

31 May 2023

Property | REITS

## Manulife US REIT (MUST SP)

**Buy** (Maintained)

### On The Road To Redemption; BUY

Target Price (Return): USD0.40 (126%)  
 Price (Market Cap): USD0.18 (USD311m)  
 ESG score: 3.2 (out of 4)  
 Avg Daily Turnover (USD/USD) 1.07m/1.07m

- **Keep BUY and USD0.40 TP, 126% upside and 23% yield.** We think the Phipps Tower (Phipps) disposal to Manulife US REIT's sponsor is another positive step, demonstrating much-awaited sponsor commitment and brightening its longer-term prospects amid a very challenging near-term US office outlook. With the lapsing of the Mirae Asset Global Investments' (Mirae) exclusivity period, the likely next steps for the REIT are further asset disposals and bringing in longer-term value-add strategic partners.
- **Phipps in Atlanta** (2010 built) is the second sale in two months to MUST's sponsor (purchased from the sponsor in 2018 for USD205m). Phipps was valued at USD210m at end Dec 2022. The purchase price is likely to be at the average of the latest two valuations (yet to be announced) with the deal's finalisation slated by end June. The sale is still subject to unitholders' approvals. Note: Child apparel retailer William Carter – the largest tenant in Phipps and MUST's portfolio (c.5.7% of FY22 income) – downsized its space by 25% in 1Q23 but signed a longer lease (till 2035) on the 209k sq ft balance at higher rent rates (+18%). While this is one of the better assets in MUST's portfolio, we think the sale will likely result in weaker overall metrics. The downside of potential sales of weaker assets like Figueroa in the current market is that valuations are extremely stressed and may not fully reflect the longer-term potential once the market bottoms and recovers.
- **Gearing to fall to c.43%, rights issue still possible.** Taking in the recent rate hikes, tenant downsizing at Phipps, and outlook, we estimate the tower's sale to fetch c.USD190-200m. With the April sale of Tanasbourne at USD33.5m, the total estimated proceeds of c.USD224-234m will likely be used to pare debt and lower gearing to a more comfortable c.43%. This may not be fully sufficient, as likely further asset write-downs at end 2023 will bring gearing above the critical 45% threshold. Hence, we believe MUST needs further asset disposals or strategic equity injection from long-term partners. A rights issue is still a possibility but, with the Phipps sale, MUST has breathing space, allowing it to wait for conditions to stabilise.
- **The lapse of the Mirae exclusivity period** was not totally surprising, considering the recent heightened scrutiny on its intentions and roadblocks that such a transaction faced amid the sharp drop in MUST's share price. While it remains open to ongoing discussions with Mirae, it is also considering proposals from others as part of an ongoing strategic review. Pending further details, we make no changes to our earnings and TP.
- **ESG framework update.** As there is now greater focus on the E pillar on critical climate change issues, we tweaked our ESG weightage and assign a 50% weightage to the E pillar, followed by 25% each to the S and G pillars. See our [2 May thematic research](#) for details. As MUST's score is two notches above country median, we apply 4% ESG premium to our TP.

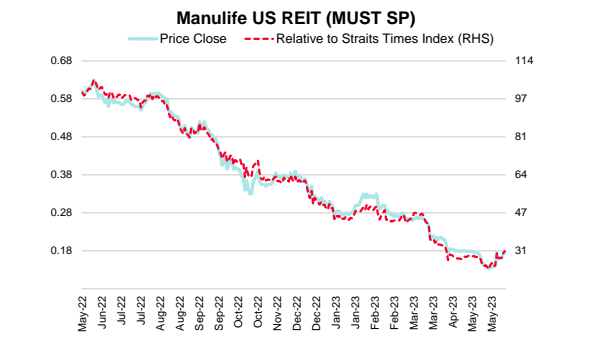
#### Analyst

Vijay Natarajan  
 +65 6320 0825  
[vijay.natarajan@rhbgroup.com](mailto:vijay.natarajan@rhbgroup.com)



#### Share Performance (%)

	YTD	1m	3m	6m	12m
Absolute	(41.7)	(2.2)	(35.2)	(55.1)	(70.6)
Relative	(39.7)	0.3	(32.9)	(52.0)	(69.0)
52-wk Price low/high (USD)	0.13 – 0.63				



Source: Bloomberg

Forecasts and Valuation	Dec-21	Dec-22	Dec-23F	Dec-24F	Dec-25F
Total turnover (USDm)	185	203	190	196	202
Net property income (USDm)	110	113	107	111	112
Reported net profit (USDm)	39	(130)	68	118	71
Total distributable income (USDm)	85.6	87.9	80.0	81.2	81.3
DPS (USD)	0.05	0.05	0.04	0.04	0.04
DPS growth (%)	(5.4)	(11.5)	(16.2)	(0.1)	(1.4)
P/B (x)	0.24	0.30	0.31	0.30	0.30
Dividend Yield (%)	30.5	27.0	22.6	22.6	22.3
Return on average equity (%)	3.4	(11.7)	6.7	11.2	6.6
Return on average assets (%)	1.8	(5.9)	3.2	5.5	3.2

Source: Company data, RHB

#### Overall ESG Score: 3.2 (out of 4)

##### E: EXCELLENT

MUST targets to achieve 100% green certified portfolio by 2030. It was awarded five stars by the Global Real Estate Sustainability Benchmark or GRESB benchmark for the second year running and was rated "A" at the public disclosure level. It is committed to meeting its net-zero and 80% greenhouse gas emissions reduction targets by 2050.

##### S: EXCELLENT

The REIT's staff engagement score has been improving since 2019, and it has a good balance between the genders in its management team. Time spent on CSR activities rose 1% to 189 hours with higher CSR contributions.

##### G: GOOD

The REIT is fairly transparent on earnings and operating metrics disclosures. But recent issues surrounding slow sponsor support, minority considerations, and potential change of REIT manager has raised our concerns over governing standards.

#### Note:

Small cap stocks are defined as companies with a market capitalisation of less than USD0.5bn.

31 May 2023

Property | REITS

## Financial Exhibits

Asia	Financial summary	Dec-21	Dec-22	Dec-23F	Dec-24F	Dec-25F
Singapore	Recurring EPS (USD)	0.02	-	0.08	0.04	0.06
Property	EPS (USD)	0.02	-	0.08	0.04	0.06
<b>Manulife US REIT</b>	DPS (USD)	0.05	0.05	0.04	0.04	0.04
MUST SP	BVPS (USD)	0.74	0.58	0.56	0.58	0.57
Buy	Return on average equity (%)	3.4	(11.7)	6.7	11.2	6.6
	Weighted avg adjusted shares (m)	1,589.36	1,685.06	1,792.37	1,832.45	1,861.25
<b>Valuation basis</b>	<b>Valuation metrics</b>	<b>Dec-21</b>	<b>Dec-22</b>	<b>Dec-23F</b>	<b>Dec-24F</b>	<b>Dec-25F</b>
DDM.	Recurring P/E (x)	7.06	na	4.59	2.72	4.62
	P/E (x)	7.06	na	4.59	2.72	4.62
	P/B (x)	0.2	0.3	0.3	0.3	0.3
	FCF Yield (%)	(45.5)	22.4	37.3	27.1	26.7
	Dividend Yield (%)	30.5	27.0	22.6	22.6	22.3
	EV/EBITDA (x)	11.56	10.59	11.51	11.46	11.61
	EV/EBIT (x)	11.79	11.05	12.03	11.91	12.06
<b>Key drivers</b>	<b>Income statement (USDm)</b>	<b>Dec-21</b>	<b>Dec-22</b>	<b>Dec-23F</b>	<b>Dec-24F</b>	<b>Dec-25F</b>
i. Stabilisation and recovery in the US office market;	Total turnover	185	203	190	196	202
ii. Further asset sales and equity injections;	EBITDA	100	106	101	105	106
iii. Trading at distressed valuations.	Depreciation and amortisation	(2)	(4)	(4)	(4)	(4)
	Operating profit	98	102	97	101	102
	Net interest	(29)	(34)	(37)	(40)	(40)
	Pre-tax profit	41	(148)	69	120	73
	Taxation	(1)	18	(1)	(2)	(2)
	Recurring net profit	39	(130)	68	118	71
<b>Key risks</b>	<b>Cash flow (USDm)</b>	<b>Dec-21</b>	<b>Dec-22</b>	<b>Dec-23F</b>	<b>Dec-24F</b>	<b>Dec-25F</b>
i. Continued decline in office demand for gateway cities;	Change in working capital	6	1	(9)	(9)	(10)
ii. Unexpected changes in the tax-efficient structure;	Cash flow from operations	104	91	104	106	107
iii. Higher interest rates for the longer term.	Capex	(231)	(25)	13	(19)	(20)
	Cash flow from investing activities	(231)	(25)	13	(19)	(20)
	Dividends paid	(84)	(89)	(80)	(81)	(81)
	Cash flow from financing activities	196	(184)	(88)	(58)	(60)
	Cash at beginning of period	87	79	113	110	106
	Net change in cash	69	(118)	29	29	27
	Ending balance cash	156	(39)	142	139	134
<b>Company Profile</b>	<b>Balance sheet (USDm)</b>	<b>Dec-21</b>	<b>Dec-22</b>	<b>Dec-23F</b>	<b>Dec-24F</b>	<b>Dec-25F</b>
Manulife US REIT is the first pure-play US office REIT listed in Asia. It is a Singapore REIT established with an investment strategy to principally invest – directly or indirectly – in a portfolio of income-producing office real estates in key markets in the US as well as real estate-related assets.	Total cash and equivalents	79	113	110	106	101
	Tangible fixed assets	2,184	1,947	1,944	2,022	2,052
	Total investments	6	48	48	48	48
	Total assets	2,276	2,116	2,108	2,182	2,207
	Short-term debt	297	145	150	150	160
	Total long-term debt	675	884	874	894	904
	Total liabilities	1,088	1,096	1,085	1,107	1,129
	Shareholders' equity	1,188	1,020	1,023	1,075	1,078
	Total equity	1,188	1,020	1,023	1,075	1,078
	Net debt	893	916	914	938	964
	Total liabilities & equity	2,276	2,116	2,108	2,182	2,207
	<b>Key metrics</b>	<b>Dec-21</b>	<b>Dec-22</b>	<b>Dec-23F</b>	<b>Dec-24F</b>	<b>Dec-25F</b>
	Revenue growth (%)	(4.8)	9.5	(6.4)	3.3	3.2
	Recurrent EPS growth (%)	0.0	(410.4)	0.0	68.6	(41.1)
	Operating EBITDA margin (%)	54.1	52.3	53.5	53.7	52.7
	Net profit margin (%)	21.3	(64.0)	36.1	60.2	34.9
	Dividend payout ratio (%)	217.2	(64.4)	105.2	62.0	103.6
	Capex/sales (%)	124.8	12.5	(6.6)	9.9	10.0
	Interest cover (x)	3.37	3.00	2.59	2.54	2.56

Source: Company data, RHB

Figure 1: DDM valuation table

	FY23F	FY24F	FY25F	FY26F	FY27F	Terminal value
DPU (US cents)	4.0	4.0	3.9	4.0	4.2	40.9
<b>FV (USD)</b>	0.38					
ESG premium/(Disc) (US cents)	0.02					
TP (USD)	0.40					
Current price (USD)	0.18					
Price upside	126.0%					
Distribution yield (FY23F)	22.6%					
<b>Total return</b>	148.6%					
<b>Assumptions</b>						
Risk-free rate: (%)	3.0%					
Beta	1.2					
Cost of equity (%)	12.0%					
Terminal growth: (%)	1.5%					

Source: RHB

Figure 2: Asset valuations as of end 2022

Property, Location	Valuation				Direct Cap Rates	
	31 Dec 2022 (US\$ m) <sup>(1)</sup>	31 Dec 2021 (US\$ m)	Change (%)	31 Dec 2022 (US\$ per sq ft)	31 Dec 2022 (%)	31 Dec 2021 (%)
<b>Figueroa</b> , Los Angeles	211.0 <sup>(2)</sup>	315.2 <sup>(3)</sup>	-33.1%	295	6.00	5.50
<b>Plaza</b> , New Jersey <sup>(4)</sup>	92.0	106.0 <sup>(3)</sup>	-13.2%	197	7.25	7.00
<b>Penn</b> , Washington, D.C.	156.0	177.3 <sup>(3)</sup>	-12.0%	561	5.75	5.50
<b>Exchange</b> , New Jersey <sup>(4)</sup>	290.0	324.0 <sup>(3)</sup>	-10.5%	393	6.75	5.75
<b>Centerpointe</b> , Washington, D.C. <sup>(5)</sup>	101.0	112.7 <sup>(3)</sup>	-10.4%	239	7.75	7.50
<b>Michelson</b> , Irvine	292.0	317.0 <sup>(3)</sup>	-7.9%	546	6.00	5.50
<b>Peachtree</b> , Atlanta	205.0	212.9 <sup>(3)</sup>	-3.7%	367	6.50	5.75
<b>Capitol</b> , Sacramento	190.0	197.0 <sup>(3)</sup>	-3.6%	379	7.00	7.00
<b>Park Place</b> , Chandler	103.0	106.9 <sup>(6)</sup>	-3.6%	375	6.00	6.25
<b>Phipps</b> , Atlanta	210.0	216.0 <sup>(3)</sup>	-2.8%	441	5.25	5.75
<b>Tanasbourne</b> , Hillsboro	33.5	34.4 <sup>(7)</sup>	-2.6%	252	6.75	6.75
<b>Diablo</b> , Tempe	63.5	65.0 <sup>(6)</sup>	-2.3%	179	6.50	7.00
<b>Total/ Weighted Avg</b>	<b>1,947.0</b>	<b>2,184.4</b>	<b>-10.9%</b>	<b>357</b>	<b>6.34</b>	<b>6.00</b>

Accounts for ~80% of portfolio decline

Source: Company data

## Recommendation Chart

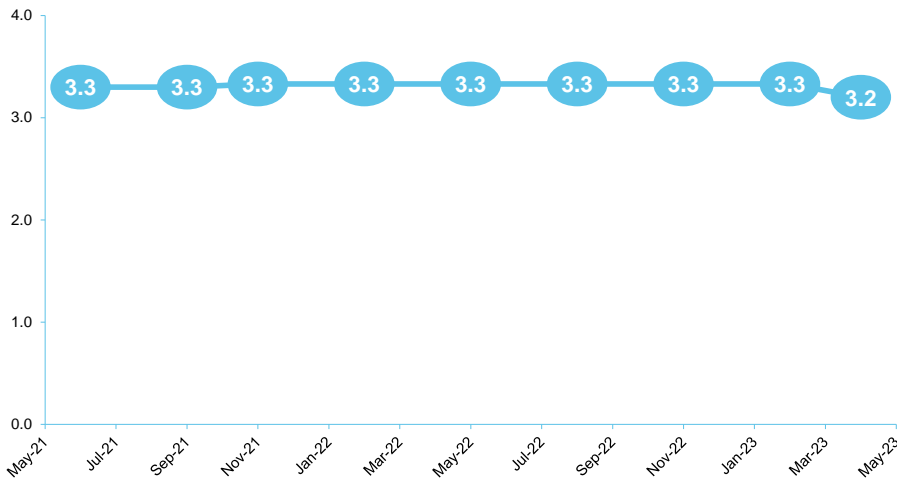


Source: RHB, Bloomberg

Date	Recommendation	Target Price	Price
2023-04-12	Buy	0.40	0.18
2023-02-09	Buy	0.43	0.30
2023-01-02	Buy	0.43	0.30
2022-11-02	Buy	0.64	0.36
2022-08-04	Buy	0.78	0.60
2022-05-10	Buy	0.83	0.60
2022-02-10	Buy	0.86	0.65
2021-12-01	Buy	0.90	0.68
2021-11-04	Buy	0.90	0.70
2021-02-09	Buy	0.87	0.72
2020-11-05	Buy	0.90	0.74
2020-05-10	Buy	0.90	0.71
2020-03-24	Buy	0.88	0.70
2020-02-05	Buy	1.12	1.04
2019-12-13	Buy	1.10	0.98

Source: RHB, Bloomberg

## ESG Rating History



Source: RHB

## RHB Guide to Investment Ratings

<b>Buy:</b>	Share price may exceed 10% over the next 12 months
<b>Trading Buy:</b>	Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain
<b>Neutral:</b>	Share price may fall within the range of +/- 10% over the next 12 months
<b>Take Profit:</b>	Target price has been attained. Look to accumulate at lower levels
<b>Sell:</b>	Share price may fall by more than 10% over the next 12 months
<b>Not Rated:</b>	Stock is not within regular research coverage

## Investment Research Disclaimers

RHB has issued this report for information purposes only. This report is intended for circulation amongst RHB and its affiliates' clients generally or such persons as may be deemed eligible by RHB to receive this report and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. This report is not intended, and should not under any circumstances be construed as, an offer or a solicitation of an offer to buy or sell the securities referred to herein or any related financial instruments.

This report may further consist of, whether in whole or in part, summaries, research, compilations, extracts or analysis that has been prepared by RHB's strategic, joint venture and/or business partners. No representation or warranty (express or implied) is given as to the accuracy or completeness of such information and accordingly investors should make their own informed decisions before relying on the same.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to the applicable laws or regulations. By accepting this report, the recipient hereof (i) represents and warrants that it is lawfully able to receive this document under the laws and regulations of the jurisdiction in which it is located or other applicable laws and (ii) acknowledges and agrees to be bound by the limitations contained herein. Any failure to comply with these limitations may constitute a violation of applicable laws.

All the information contained herein is based upon publicly available information and has been obtained from sources that RHB believes to be reliable and correct at the time of issue of this report. However, such sources have not been independently verified by RHB and/or its affiliates and this report does not purport to contain all information that a prospective investor may require. The opinions expressed herein are RHB's present opinions only and are subject to change without prior notice. RHB is not under any obligation to update or keep current the information and opinions expressed herein or to provide the recipient with access to any additional information. Consequently, RHB does not guarantee, represent or warrant, expressly or impliedly, as to the adequacy, accuracy, reliability, fairness or completeness of the information and opinion contained in this report. Neither RHB (including its officers, directors, associates, connected parties, and/or employees) nor does any of its agents accept any liability for any direct, indirect or consequential losses, loss of profits and/or damages that may arise from the use or reliance of this research report and/or further communications given in relation to this report. Any such responsibility or liability is hereby expressly disclaimed.

Whilst every effort is made to ensure that statement of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable and must not be construed as a representation that the matters referred to therein will occur. Different assumptions by RHB or any other source may yield substantially different results and recommendations contained on one type of research product may differ from recommendations contained in other types of research. The performance of currencies may affect the value of, or income from, the securities or any other financial instruments referenced in this report. Holders of depositary receipts backed by the securities discussed in this report assume currency risk. Past performance is not a guide to future performance. Income from investments may fluctuate. The price or value of the investments to which this report relates, either directly or indirectly, may fall or rise against the interest of investors.

This report may contain comments, estimates, projections, forecasts and expressions of opinion relating to macroeconomic research published by RHB economists of which should not be considered as investment ratings/advice and/or a recommendation by such economists on any securities discussed in this report.

This report does not purport to be comprehensive or to contain all the information that a prospective investor may need in order to make an investment decision. The recipient of this report is making its own independent assessment and decisions regarding any securities or financial instruments referenced herein. Any investment discussed or recommended in this report may be unsuitable for an investor depending on the investor's specific investment objectives and financial position. The material in this report is general information intended for recipients who understand the risks of investing in financial instruments. This report does not take into account whether an investment or course of action and any associated risks are suitable for the recipient. Any recommendations contained in this report must therefore not be relied upon as investment advice based on the recipient's personal circumstances. Investors should make their own independent evaluation of the information contained herein, consider their own investment objective, financial situation and particular needs and seek their own financial, business, legal, tax and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

This report may contain forward-looking statements which are often but not always identified by the use of words such as "believe", "estimate", "intend" and "expect" and statements that an event or result "may", "will" or "might" occur or be achieved and other similar expressions. Such forward-looking statements are based on assumptions made and information currently available to RHB and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement to be materially different from any future results, performance or achievement, expressed or implied by such forward-looking statements. Caution should be taken with respect to such statements and recipients of this report should not place undue reliance on any such forward-looking statements. RHB expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

The use of any website to access this report electronically is done at the recipient's own risk, and it is the recipient's sole responsibility to take precautions to ensure that it is free from viruses or other items of a destructive nature. This report may also provide the addresses of, or contain hyperlinks to, websites. RHB takes no responsibility for the content contained therein. Such addresses or hyperlinks (including addresses or hyperlinks to RHB own website material) are provided solely for the recipient's convenience. The information and the content of the linked site do not in any way form part of this report. Accessing such website or following such link through the report or RHB website shall be at the recipient's own risk.

This report may contain information obtained from third parties. Third party content providers do not guarantee the accuracy, completeness, timeliness or availability of any information and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content. Third party content providers give no express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use. Third party content providers shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of their content.

The research analysts responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously. The research analysts that authored this report are precluded by RHB in all circumstances from trading in the securities or other financial instruments referenced in the report, or from having an interest in the company(ies) that they cover.

The contents of this report is strictly confidential and may not be copied, reproduced, published, distributed, transmitted or passed, in whole or in part, to any other person without the prior express written consent of RHB and/or its affiliates. This report has been delivered to RHB and its affiliates' clients for information purposes only and upon the express understanding that such parties will use it only for the purposes set forth above. By electing to view or accepting a copy of this report, the recipients have agreed that they will not print, copy, videotape, record, hyperlink, download, or otherwise attempt to reproduce or re-transmit (in any form including hard copy or electronic distribution format) the contents of this report. RHB and/or its affiliates accepts no liability whatsoever for the actions of third parties in this respect.

The contents of this report are subject to copyright. Please refer to Restrictions on Distribution below for information regarding the distributors of this report. Recipients must not reproduce or disseminate any content or findings of this report without the express permission of RHB and the distributors.

The securities mentioned in this publication may not be eligible for sale in some states or countries or certain categories of investors. The recipient of this report should have regard to the laws of the recipient's place of domicile when contemplating transactions in the securities or other financial instruments referred to herein. The securities discussed in this report may not have been registered in such jurisdiction. Without prejudice to the foregoing, the recipient is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

The term "RHB" shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case, RHB Investment Bank Berhad and its affiliates, subsidiaries and related companies.

## RESTRICTIONS ON DISTRIBUTION

### Malaysia

This report is issued and distributed in Malaysia by RHB Investment Bank Berhad ("RHBIB"). The views and opinions in this report are our own as of the date hereof and is subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. RHBIB has no obligation to update its opinion or the information in this report.

### Thailand

This report is issued and distributed in the Kingdom of Thailand by RHB Securities (Thailand) PCL, a licensed securities company that is authorised by the Ministry of Finance, regulated by the Securities and Exchange Commission of Thailand and is a



member of the Stock Exchange of Thailand. The Thai Institute of Directors Association has disclosed the Corporate Governance Report of Thai Listed Companies made pursuant to the policy of the Securities and Exchange Commission of Thailand. RHB Securities (Thailand) PCL does not endorse, confirm nor certify the result of the Corporate Governance Report of Thai Listed Companies.

#### Indonesia

This report is issued and distributed in Indonesia by PT RHB Sekuritas Indonesia. This research does not constitute an offering document and it should not be construed as an offer of securities in Indonesia. Any securities offered or sold, directly or indirectly, in Indonesia or to any Indonesian citizen or corporation (wherever located) or to any Indonesian resident in a manner which constitutes a public offering under Indonesian laws and regulations must comply with the prevailing Indonesian laws and regulations.

#### Singapore

This report is issued and distributed in Singapore by RHB Bank Berhad (through its Singapore branch) which is an exempt capital markets services entity and an exempt financial adviser regulated by the Monetary Authority of Singapore. RHB Bank Berhad (through its Singapore branch) may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, RHB Bank Berhad (through its Singapore branch) accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact RHB Bank Berhad (through its Singapore branch) in respect of any matter arising from or in connection with the report.

#### United States

This report was prepared by RHB is meant for distribution solely and directly to "major" U.S. institutional investors as defined under, and pursuant to, the requirements of Rule 15a-6 under the U.S. Securities and Exchange Act of 1934, as amended (the "Exchange Act") via a registered U.S. broker-dealer as appointed by RHB from time to time. Accordingly, any access to this report via Bursa Marketplace or any other Electronic Services Provider is not intended for any party other than "major" US institutional investors (via a registered U.S broker-dealer), nor shall be deemed as solicitation by RHB in any manner. RHB is not registered as a broker-dealer in the United States and currently has not appointed a U.S. broker-dealer. Additionally, RHB does not offer brokerage services to U.S. persons. Any order for the purchase or sale of all securities discussed herein must be placed with and through a registered U.S. broker-dealer as appointed by RHB from time to time as required by the Exchange Act Rule 15a-6. For avoidance of doubt, RHB reiterates that it has not appointed any U.S. broker-dealer during the issuance of this report. This report is confidential and not intended for distribution to, or use by, persons other than the recipient and its employees, agents and advisors, as applicable. Additionally, where research is distributed via Electronic Service Provider, the analysts whose names appear in this report are not registered or qualified as research analysts in the United States and are not associated persons of any registered U.S. broker-dealer as appointed by RHB from time to time and therefore may not be subject to any applicable restrictions under Financial Industry Regulatory Authority ("FINRA") rules on communications with a subject company, public appearances and personal trading. Investing in any non-U.S. securities or related financial instruments discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in the United States. The financial instruments discussed in this report may not be suitable for all investors. Transactions in foreign markets may be subject to regulations that differ from or offer less protection than those in the United States.

#### DISCLOSURE OF CONFLICTS OF INTEREST

RHB Investment Bank Berhad, its subsidiaries (including its regional offices) and associated companies, ("RHBIB Group") form a diversified financial group, undertaking various investment banking activities which include, amongst others, underwriting, securities trading, market making and corporate finance advisory.

As a result of the same, in the ordinary course of its business, any member of the RHBIB Group, may, from time to time, have business relationships with, hold any positions in the securities and/or capital market products (including but not limited to shares, warrants, and/or derivatives), trade or otherwise effect transactions for its own account or the account of its customers or perform and/or solicit investment, advisory or other services from any of the subject company(ies) covered in this research report.

While the RHBIB Group will ensure that there are sufficient information barriers and internal controls in place where necessary, to prevent/manage any conflicts of interest to ensure the independence of this report, investors should also be aware that such conflict of interest may exist in view of the investment banking activities undertaken by the RHBIB Group as mentioned above and should exercise their own judgement before making any investment decisions.

In Singapore, investment research activities are conducted under RHB Bank Berhad (through its Singapore branch), and the disclaimers above similarly apply.

#### Malaysia

Save as disclosed in the following link [RHB Research conflict disclosures - May 2023](#) and to the best of our knowledge, RHBIB hereby declares that:

1. RHBIB does not have a financial interest in the securities or other capital market products of the subject company(ies) covered in this report.
2. RHBIB is not a market maker in the securities or capital market products of the subject company(ies) covered in this report.
3. None of RHBIB's staff or associated person serve as a director or board member\* of the subject company(ies) covered in this report  
*\*For the avoidance of doubt, the confirmation is only limited to the staff of research department*
4. RHBIB did not receive compensation for investment banking or corporate finance services from the subject company in the past 12 months.
5. RHBIB did not receive compensation or benefit (including gift and special cost arrangement e.g. company/issuer-sponsored and paid trip) in relation to the production of this report.

#### Thailand

Save as disclosed in the following link [RHB Research conflict disclosures - May 2023](#) and to the best of our knowledge, RHB Securities (Thailand) PCL hereby declares that:

1. RHB Securities (Thailand) PCL does not have a financial interest in the securities or other capital market products of the subject company(ies) covered in this report.
2. RHB Securities (Thailand) PCL is not a market maker in the securities or capital market products of the subject company(ies) covered in this report.
3. None of RHB Securities (Thailand) PCL's staff or associated person serve as a director or board member\* of the subject company(ies) covered in this report  
*\*For the avoidance of doubt, the confirmation is only limited to the staff of research department*
4. RHB Securities (Thailand) PCL did not receive compensation for investment banking or corporate finance services from the subject company in the past 12 months.
5. RHB Securities (Thailand) PCL did not receive compensation or benefit (including gift and special cost arrangement e.g. company/issuer-sponsored and paid trip) in relation to the production of this report.

#### Indonesia

Save as disclosed in the following link [RHB Research conflict disclosures - May 2023](#) and to the best of our knowledge, PT RHB Sekuritas Indonesia hereby declares that:

1. PT RHB Sekuritas Indonesia and its investment analysts, does not have any interest in the securities of the subject company(ies) covered in this report.  
For the avoidance of doubt, interest in securities include the following:
  - a) Holding directly or indirectly, individually or jointly own/hold securities or entitled for dividends, interest or proceeds from the sale or exercise of the subject company's securities covered in this report\*;
  - b) Being bound by an agreement to purchase securities or has the right to transfer the securities or has the right to pre subscribe the securities\*.
  - c) Being bound or required to buy the remaining securities that are not subscribed/placed out pursuant to an Initial Public Offering\*.
  - d) Managing or jointly with other parties managing such parties as referred to in (a), (b) or (c) above.
2. PT RHB Sekuritas Indonesia is not a market maker in the securities or capital market products of the subject company(ies) covered in this report.
3. None of PT RHB Sekuritas Indonesia's staff\*\* or associated person serve as a director or board member\* of the subject company(ies) covered in this report.
4. PT RHB Sekuritas Indonesia did not receive compensation for investment banking or corporate finance services from the subject company in the past 12 months.
5. PT RHB Sekuritas Indonesia\*\* did not receive compensation or benefit (including gift and special cost arrangement e.g. company/issuer-sponsored and paid trip) in relation to the production of this report:

#### Notes:

*\*The overall disclosure is limited to information pertaining to PT RHB Sekuritas Indonesia only.*

*\*\*The disclosure is limited to Research staff of PT RHB Sekuritas Indonesia only.*

#### Singapore

Save as disclosed in the following link [RHB Research conflict disclosures - May 2023](#) and to the best of our knowledge, the Singapore Research department of RHB Bank Berhad (through its Singapore branch) hereby declares that:

1. RHB Bank Berhad, its subsidiaries and/or associated companies do not make a market in any issuer covered by the Singapore research analysts in this report.
2. RHB Bank Berhad, its subsidiaries and/or its associated companies and its analysts do not have a financial interest (including a shareholding of 1% or more) in the issuer covered by the Singapore research analysts in this report.
3. RHB Bank Berhad's Singapore research staff or connected persons do not serve on the board or trustee positions of the issuer covered by the Singapore research analysts in this report.
4. RHB Bank Berhad, its subsidiaries and/or its associated companies do not have and have not within the last 12 months had any corporate finance advisory relationship with the issuer covered by the Singapore research analysts in this report or any other relationship that may create a potential conflict of interest.
5. RHB Bank Berhad's Singapore research analysts, or person associated or connected to it do not have any interest in the acquisition or disposal of the securities, specified securities based derivatives contracts or units in a collective investment scheme covered by the Singapore research analysts in this report.
6. RHB Bank Berhad's Singapore research analysts do not receive any compensation or benefit in connection with the production of this research report or recommendation on the issuer covered by the Singapore research analysts.

#### Analyst Certification

The analyst(s) who prepared this report, and their associates hereby, certify that:

---

(1) they do not have any financial interest in the securities or other capital market products of the subject companies mentioned in this report, except for:

Analyst	Company
-	-

(2) no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.



#### KUALA LUMPUR

**RHB Investment Bank Bhd**  
Level 3A, Tower One, RHB Centre  
Jalan Tun Razak  
Kuala Lumpur 50400  
Malaysia  
Tel : +603 9280 8888  
Fax : +603 9200 2216

#### JAKARTA

**PT RHB Sekuritas Indonesia**  
Revenue Tower, 11th Floor, District 8 - SCBD  
Jl. Jendral Sudirman Kav 52-53  
Jakarta 12190  
Indonesia  
Tel : +6221 509 39 888  
Fax : +6221 509 39 777

#### BANGKOK

**RHB Securities (Thailand) PCL**  
10th Floor, Sathorn Square Office Tower  
98, North Sathorn Road, Silom  
Bangrak, Bangkok 10500  
Thailand  
Tel: +66 2088 9999  
Fax :+66 2088 9799

#### SINGAPORE

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