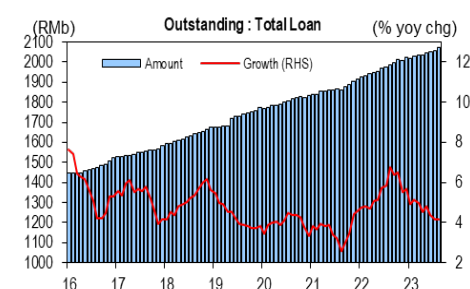
Source: IDC Malaysia, CTOS, UOB Kay Hian

### UNBANKED AND UNDERBANKED AS % OF POPULATION IN ASEAN (2022)



Source: CTOS, Bain & Company, Temasek, Google

### MALAYSIA TOTAL LOANS GROWTH



Source: BNM, UOB Kay Hian

### PROFIT & LOSS

Year to 31 Dec (RMm)	2022	2023F	2024F	2025F
<b>Net turnover</b>	<b>195</b>	<b>238</b>	<b>285</b>	<b>343</b>
EBITDA	62	86	105	127
Deprec. & amort.	(5)	(5)	(5)	(4)
EBIT	67	91	109	132
Associate contributions	23	20	23	26
Net interest income/(expense)	(4)	0	0	0
<b>Pre-tax profit</b>	<b>85</b>	<b>111</b>	<b>132</b>	<b>157</b>
Tax	(14)	(6)	(7)	(8)
Minorities	0	0	0	0
<b>Net profit</b>	<b>71</b>	<b>106</b>	<b>125</b>	<b>149</b>
Net profit (adj.)	71	106	125	149

### CASH FLOW

Year to 31 Dec (RMm)	2022	2023F	2024F	2025F
<b>Operating</b>	<b>82</b>	<b>106</b>	<b>125</b>	<b>149</b>
Pre-tax profit	85	111	132	157
Tax	(14)	(6)	(7)	(8)
Deprec. & amort.	8	5	5	4
Associates	(23)	(20)	(23)	(26)
Working capital changes	(2)	(3)	(2)	(3)
Non-cash items	13	19	21	24
<b>Investing</b>	<b>(359)</b>	<b>(35)</b>	<b>(5)</b>	<b>(5)</b>
Capex (growth)	(13)	(5)	(5)	(5)
Investments	(336)	(30)	0	0
Proceeds from sale of assets	0	0	0	0
Others	(11)	0	0	0
<b>Financing</b>	<b>271</b>	<b>(63)</b>	<b>(75)</b>	<b>(90)</b>
Dividend payments	(42)	(63)	(75)	(90)
Proceeds from borrowings	224	0	0	0
Loan repayment	(74)	0	0	0
Others/interest paid	163	0	0	0
<b>Net cash inflow (outflow)</b>	<b>(6)</b>	<b>8</b>	<b>46</b>	<b>55</b>
<b>Beginning cash &amp; cash equivalent</b>	<b>17</b>	<b>11</b>	<b>18</b>	<b>64</b>
Changes due to forex impact	0	0	0	0
<b>Ending cash &amp; cash equivalent</b>	<b>11</b>	<b>18</b>	<b>64</b>	<b>119</b>

### BALANCE SHEET

Year to 31 Dec (RMm)	2022	2023F	2024F	2025F
Fixed assets	16	26	25	25
Other LT assets	657	658	659	659
ST debt	n.a.	n.a.	n.a.	n.a.
Cash/ST investment	11	18	64	119
Other current assets	47	56	66	77
<b>Total assets</b>	<b>731</b>	<b>758</b>	<b>813</b>	<b>880</b>
Other current liabilities	70	62	70	80
LT debt	139	139	139	139
Other LT liabilities	2	2	2	2
Shareholders' equity	510	545	591	648
<b>Total liabilities &amp; equity</b>	<b>731</b>	<b>758</b>	<b>813</b>	<b>880</b>

### KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
<b>Profitability</b>				
EBITDA margin	31.7	36.2	36.7	37.1
Pre-tax margin	43.8	46.6	46.3	45.9
Net margin	36.7	44.3	44.0	43.6
ROA	13.1	14.2	16.0	17.6
ROE	17.5	20.0	22.1	24.1
<b>Growth</b>				
Turnover	27.2	22.4	19.7	20.1
EBITDA	30.7	39.4	21.5	21.3
Pre-tax profit	61.2	30.2	18.8	19.0
Net profit	65.8	47.8	18.8	19.0
Net profit (adj.)	30.9	47.8	18.8	19.0
EPS	24.7	47.8	18.8	19.0
<b>Leverage</b>				
Debt to total capital	21.5	20.4	19.1	17.7
Debt to equity	27.4	25.6	23.6	21.5
Net debt/(cash) to equity	25.3	22.2	12.8	3.1
Interest cover (x)	16.2	n.a.	n.a.	n.a.

### COMPANY UPDATE

## Ekovest (EKO MK)

Latest Details From Restructuring Enhance Earnings Accretion

The latest details of the restructuring involve a lower acquisition price (for land acquisition of TOD 2 & 3 and Credence), resulting in reduced dilution and making it more earnings-accretive for Ekovest. There are no changes to our earnings and target price pending completion of the exercise. Maintain BUY. Target price: RM1.10.

#### WHAT'S NEW

- Recall that on 27 Sept 23, Tan Sri Lim Kang Hoo (TSLKH), who is a major shareholder of Ekovest Bhd (Ekovest), Knusford Bhd (Knusford), Iskandar Waterfront Holdings (IWH) and Iskandar Waterfront City (IWC), proposed to streamline its businesses under an enlarged Ekovest. Following this, on 27 Oct 23, all respective companies involved announced the details of the proposal, as compiled in Table 1 (see the back).

#### COMMENT

- Positive on the proposal.** As mentioned in our [initiation report](#), we are positive on the restructuring proposal as Ekovest after restructuring will have a stronger asset portfolio and vast strategic landbank. The new details of the restructuring involve a lower acquisition price (for land in Transit Oriented Development (TOD) 2 & 3, as well as the Credence acquisition), resulting in reduced dilution (9% vs 15% in old assumption) and making it more earnings-accretive for Ekovest.

#### EARNINGS REVISION/RISK

- No changes to our earnings pending completion of the restructuring.**

#### VALUATION/RECOMMENDATION

- Maintain BUY with an unchanged target price of RM1.10**, based on a 50% discount to its SOTP of RM2.21, which is largely anchored by the valuation of its highways. We hold an optimistic view on the company's outlook, riding on the potential monetisation of its DUKE highways as well as the rising vibrancy of the Johor property market (through its access of IWC-IWH landbanks and TOD 2 & 3 near RTS Bukit Chagar).
- We estimate our new theoretical target price after the restructuring under the new assumption to be RM1.68** (vs RM1.32 under the old assumption) after considering higher value accretion from TOD 2 & 3 (new NPV of RM792m vs RM660m), higher Ekovest stake in IWC-IWH (leading to higher earnings/value recognition) as well as lower dilution from lower acquisition price.

#### KEY FINANCIALS

Year to 30 Jun (RMm)	2022	2023	2024F	2025F	2026F
Net turnover	809	1,117	1,209	1,220	1,093
EBITDA	241	304	341	420	431
Operating profit	180	237	272	352	363
Net profit (rep./act.)	(124)	(111)	(85)	(41)	(37)
Net profit (adj.)	(90)	(26)	20	64	68
EPS (sen)	(3.0)	(0.9)	0.7	2.2	2.3
PE (x)	n.m.	n.m.	72.6	22.2	21.0
P/B (x)	0.5	0.6	0.6	0.6	0.6
EV/EBITDA (x)	34.7	27.5	24.6	20.0	19.4
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Net margin (%)	(15.4)	(9.9)	(7.1)	(3.3)	(3.4)
Net debt/(cash) to equity (%)	269.8	280.2	260.5	257.9	259.0
Interest cover (x)	1.1	1.2	1.4	1.8	1.9
ROE (%)	n.a.	n.a.	n.a.	n.a.	n.a.
Consensus net profit	-	-	20	64	68
UOBKH/Consensus (x)	-	-	0.98	1.00	1.00

Source: Ekovest Berhad, Bloomberg, UOB Kay Hian  
n.m. : not meaningful; negative P/E, EV/EBITDA reflected as "n.m."

## BUY

(Maintained)

Share Price	RM0.48
Target Price	RM1.10
Upside	+130.1%

#### COMPANY DESCRIPTION

A conglomerate with exposure in construction, property development, highway concessionaires and plantation operations.

#### STOCK DATA

GICS sector	Industrials
Bloomberg ticker:	EKO MK
Shares issued (m):	2,965.4
Market cap (RMm):	1,423.4
Market cap (US\$m):	297.9
3-mth avg daily t'over (US\$m):	6.4

#### Price Performance (%)

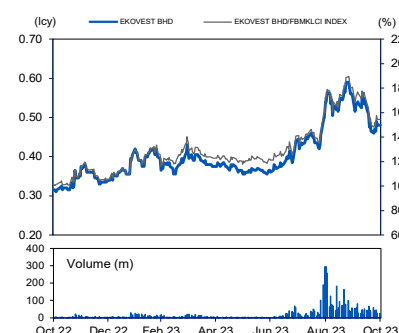
52-week high/low RM0.590/RM0.310

1mth	3mth	6mth	1yr	YTD
(14.3)	14.3	28.0	43.3	41.2

#### Major Shareholders

	%
Tan Sri Dato' Lim Kang Ho	28.01
Norges Bank	4.58
Khoo Chang Chiang	3.51
FY24 NAV/Share (RM)	0.79
FY24 Net Debt/Share (RM)	2.07

#### PRICE CHART



Source: Bloomberg

#### ANALYST(S)

**Lucas Tan Jun Sian**  
+603 2147 1913  
junsian@uobkayhian.com

**Nazira Abdullah**  
+603 2147 1934  
nurulnazira@uobkayhian.com



### ESSENTIALS

**TABLE 1: CORPORATE RESTRUCTURING PROPOSALS**

Proposals	Old Assumption	New Assumption (based on latest announcement)
<b>Proposal 1:</b> Knusford to acquire Ekovest Construction Sdn Bhd (ECSB), Ekovest's wholly-owned construction arm, through issuance of new Knusford shares with an issue price of RM0.60 apiece.	We make no valuation assumption on the Ekovest side since Knusford is the acquirer. We understand Ekovest was guided to own an effective stake of at least 65% in the Knusford-Ekovest Construction merged entity.	Knusford to acquire ECSB for RM450m (indicative P/E of 13-14x). Ekovest's estimated effective stake in the Knusford-Ekovest Construction entity would be around 65-66% which is well within management's earlier guidance.
<b>Proposal 2:</b> Ekovest to acquire 15.82 acres of land along the alignment of RTS Bukit Chagar for potential TOD 2 & 3 through issuance of new shares in Ekovest at RM0.60 per share.	We assume purchase price of <b>RM500m, equivalent to RM725psf. TOD 2 &amp; 3 are expected to yield NPV of RM660m</b> assuming a five-year development period with GDV of RM5b, net margin of 20%, 80% take-up rate and WACC of 5.9%. We estimate <b>Ekovest to issue 833m new shares</b> based on share price of RM0.60.	Total purchase price of <b>RM310m</b> (RM210m for TOD 2's 6.18 acres land or RM780psf; RM100m for TOD 3's 9.64 acres land or RM238psf) implies a <b>blended purchase price of RM450psf, 38% cheaper</b> than our initial assumption. <b>TOD 2 &amp; 3 are expected to yield NPV of RM792m</b> assuming a five-year development period with GDV of RM5b, net margin of 24% (cost saving from cheaper purchase price), 80% take-up rate and WACC of 5.9%. We estimate <b>Ekovest to issue 517m new shares</b> based on share price of RM0.60.
<b>Proposal 3:</b> Ekovest to acquire at least 51% and up to 70% of the issued share capital of Credence (currently 100% owned by TSLKH and family) through issuance of new shares in Ekovest at RM0.60 per share.	We estimate Ekovest to acquire Credence at <b>RM1.3b with a 51% stake</b> . Based on IWH's net asset value of RM4b as of end-21 (which already includes its 34%-owned IWC), we value Credence at <b>RM2.56b</b> (as Credence owns 63% of IWH). This proposal will allow Ekovest to have a <b>27% stake in IWC-IWH</b> . Assuming a <b>RM1.3b purchase value</b> , we estimate Ekovest is only paying <b>RM26.04psf for a 27% stake in IWC-IWH with a 4,212-acre landbank</b> . We estimate Ekovest to issue <b>2.17b new shares</b> based on share price of RM0.60.	Ekovest to acquire Credence at <b>RM1.15b with a 70% stake</b> , hence the implied 100% value of Credence is <b>RM1.64b (36% cheaper than our initial assumption)</b> . Ekovest is expected to have a <b>37% stake in the merged IWC-IWH, equivalent to RM16.69psf purchase price for a 37% stake in IWC-IWH with a 4,212-acre landbank</b> . We estimate Ekovest to issue <b>1.9b new shares</b> based on share price of RM0.60.
<b>Proposal 4:</b> IWC to acquire IWH and all its direct subsidiaries through issuance of new shares in IWC at RM0.80 per share. The merged entity will have a 4,212-acre landbank.	We estimate IWC to acquire IWH based on IWH's net asset value ( <b>RM3.8b</b> ). This would mean IWC is only paying <b>RM26.90psf for IWH's 3,250-acre landbank</b> . We estimate IWC to issue 4.8b new shares, hence the total enlarged shares will be 5.7b.	<b>No change in assumption.</b> According to announcement, the IWC-IWH merger deal will need an extension of 3 months with an option for an additional 3-month extension to allow for thorough assessment, evaluation, and negotiations on the binding heads of agreement. <b>This is in line with our expectations</b> , as we understand that a merger deal of the size of IWC-IWH typically requires more time to materialise.

Source: Respective companies, UOB Kay Hian

### ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

<b>• Environmental</b>
- Implementation of ISO14001:2015 on environmental management system.
<b>• Social</b>
- No material accident and injury reported in the workplace during the year.
<b>• Governance</b>
- Five of its nine directors are independent directors.

### SOTP

Segment	Stake	Fair Value (RMm)	Remarks
Property development	100%	766.0	RNAV
Construction	100%	972.8	10x FY24 PE
Duke 1&2	60%	4,557.0	DCF to concension expiry, 5.5% WACC
Duke 3	100%	5,170.1	DCF to concension expiry, 6.6% WACC
Plantation	62%	204.6	Book value
<b>Enterprise Value</b>		<b>11,670.4</b>	
(-) Net debt		(5,120.5)	End-FY23
<b>Equity Value</b>		<b>6,549.9</b>	
Enlarged no. of shares (mil shares)		2,965.4	After the latest private placement
<b>Equity Value/share</b>		<b>2.21</b>	
Discount		50%	
<b>Target Price (RM)</b>		<b>1.10</b>	

\* Net debt took out 40% of RM2.4b debt from DUKE Phase 1 and Phase 2 (40% owned by EPF)

Source: Ekovest, UOB Kay Hian

### PREVIOUS THEROOTICAL SOTP AFTER CORPORATE EXERCISE UNDER OLD ASSUMPTION

Segment	Stake	Fair Value (RMm)	Remarks
Property development	100%	766.0	RNAV
Construction/Knusford	65%	671.5	10x FY24 PE
Duke 1&2	60%	4,557.0	DCF to concension expiry, 5.5% WACC
Duke 3	100%	5,170.1	DCF to concension expiry, 6.6% WACC
Plantation	62%	204.6	Book value
TOD 2 & 3	100%	660.3	NPV based on GDV of RM5b, 20% net profit margin, 5.9% WACC
IWH-IWC	27%	4,320.0	After tax net realisable value of RM16b (100% basis)
<b>Enterprise Value</b>		<b>16,349.4</b>	
(-) Net debt		(5,120.49)	End-FY23
<b>Equity Value</b>		<b>11,228.9</b>	
Enlarged no. of shares (mil shares)		5,973.4	
<b>Equity Value per share</b>		<b>1.88</b>	
Discount		30%	
<b>Target Price (RM)</b>		<b>1.32</b>	

Source: Ekovest, UOB Kay Hian

### NEW THEROOTICAL SOTP AFTER CORPORATE EXERCISE UNDER NEW ASSUMPTION

Segment	Stake	Fair Value (RMm)	Remarks
Property development	100%	766.0	RNAV
Construction/Knusford	65%	671.5	10x FY24 PE
Duke 1&2	60%	4,557.0	DCF to concension expiry, 5.5% WACC
Duke 3	100%	5,170.1	DCF to concension expiry, 6.6% WACC
Plantation	62%	204.6	Book value
TOD 2 & 3	100%	792.4	NPV based on GDV of RM5b, 24% net profit margin, 5.9% WACC
IWH-IWC	37%	5,920.0	After tax net realisable value of RM16b (100% basis)
<b>Enterprise Value</b>		<b>18,081.5</b>	
(-) Net debt		(5,120.5)	End-FY23
<b>Equity Value</b>		<b>12,961.0</b>	
Enlarged no. of shares (mil shares)		5,395.4	
<b>Equity Value per share</b>		<b>2.40</b>	
Discount		30%	
<b>Target Price (RM)</b>		<b>1.68</b>	

Source: Ekovest, UOB Kay Hian

### PROFIT & LOSS

Year to 30 Jun (RMm)	2023	2024F	2025F	2026F
<b>Net turnover</b>	<b>1,117</b>	<b>1,209</b>	<b>1,220</b>	<b>1,093</b>
EBITDA	304	341	420	431
Deprec. & amort.	67	68	68	68
EBIT	237	272	352	363
Associate contributions	0	0	0	0
Net interest income/(expense)	(247)	(240)	(232)	(226)
<b>Pre-tax profit</b>	<b>(10)</b>	<b>32</b>	<b>119</b>	<b>137</b>
Tax	(99)	(114)	(137)	(142)
Minorities	(2)	(4)	(23)	(32)
<b>Net profit</b>	<b>(111)</b>	<b>(85)</b>	<b>(41)</b>	<b>(37)</b>
Net profit (adj.)	(26)	20	64	68

### CASH FLOW

Year to 30 Jun (RMm)	2023	2024F	2025F	2026F
<b>Operating</b>	<b>507</b>	<b>224</b>	<b>200</b>	<b>104</b>
Pre-tax profit	(10)	32	119	137
Tax	(9)	(114)	(137)	(142)
Deprec. & amort.	67	68	68	68
Associates	0	0	0	0
Working capital changes	194	237	150	40
Other operating cashflows	265	0	0	0
<b>Investing</b>	<b>(83)</b>	<b>(34)</b>	<b>(35)</b>	<b>(32)</b>
Capex (growth)	(332)	(34)	(35)	(32)
Proceeds from sale of assets	5	0	0	0
Others	244	0	0	0
<b>Financing</b>	<b>(427)</b>	<b>(30)</b>	<b>(245)</b>	<b>(85)</b>
Dividend payments	0	0	0	0
Issue of shares	0	135	0	0
Proceeds from borrowings	(429)	(165)	(245)	(85)
Others/interest paid	2	0	0	0
<b>Net cash inflow (outflow)</b>	<b>(4)</b>	<b>160</b>	<b>(80)</b>	<b>(13)</b>
<b>Beginning cash &amp; cash equivalent</b>	<b>24</b>	<b>20</b>	<b>181</b>	<b>101</b>
Changes due to forex impact	0	0	0	0
<b>Ending cash &amp; cash equivalent</b>	<b>20</b>	<b>181</b>	<b>101</b>	<b>88</b>

### BALANCE SHEET

Year to 30 Jun (RMm)	2023	2024F	2025F	2026F
Fixed assets	1,369	1,370	1,372	1,370
Other LT assets	8,688	8,653	8,618	8,583
Cash/ST investment	20	181	101	88
Other current assets	1,308	1,172	1,134	1,086
<b>Total assets</b>	<b>11,386</b>	<b>11,376</b>	<b>11,225</b>	<b>11,127</b>
ST debt	568	631	607	598
Other current liabilities	895	996	1,108	1,100
LT debt	5,910	5,682	5,462	5,385
Other LT liabilities	1,216	1,216	1,216	1,216
Shareholders' equity	2,305	2,355	2,314	2,277
Minority interest	491	495	518	550
<b>Total liabilities &amp; equity</b>	<b>11,386</b>	<b>11,376</b>	<b>11,225</b>	<b>11,127</b>

### KEY METRICS

Year to 30 Jun (%)	2023	2024F	2025F	2026F
<b>Profitability</b>				
EBITDA margin	27.2	28.2	34.4	39.5
Pre-tax margin	(0.9)	2.7	9.8	12.6
Net margin	(9.9)	(7.1)	(3.3)	(3.4)
ROA	n.a.	n.a.	n.a.	n.a.
ROE	n.a.	n.a.	n.a.	n.a.
<b>Growth</b>				
Turnover	38.1	8.3	0.9	(10.4)
EBITDA	26.0	12.0	23.2	2.8
Pre-tax profit	n.a.	n.a.	269.7	15.2
Net profit	n.a.	n.a.	n.a.	n.a.
Net profit (adj.)	n.a.	n.a.	227.1	5.8
EPS	n.a.	n.a.	227.1	5.8
<b>Leverage</b>				
Debt to total capital	69.8	68.9	68.2	67.9
Debt to equity	281.0	268.1	262.3	262.8
Net debt/(cash) to equity	280.2	260.5	257.9	259.0
Interest cover (x)	1.2	1.4	1.8	1.9

### COMPANY UPDATE

## OM Holdings (OMH MK)

9M23 Production Within Expectations; Awaiting More Clarity On MetSi Production

**OMH's 9M23 production output is in line with our expectations, as operations have gradually recovered amid ongoing major maintenance work. We anticipate even stronger production in 2H23, as the group has successfully converted another MetSi furnace to FeSi. OMH could see a meaningful rebound in 2024 on the reversal of US interest rate cycle alongside expansion of capacity. Maintain BUY with a lower target price of RM2.26.**

#### WHAT'S NEW

- Ferroalloy production is expected to improve...** 3Q23 production volumes of ferrosilicon (FeSi) and manganese (Mn) alloy improved to 39,296mt (+32% qoq) and 86,934mt (+23% qoq) respectively. The strong production improvement in both FeSi and Mn alloys was due to an increase in furnace operation from 14 to 15 units following the conversion of its dual-use silicon metals (MetSi) furnace, higher utilisation rate and higher production capacity being allocated to produce high carbon ferromanganese, HCFeMn (a product with higher daily output). As at end-September, 15 out of its 16 furnaces were in operation (seven FeSi and eight Mn alloy). The remaining FeSi furnace was shut down for scheduled major maintenance. For the operating FeSi furnaces, one is scheduled to commence major maintenance in 4Q23, while the other two are scheduled for 2025 after further assessment on the furnace condition.
- ...with the new expanded capacity.** In 3Q23, OM Holdings (OMH) successfully adapted another dual-use silicon metals (MetSi) furnace to produce FeSi (total: two MetSi furnaces to produce FeSi). The furnace has entered production phase and is expected to provide an additional capacity of 23,000mt/year to bring OMH's total production to 176,000mt/year. The rationale behind the conversion is to minimise overhead costs while generating earnings at the same time. OMH has the flexibility to convert its furnace to different metals and alloys, with a conversion period as short as six months.
- Ferroalloy: Still not out of the woods.** In 3Q23, prices of FeSi and Mn alloy were range-bound at US\$1,360-1,400/mt and US\$935-945/mt respectively, given the slow recovery of the steel market. Prices were mainly pressured by: a) the fear of recession, b) soft demand from steel mills, and c) elevated global power costs and weak sentiment in the current rising rates environment. According to the International Manganese Institute, world crude steel production during July and August 2023 was 319.4m tonnes, which represented an increase of 2.4% as compared with the same corresponding period in 2022. We expect prices to improve gradually in 2024 as demand recovers following the reversal of the US interest rate cycle.

#### KEY FINANCIALS

Year to 31 Dec (RMm)	2021	2022	2023F	2024F	2025F
Net turnover	3,510	3,854	3,296	3,990	4,620
EBITDA	601	643	277	387	524
Operating profit	429	521	156	218	356
Net profit (rep./act.)	277	305	92	209	322
Net profit (adj.)	341	348	92	209	322
EPS (sen)	46.2	47.1	12.4	28.3	43.7
PE (x)	3.6	3.5	13.3	5.8	3.8
P/B (x)	0.7	0.7	0.7	0.6	0.5
EV/EBITDA (x)	0.7	0.7	0.7	0.6	0.5
Dividend yield (%)	5.5	2.7	0.7	1.6	2.5
Net margin (%)	7.9	7.9	2.8	5.2	7.0
Net debt/(cash) to equity (%)	62.5	50.9	48.7	32.1	15.9
Interest cover (x)	9.0	7.7	2.8	5.8	8.5
ROE (%)	16.0	17.8	5.0	10.7	14.7

Source: OMH, Bloomberg, UOB Kay Hian

## BUY

(Maintained)

Share Price	RM1.45
Target Price	RM2.26
Upside	+55.9%
(Previous TP)	RM2.95

#### COMPANY DESCRIPTION

ASX-listed OM Holdings is a manganese and silicon smelting company, with vertical exposure in mining and trading. It is engaged in the business of trading raw ores, smelting and marketing of processed ferroalloys (manganese alloys and ferrosilicon). Its smelting plants in Sarawak operate using low-cost sustainable energy – hydropower.

#### STOCK DATA

GICS sector	Materials
Bloomberg ticker:	OMH MK
Shares issued (m):	738.6
Market cap (RMm):	1,071.0
Market cap (US\$m):	224.2
3-mth avg daily t'over (US\$m):	0.0

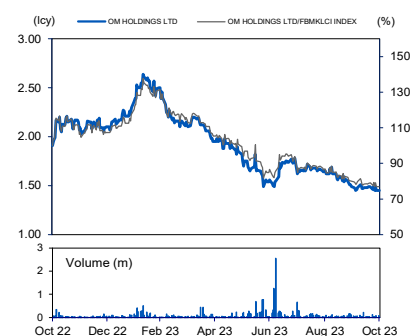
#### Price Performance (%)

52-week high/low	RM2.64/RM1.45			
<b>1mth</b>	<b>3mth</b>	<b>6mth</b>	<b>1yr</b>	<b>YTD</b>
(4.0)	(17.6)	(26.8)	(23.7)	(31.0)

#### Major Shareholders

	%
Huang Gang	14.0
Amplewood Resourced Ltd	13.6
Low Ngee Tong	9.2
FY23 NAV/Share (RM)	2.53
FY23 Net Debt/Share (RM)	1.23

#### PRICE CHART



Source: Bloomberg

#### ANALYST(S)

**Malaysia Research Team**  
+603 2147 1988  
research@uobkayhian.com

• **Update on MetSi furnace.** Recall that in Jan 23, OMH announced that it had successfully converted one of its FeSi furnaces to produce MetSi. However, there are technical issues being addressed during the commissioning process, including challenges related to yield and recovery, as OMH has no prior experience with MetSi (recall that OMH took about a year for commissioning of FeSi). On a positive note, OMH did manage to achieve the target grade of 5-5-3 MetSi (around 98.5% purity) during its short initial commissioning phase, and are striving to produce an even higher grade of 4-4-1 MetSi (around 99% purity), which has superior purity and higher ASP. Currently, both of the dual-use MetSi furnaces have already been converted into production of FeSi and management targets to recommence the hot commission of the two furnaces for the production of silicon metal in 1Q24.

**STOCK IMPACT**

• **Favourable structural supply-demand dynamics** may have yet to be fully reflected in OMH's share price as rising global energy prices have widened the cost differential gap between OMH and other fossil-fuel dependent smelters. This gives OMH significant low-cost advantage due to its long-term access to 350MW of inexpensive hydropower in Sarawak. Generally, electricity accounts for 40% of smelting cost. For OMH, we estimate electricity costs at US\$0.04-0.06/kwhr, with a 1.5-2.5% p.a. escalation; this places OMH in the lowest quartile for production costs (fifth-largest FeSi producer, ex-China). Comparable global smelters run at a cost that can be 2-3x higher.

• **Diversification of product offerings to capture further growth potential.** OMH is diversifying into MetSi in order to deliver higher value-added products. It aims to produce the highest grade (98-99% purity level) it possibly can as silicon metal commands higher margins. It is used in different industries based on the level of contaminants and is typically used for manufacturing microchips, steel and solar cells. This marks OMH's first step in diversifying into the aluminium, chemicals and solar downstream industries. Depending on the grade and region sold, MetSi prices are currently hovering at US\$1,900-2,235/mt vs historical average of around US\$2,245/mt. The price trajectory and cost structure are similar to FeSi. The only major difference is that it requires 40-50% more in terms of power intensity.

• **Flexibility of conversion of furnace.** OMH's decision to convert its furnaces will be based on profitability and long-term outlooks for each alloy. Management believes that Mn alloys and MetSi would generate higher returns per furnace compared to FeSi. The furnaces' flexibility allows for potential future conversions if market demand for metals or alloys changes. The conversion process involves dismantling, civil works, equipment installation, modifications, furnace lining, and performance testing before hot commissioning. The conversion can be completed in as soon as six months

**EARNINGS REVISION/RISK**

- Upgrade 2023 earnings by 12% but downgrade 2024 earnings by 5% mainly to account for: a) higher FeSi production resulting from the conversion of both MetSi furnaces in 2023, and b) a temporary halt in production to undergo the hot commission phase of MetSi in 1Q24.
- Based on our sensitivity analysis, every US\$100/mt increase in our FeSi and Mn alloy price assumptions would boost OMH's earnings by about 25% annually.

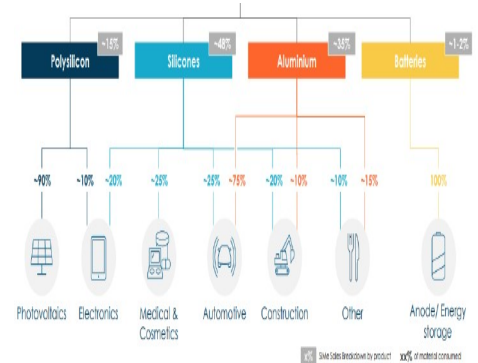
**VALUATION/RECOMMENDATION**

• **Maintain BUY with a lower target price of RM2.26**, implying 8x 2024F PE. The assigned target PE of 8x represents a slight discount compared to the 10x PE, which is the average for selected mining and smelting companies listed on Bursa Malaysia. This discount is attributed to OMH's secondary listing on Bursa and its relatively tight liquidity.

**ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) UPDATES**

<ul style="list-style-type: none"> <li>• <b>Environmental</b> <ul style="list-style-type: none"> <li>- Eco-friendly smelters help to reduce carbon dioxide emissions by 2.2m mt p.a.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• <b>Social</b> <ul style="list-style-type: none"> <li>- OMH offers career opportunities and provides training to the indigenous community.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• <b>Governance</b> <ul style="list-style-type: none"> <li>- Majority of the board are independent directors (5 out of 7 non-exec directors).</li> </ul> </li> </ul>

**SILICON METAL CONSUMPTION**



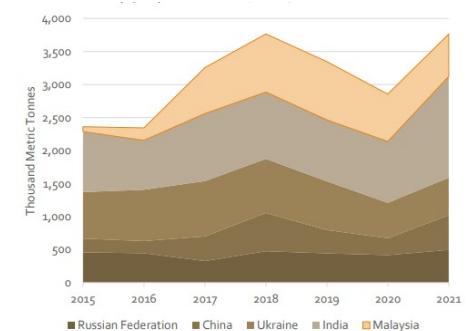
Source: Ferroglobe

**KEY ASSUMPTIONS**

	2022	2023F	2024F	2025F
<b>Production ('000 mt)</b>				
<b>Alloy</b>				
Malaysia - FeSi	140	140	147	153
Malaysia - Mn	217	260	320	400
<b>ASP (US\$/mt)</b>				
FeSi alloy	1,900	1,300	1,400	1,500
Mn alloy	1,400	900	950	1,100
MetSi	2,950	-	-	-

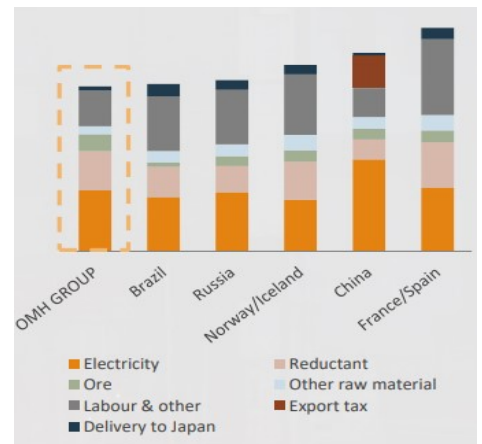
Source: OMH, UOB Kay Hian

**TOP MANGANESE ALLOY PRODUCING COUNTRIES**



Source: OMH

**FESI PRODUCTION COST COMPARISON**



Source: OMH



### PROFIT & LOSS

Year to 31 Dec (RMm)	2022	2023F	2024F	2025F
<b>Net turnover</b>	<b>3,854</b>	<b>3,296</b>	<b>3,990</b>	<b>4,620</b>
EBITDA	643	277	387	524
Deprec. & amort.	122	121	169	169
EBIT	521	156	218	356
Associate contributions	38	65	118	119
Net interest income/(expense)	(84)	(100)	(67)	(62)
<b>Pre-tax profit</b>	<b>475</b>	<b>121</b>	<b>269</b>	<b>412</b>
Tax	(104)	(29)	(64)	(99)
Minorities	(66)	0	5	9
<b>Net profit</b>	<b>305</b>	<b>92</b>	<b>209</b>	<b>322</b>
Net profit (adj.)	348	92	209	322

### BALANCE SHEET

Year to 31 Dec (RMm)	2022	2023F	2024F	2025F
Fixed assets	48	40	40	40
Other LT assets	2,446	2,676	2,676	2,666
Cash/ST investment	240	161	334	543
Other current assets	1,253	1,211	1,356	1,563
<b>Total assets</b>	<b>3,987</b>	<b>4,088</b>	<b>4,405</b>	<b>4,811</b>
ST debt	225	327	430	533
Other current liabilities	653	682	819	944
LT debt	922	742	562	382
Other LT liabilities	389	456	523	590
Shareholders' equity	1,782	1,865	2,050	2,332
Minority interest	16	16	21	30
<b>Total liabilities &amp; equity</b>	<b>3,987</b>	<b>4,088</b>	<b>4,405</b>	<b>4,811</b>

### CASH FLOW

Year to 31 Dec (RMm)	2022	2023F	2024F	2025F
<b>Operating</b>	<b>886</b>	<b>146</b>	<b>366</b>	<b>399</b>
Pre-tax profit	475	121	269	412
Tax	(104)	(29)	(64)	(99)
Deprec. & amort.	122	121	169	169
Working capital changes	128	114	(7)	(83)
Other operating cashflows	265	(180)	0	0
<b>Investing</b>	<b>(139)</b>	<b>(47)</b>	<b>(38)</b>	<b>(34)</b>
Capex (growth)	(2)	(2)	(2)	(7)
Capex (maintenance)	(177)	(45)	(45)	(45)
Investments	5	0	5	9
Proceeds from sale of assets	0	0	5	9
Others	35	0	0	0
<b>Financing</b>	<b>(813)</b>	<b>(186)</b>	<b>(160)</b>	<b>(161)</b>
Dividend payments	(49)	(9)	(20)	(31)
Issue of shares	0	0	5	9
Proceeds from borrowings	103	103	103	103
Loan repayment	(297)	(180)	(180)	(180)
Others/interest paid	(570)	(100)	(67)	(62)
<b>Net cash inflow (outflow)</b>	<b>(66)</b>	<b>(87)</b>	<b>168</b>	<b>204</b>
<b>Beginning cash &amp; cash equivalent</b>	<b>314</b>	<b>248</b>	<b>161</b>	<b>329</b>
Changes due to forex impact	(8)	0	5	9
<b>Ending cash &amp; cash equivalent</b>	<b>240</b>	<b>161</b>	<b>334</b>	<b>543</b>

### KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
<b>Profitability</b>				
EBITDA margin	16.7	8.4	9.7	11.4
Pre-tax margin	12.3	3.7	6.7	8.9
Net margin	7.9	2.8	5.2	7.0
ROA	7.3	2.3	4.9	7.0
ROE	17.8	5.0	10.7	14.7
<b>Growth</b>				
Turnover	9.8	(14.5)	21.1	15.8
EBITDA	7.1	(57.0)	39.9	35.6
Pre-tax profit	25.0	(74.6)	122.6	53.5
Net profit	10.3	(70.0)	127.5	54.5
Net profit (adj.)	1.9	(73.6)	127.5	54.5
EPS	1.9	(73.6)	127.5	54.5
<b>Leverage</b>				
Debt to total capital	38.9	36.2	32.4	27.9
Debt to equity	64.3	57.3	48.4	39.2
Net debt/(cash) to equity	50.9	48.7	32.1	15.9
Interest cover (x)	7.7	2.8	5.8	8.5

### UOBKH HIGHLIGHTS

## CIMB Group (CIMB MK/BUY/RM5.68/ Target: RM6.00)

3Q23: Aided By Cost Discipline And Lower Provisions

### 3Q23 RESULTS

Year to 31 Dec	3Q23 (Rpb)	3Q22 (Rpb)	qoq % chg	yoy % chg	9M23 (Rpb)	yoy % chg
Net-Interest Income	3,352	3,436	(2.2)	(2.4)	10,187	2.1
Non-Interest Income	1,136	1,066	(29.4)	6.6	4,320	5.1
Operating Expenses	(2,077)	(2,069)	(2.0)	0.4	(6,415)	2.6
Loan Loss Provision	(249)	(715)	(68.1)	(65.2)	(1,778)	(36.8)
PBT	2,162	1,718	1.2	25.8	6,314	25.8
Net Income	1,669	1,308	1.0	27.6	4,902	27.6
<b>Key Analysis (%)</b>	<b>3Q22</b>	<b>4Q22</b>	<b>1Q23</b>	<b>2Q23</b>	<b>3Q23</b>	
Net Interest Margin	4.77	4.90	4.71	4.52	4.33	
Gross NPL ratio	3.6	2.8	2.6	2.5	2.4	
Gross Loans Growth ( qoq % chg)	2.6	1.7	1.2	2.5	(0.2)	
LLC	117.9	94.7	105.0	110.7	108.8	
Cost/Income Ratio	46.0	46.5	44.5	42.1	46.3	
ROE	13.1	11.7	15.1	15.8	15.3	

Source: CIMB Niaga, UOB Kay Hian

### RESULTS

- **CIMB Niaga's 3Q23 earnings in line.** CIMB Niaga (93%-owned) posted 3Q23 profit of Rp1,669b (+1% qoq, +28% yoy), bringing 9M23 earnings to Rp4,902b (+28% yoy). Despite 9M23 earnings forming 77-80% of our and consensus full-year forecasts, we deem the results in line as 4Q23 earnings could register a slight decline with NIM remaining under pressure.
- **CIMB Niaga's yoy earnings trend.** Positive Jaws due to total income growth (+3%) along with the drop in bad loans provision (-37%) translated to a robust 28% earnings growth in 3Q23.
- **CIMB Niaga's qoq earnings trend.** The 1% qoq increase in net profit was attributed to a significant reduction in loan loss provisions (-68%), which effectively offset the unfavourable impact of a weak top-line performance (-11%). The weak top-line performance was primarily driven by a 19bp decrease in net interest margin (NIM) and a decline in non-interest income (NII) of -29%, resulting from treasury-related losses and reduced loan recoveries.
- **CIMB Niaga's NIM was impacted by** higher funding cost from: a) the policy rate hike by Bank Indonesia, and b) the introduction of Bank Indonesia Rupiah Securities (SRBI) into the market, taking away some liquidity and hence driving competition for deposits. Management expects 4Q23 NIM to experience a further sequential decline.
- **CIMB Niaga's loans moderated.** 3Q23 loans growth moderated, coming in at +5.6% (compared to +8.6% in 2Q23) and declining 0.2% qoq. However, deposit growth was stable at +6.0% for deposits. Loan-to-deposit ratio (LDR) remained steady at 87% qoq.
- **CIMB Niaga's asset quality remains steady.** Gross NPL ratio edged down to 2.4% in 3Q23 from 2.5% in 2Q23 on the back of recoveries. Management remains optimistic of an improving asset quality outlook in 2023 and as such, is guiding for a slight improvement to stable net credit cost outlook for 2023 (160bp-180bp vs 2022: 180bp. In addition, CIMB Niaga has already made sufficient pre-emptive provisions to cushion for any spike in GIL ratio (LLC is now at 109% vs pre-pandemic level of c.90%).
- **CIMB Group Bhd: Maintain BUY and target price of RM6.00 (0.93x 2023F P/B, 9.8% ROE).** Our optimism for CIMB is grounded in the potential for a positive ROE upside surprise, primarily fuelled by reduced credit costs, strong loan growth and cost optimisation. The company has successfully elevated its ROE from the pre-pandemic range of 8-9% to its current level of 10%. To offer a glimpse of the potential for upside in our target price, if we were to extend our valuations into 2024, our target price would elevate to RM6.45.

### ANALYST

Keith Wee

+603 2147 1981

keithwee@uobkayhian.com



### TRADERS' CORNER



### Able Global (ABLE MK)

Technical BUY with +12.3% potential return

Last price: RM1.30

Target price: RM1.41, RM1.46

Support: RM1.25

Stop-loss: RM1.24

**BUY with a target price of RM1.46 and stop-loss at RM1.24.** Based on the daily chart, the share price has gradually recovered to close above both the 7-day and 21-day EMA lines, which signifies a potential upward trend ahead. This was supported by both the DMI's bullish crossover as well as an uptick in RSI that suggests stronger buying momentum ahead. We peg our targets at RM1.41 and RM1.46 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading



### SWS Capital (SWS MK)

Technical BUY with +33.3% potential return

Last price: RM0.315

Target price: RM0.38, RM0.42

Support: RM0.28

Stop-loss: RM0.275

**BUY with a target price of RM0.42 and stop-loss at RM0.275.** Last Friday, the stock closed above the BBI line, which indicates upward potential in the near term. This is supported by the 7-day EMA making a cross above the 21-day EMA, indicating a bullish signal. This is consistent with the uptick in the RSI and a bullish crossover in the DMI, which suggests stronger buying momentum ahead. We expect SWS will continue the upward movement to the previous high of RM0.425 in the near term.

Expected timeframe: Two weeks to two months.

Note: Not available for CFD Trading

### ANALYST

Mohd Fakhru Asyraq, MSTA, CFTe

+603 2147 1994

mohdfakhrulasyraq@uobkayhian.com

**Disclosures/Disclaimers**

This report is prepared by UOB Kay Hian Securities (M) Sdn. Bhd. ("UOBKHM") which is a licensed corporation providing investment advisory services in Malaysia.

This report is provided for information only and is not an offer or a solicitation to deal in securities or to enter into any legal relations, nor an advice or a recommendation with respect to such securities.

**This report is prepared for general circulation.** It does not have regard to the specific investment objectives, financial situation and the particular needs of any recipient hereof. Advice should be sought from a financial adviser regarding the suitability of the investment product, taking into account the specific investment objectives, financial situation or particular needs of any person in receipt of the recommendation, before the person makes a commitment to purchase the investment product.

This report is confidential. This report may not be published, circulated, reproduced or distributed in whole or in part by any recipient of this report to any other person without the prior written consent of UOBKHM. This report is not directed to or intended for distribution to or use by any person or any entity who is a citizen or resident of or located in any locality, state, country or any other jurisdiction as UOBKHM may determine in its absolute discretion, where the distribution, publication, availability or use of this report would be contrary to applicable law or would subject UOBKHM and its associated persons (as defined in the Capital Market Services Act 2007) to any registration, licensing or other requirements within such jurisdiction.

The information or views in the report ("Information") has been obtained or derived from sources believed by UOBKHM to be reliable. However, UOBKHM makes no representation as to the accuracy or completeness of such sources or the Information and UOBKHM accepts no liability whatsoever for any loss or damage arising from the use of or reliance on the Information. UOBKHM and its associate may have issued other reports expressing views different from the Information and all views expressed in all reports of UOBKHM and its connected persons are subject to change without notice. UOBKHM reserves the right to act upon or use the Information at any time, including before its publication herein.

Except as otherwise indicated below, (1) UOBKHM, its associated persons and its officers, employees and representatives may, to the extent permitted by law, transact with, perform or provide broking, underwriting, corporate finance-related or other services for or solicit business from, the subject corporation(s) referred to in this report; (2) UOBKHM, its associated persons and its officers, employees and representatives may also, to the extent permitted by law, transact with, perform or provide broking or other services for or solicit business from, other persons in respect of dealings in the securities referred to in this report or other investments related thereto; (3) the officers, employees and representatives of UOBKHM may also serve on the board of directors or in trustee positions with the subject corporation(s) referred to in this report. (All of the foregoing is hereafter referred to as the "Subject Business"); and (4) UOBKHM may otherwise have an interest (including a proprietary interest) in the subject corporation(s) referred to in this report.

As of the date of this report, no analyst responsible for any of the content in this report has any proprietary position or material interest in the securities of the corporation(s) which are referred to in the content they respectively author or are otherwise responsible for.

**IMPORTANT DISCLOSURES FOR U.S. PERSONS**

This research report is prepared by UOBKHM, a company authorized, as noted above, to engage in investment advisory in Malaysia. UOBKHM is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution by UOBKHM (whether directly or through its US registered broker dealer affiliate named below) to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). All US persons that receive this document by way of distribution from or which they regard as being from UOBKHM by their acceptance thereof represent and agree that they are a major institutional investor and understand the risks involved in executing transactions in securities.

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through UOB Kay Hian (U.S.) Inc ("UOBKHUS"), a registered broker-dealer in the United States. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through UOBKHM.

UOBKHUS accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to and intended to be received by a U.S. person other than a major U.S. institutional investor.

The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of UOBKHUS and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

## Analyst Certification/Regulation AC

Each research analyst of UOBKHM who produced this report hereby certifies that (1) the views expressed in this report accurately reflect his/her personal views about all of the subject corporation(s) and securities in this report; (2) the report was produced independently by him/her; (3) he/she does not carry out, whether for himself/herself or on behalf of UOBKHM or any other person, any of the Subject Business involving any of the subject corporation(s) or securities referred to in this report; and (4) he/she has not received and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. However, the compensation received by each such research analyst is based upon various factors, including UOBKHM's total revenues, a portion of which are generated from UOBKHM's business of investment advisory.

Reports are distributed in the respective countries by the respective entities and are subject to the additional restrictions listed in the following table.

General	This report is not intended for distribution, publication to or use by any person or entity who is a citizen or resident of or located in any country or jurisdiction where the distribution, publication or use of this report would be contrary to applicable law or regulation.
Hong Kong	This report is distributed in Hong Kong by UOB Kay Hian (Hong Kong) Limited ("UOBKHHK"), which is regulated by the Securities and Futures Commission of Hong Kong. Neither the analyst(s) preparing this report nor his associate, has trading and financial interest and relevant relationship specified under Para. 16.4 of Code of Conduct in the listed corporation covered in this report. UOBKHHK does not have financial interests and business relationship specified under Para. 16.5 of Code of Conduct with the listed corporation covered in this report. Where the report is distributed in Hong Kong and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKHHK (and not the relevant foreign research house) in Hong Kong in respect of any matters arising from, or in connection with, the analysis or report; and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Hong Kong who is not a professional investor, or institutional investor, UOBKHHK accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.
Indonesia	This report is distributed in Indonesia by PT UOB Kay Hian Sekuritas, which is regulated by Financial Services Authority of Indonesia. Where the report is distributed in Indonesia and contains research analyses or reports from a foreign research house, please note recipients of the analyses or reports are to contact PT UOBKH (and not the relevant foreign research house) in Indonesia in respect of any matters arising from, or in connection with, the analysis or report.
Malaysia	Where the report is distributed in Malaysia and contains research analyses or reports from a foreign research house, the recipients of the analyses or reports are to contact UOBKHM (and not the relevant foreign research house) in Malaysia, at +603-21471988, in respect of any matters arising from, or in connection with, the analysis or report as UOBKHM is the registered person under CMSA to distribute any research analyses in Malaysia.
Singapore	This report is distributed in Singapore by UOB Kay Hian Private Limited ("UOBKH"), which is a holder of a capital markets services licence and an exempt financial adviser regulated by the Monetary Authority of Singapore. Where the report is distributed in Singapore and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKH (and not the relevant foreign research house) in Singapore in respect of any matters arising from, or in connection with, the analysis or report; and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Singapore who is not an accredited investor, expert investor or institutional investor, UOBKH accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.
Thailand	This report is distributed in Thailand by UOB Kay Hian Securities (Thailand) Public Company Limited, which is regulated by the Securities and Exchange Commission of Thailand.
United Kingdom	This report is being distributed in the UK by UOB Kay Hian (U.K.) Limited, which is an authorised person in the meaning of the Financial Services and Markets Act and is regulated by The Financial Conduct Authority. Research distributed in the UK is intended only for institutional clients.
United States of America ("U.S.")	This report cannot be distributed into the U.S. or to any U.S. person or entity except in compliance with applicable U.S. laws and regulations. It is being distributed in the U.S. by UOB Kay Hian (US) Inc, which accepts responsibility for its contents. Any U.S. person or entity receiving this report and wishing to effect transactions in any securities referred to in the report should contact UOB Kay Hian (US) Inc. directly.

Copyright 2023, UOB Kay Hian Securities (M) Sdn. Bhd. All rights reserved.

<http://www.utrade.com.my>