29 September 2023

Energy & Petrochemicals | Regional Oil & Gas

Regional Oil & Gas

Overweight (Maintained)

Tight Oil Market; Still OVERWEIGHT

Stocks Covered	16
Rating (Buy/Neutral/Sell):	11 / 3 / 2
Last 12m Earnings Revision Trend:	Neutral

- **Still O/W; Top Picks: Yinson, Dayang Enterprise, PTT Exploration & Production (PTTEP), Star Petroleum Refining (SPRC).** We expect oil prices to average at USD92/bbl in 4Q23 and USD85/bbl in 2024 on the assumption that Saudi Arabia and Russia will extend their production cuts until Mar 2024. Global oil demand is expected to grow by 1.9mbpd in 2024, thereby driving the market to an average theoretical deficit of 1.4mbpd.
- **Saudi Arabia and Russia are largely in control.** The recent rally is very much led by Saudi Arabia's and Russia's extension of their voluntary oil output cuts until the end of this year, and further anchored by lower global observed oil inventories to 13 months in August. The question now is whether the two countries will extend the production cuts into next year. If Saudi Arabia continues its current production cut, we expect the deficit to continue. In terms of demand, we are seeing another year of positive growth projection in the range of 1-2.4mbpd, depending on assumptions on the strength of the global economy, China's recovery, and the magnitude of structural declines in road and transport fuel use in major markets.
- **We raise our 2023 and 2024 Brent crude oil price assumptions** to USD84/bbl and USD85/bbl from USD81/bbl and USD80/bbl, and maintain the 2025 projection at USD80/bbl. We raise our 4Q23 projection to USD92/bbl as the oil market should remain in deficit. Most international agencies such as the International Energy Agency (IEA), US Energy Information Administration (EIA), and OPEC are projecting positive QoQ global oil demand growth of an average of 1mbpd in 4Q23. We lift our 2024 projections by USD5/bbl to impute tighter supply from OPEC, premised on continuous voluntary cuts until Mar 2024 and healthy oil demand growth (+1.9mbpd YoY). The theoretical deficit is estimated at 3.1mbpd in 4Q23 and should average at 1.4mbpd in 2024F. Despite the supply tightness, we are mindful that US oil production has picked up to near-record levels at 12.9mbpd, and the EIA expects US crude oil production to stay at this level before averaging at 13.2mbpd (+0.4mbpd; +3% YoY) in 2024.
- **Sector view.** As oil prices are projected to average above USD80/bbl over the next three years, we believe this will continue to encourage oil companies to maintain their capex and opex spending plans. We are still positive on upstream services players, given the elevated level of activities. Drilling activities are guided to remain robust, similar to maintenance activities. We remain bullish on FPSO players for the robust demand and resilient earnings. In Thailand, PTTEP and SPRC are our preferred picks, as they should benefit from higher oil prices and stronger GRM.
- **Downside risks to our sector weighting:** Weaker oil prices and demand, as well as a decrease in spending by clients.

Company Name	Rating	Target	% Upside (Downside)	P/E (x) Dec-24F	P/B (x) Dec-24F	ROAE (%) Dec-24F	Yield (%) Dec-24F
Bangchak Corp	Buy	THB38.00	(7.3)	6.6	0.9	13.6	4.7
Bumi Armada	Buy	MYR0.73	26.4	4.3	0.5	12.9	-
Coastal Contracts	Neutral	MYR2.15	9.7	7.0	0.5	7.5	-
Dayang Enterprise	Buy	MYR2.47	28.0	11.7	1.3	10.7	1.6
Dialog	Buy	MYR2.85	31.3	23.5	2.2	9.7	1.7
IRPC	Buy	THB4.00	90.5	6.0	0.5	8.2	9.5
Malaysia Marine & Heavy Engineering	Buy	MYR0.60	10.2	19.2	0.5	2.7	1.8
MISC	Buy	MYR8.12	14.0	13.7	0.8	6.1	5.1
Petronas Dagangan	Neutral	MYR23.17	2.1	22.1	3.7	16.9	3.6
PTT	Buy	THB44.00	29.4	8.5	0.8	10.2	5.6
PTT Exploration & Production	Buy	THB186.00	9.1	9.6	1.3	13.5	4.2
PTT Oil and Retail Business	Buy	THB28.00	50.5	18.1	1.9	10.9	1.7
Sapura Energy	Sell	MYR0.02	(63.6)	na	na	9.6	-
Star Petroleum Refining	Buy	THB11.10	20.7	6.1	0.8	14.0	5.7
Thai Oil	Buy	THB65.00	31.3	7.4	0.6	8.6	6.1
Yinson	Buy	MYR3.06	21.4	10.5	1.5	15.3	0.8

Source: Company data, RHB

Top Picks

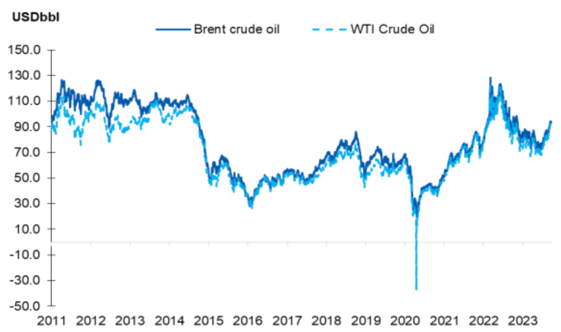
Top Picks	Target Price
Dayang Enterprise (DEHB MK) – BUY	MYR2.47
Yinson (YNS MK) – BUY	MYR3.06
PTT Exploration & Production (PTTEP TB) – BUY	THB186
Star Petroleum Refining (SPRC TB) – BUY	THB11.10

Analysts

Sean Lim, CFA
+603 9280 8867
sean.lim@rhbgroup.com

Athipu Visavaveja
+66 2088 9627
athipu.vi@rhbgroup.com

Brent and WTI crude oil price trends



Source: Company data, RHB

Crude Oil Price Forecasts

We increase our Brent crude oil price forecast for 2023 and 2024 to USD84 per bbl and USD85 per bbl from USD81 per bbl and USD80 per bbl, while maintaining the 2025 projection at USD80 per bbl. 3Q23 QTD crude prices averaged USD85 per bbl, bringing the YTD average to USD83 per bbl. This was above our expectations, largely due to the extension of the voluntary production cuts by Saudi Arabia and Russia. We increase our 4Q23 projection to USD92 per bbl, as the oil market will remain in deficit in 4Q23. Most international agencies such as the IEA, EIA, and OPEC are projecting a positive QoQ global oil demand growth of an average of 1mbpd in 4Q23. We lift our 2024 projections by USD5 per bbl to impute tighter supply from OPEC, premised on the continuous voluntary production cuts till Mar 2024 as well as healthy oil demand growth (+1.9mbpd YoY).

Our main assumptions are:

i. Global oil demand will grow by 2.4mbpd to 102.0mbpd in 2023 and by another 1.9mbpd to 103.9mbpd in 2024;

ii. Russia's oil and condensate production will remain at 9.57mbpd in 4Q23 and the country will sustain its voluntary cut until 1Q24. The full-year average is estimated at 10.2mbpd in 2024;

iii. OPEC's production could stay at 27.4mbpd (flat QoQ) in 4Q23. We now assume Saudi Arabia will extend its 1mbpd voluntary cut until Mar 2024, and hence, OPEC's production should average at 28.4mbpd (+0.4mbpd YoY) in 2024F.

With these assumptions, the theoretical deficit is estimated at 3.1mbpd in 4Q23 and is expected to average at 1.4mbpd in 2024F.

Figure 1: Demand/supply and crude oil prices/forecasts

	2020	2021	2022	1Q23	2Q23	3Q23	4Q23F	2023F	1Q24F	2Q24F	3Q24F	4Q24F	2024F
Crude oil price (USD/bbl)													
Brent, RHB (new)	43	71	99	82	78	85	92	84	90	85	85	80	85
Brent, RHB (old)	43	71	00	82	78	80	85	81	80	80	80	80	80
World oil demand and supply balance (mbpd)													
Total demand	91.2	97.1	99.6	101.7	101.3	102.1	103.0	102.0	103.5	103.1	104.2	104.8	103.9
YoY change	-9.2	5.9	2.5	2.2	2.9	2.5	1.9	2.4	1.7	1.9	2.2	1.8	1.9
Total non-OPEC	63.1	63.9	65.8	67.7	67.4	67.4	67.0	67.4	67.4	68.3	68.9	69.6	68.6
OPEC NGLs	5.2	5.3	5.4	5.4	5.5	5.4	5.4	5.4	5.5	5.5	5.5	5.5	5.5
Total non-OPEC +OPEC NGLs	68.3	69.2	71.2	73.2	72.9	72.8	72.5	72.8	72.9	73.9	74.4	75.1	74.1
YoY change	-2.5	0.9	2.0	2.2	2.6	1.6	0.1	1.6	0.6	0.9	1.6	2.6	1.4
OPEC	25.7	26.4	28.9	28.9	28.3	27.4	27.4	28.0	27.4	28.5	28.8	28.8	28.4
Total production	94.0	95.5	100.1	102.0	101.2	100.2	99.9	100.8	100.3	102.4	103.2	103.9	102.5
Balance	-2.8	1.6	-0.4	-0.3	0.1	1.8	3.1	1.2	3.1	0.8	1.0	0.9	1.4

Note: Data as at Sep 2022
Source: OPEC, RHB

Impact on equities

Oil prices have seen a decent recovery since end-September, owing to the continuous production cuts. The strong recovery in oil prices will directly benefit companies with exploration and production businesses such as PTTEP, Hibiscus Petroleum (HIBI MK, NR), and Dialog, as well as selected petrochemical companies. Indirectly, it will continue to encourage oil companies to sustain their capex and opex spending plans, which will be a boon to upstream services players like Yinson, Dayang Enterprise, and Coastal Contracts.

In Thailand, PTTEP and SPRC are our preferred picks. PTTEP, as an upstream producer, will benefit from the high oil prices, while SPRC should see a positive effect from high oil prices and strong GRMs. SPRC should also benefit from the US driving season and tight supply during the third quarter. Going into the fourth quarter, the company is likely to see positive outcomes from heating oil demand, while the tight supply continues.

Solid demand projections in 2024

As per OPEC's monthly report for Sep 2023, global oil demand growth is still estimated at 2.4mbpd YoY, taking total demand to 102.1mbpd for 2023F (premised on global GDP growth of 2.7% YoY). The non-Organisation for Economic Cooperation and Development (OECD) region is projected to chart higher growth, at 2.3mbpd, vs OECD regions' 100kbpd in 2023F. Most international agencies such as the IEA, EIA, as well as OPEC are projecting a positive QoQ global oil demand growth of an average of 1mbpd in 4Q23.

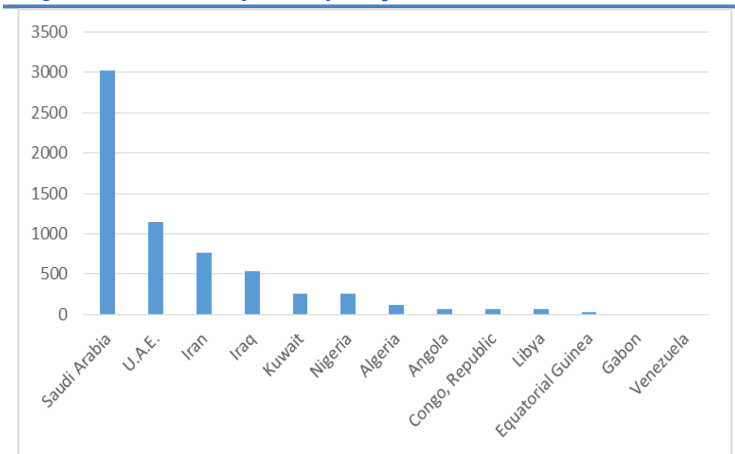
For 2024, we are also seeing another year of positive growth projection, in the range of 1-2.4 mdpd, depending on assumptions on the strength of China's recovery and the magnitude of structural declines in road transport fuel use in major markets. OPEC has the highest growth demand projection of 2.2mbpd in 2024, led by China, India, the Middle East, and other parts of Asia. We have a relatively lower demand growth projection than OPEC for 2024, at 2.0mbpd, largely due to lower demand projections for China and Europe. Our in-house economist has relatively conservative China GDP growth forecasts for 2023 and 2024 at 4% and 4.5% (vs the Bloomberg consensus estimate of 5.0% and 4.5%).

Saudi Arabia and Russia are largely in control

The recent rally is very much led by Saudi Arabia's and Russia's extension of their voluntary oil output cuts until the end of this year, and is further anchored by lower global observed oil inventories to 13 months in August. Now, with non-OPEC supply slowing, it is becoming evident that OPEC is back in control of oil markets. As a result of Saudi Arabia's voluntary production cut, OPEC's oil production stood at 27.4mbpd in August, down by an average of 0.9mbpd QoQ from 2Q23.

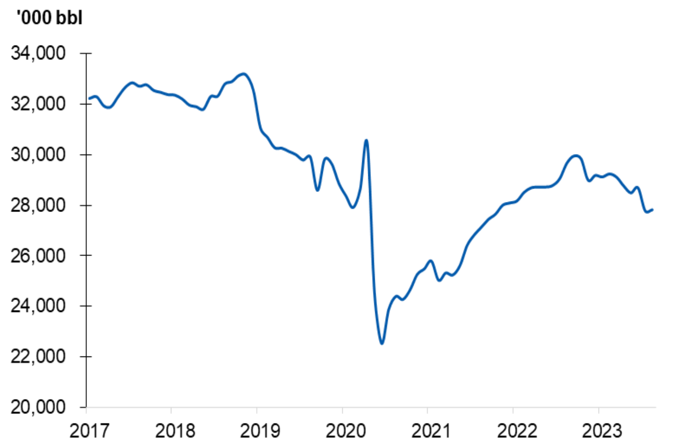
The question now is whether Saudi Arabia and Russia will extend such production cuts into next year. If Saudi Arabia continues its current production cut, we expect the deficit to continue. According to the International Monetary Fund, Saudi Arabia's 2023 fiscal breakeven oil price is estimated at USD80.90 per bbl, which is lower than 2021's USD83.60 per bbl and 2022's USD85.80 per bbl. Saudi Arabia has been trying to diversify its revenue base from oil, and Fitch Ratings estimated that the fiscal breakeven oil price will reduce gradually to USD76 per bbl in 2025. As such, we believe Saudi Arabia is comfortable with keeping oil prices above USD80 per bbl.

Figure 2: OPEC's spare capacity



Source: Bloomberg

Figure 3: OPEC – crude oil production



Source: Bloomberg

According to Upstream, Russia's Deputy Prime Minister Alexander Novak said the Government sees full-year production of oil and condensates at c.10.6mbpd (-0.14mbpd, -1.3% YoY) in 2023. Early this year, S&P Global Commodity Insights estimated Russia's fiscal breakeven oil price to be at USD114 per bbl in 2023, up from USD64.50 per bbl before its invasion of Ukraine.

The IEA also highlighted that Russian oil export revenues surged by 12% to USD17.1bn in August, as higher prices more than offset lower shipments. Platts reported that Russian seaborne oil exports had fallen to an 11-month low in August, according to tanker tracking data, mainly due to heavy refining maintenance, output cut pledges, and as Black Sea tensions continued to limit crude flows. Total Russian shipped crude and oil product exports averaged 5.27mbpd – the lowest since Sep 2022 – and 650kbpd below pre-war levels.

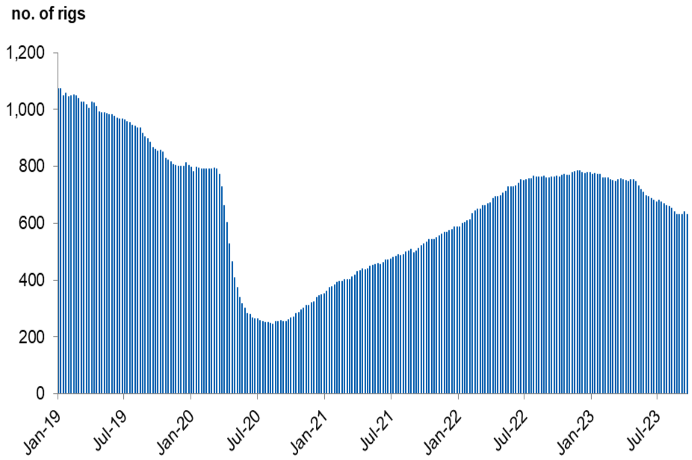
Although there is less shipment to China and India, these two countries are still the largest buyers, accounting for more than half of the volume. We think there is more incentive for Russia to keep prices high in order to offset lower exports, to maintain its fiscal health.

US production near record high levels

The EIA expects US crude production to improve by 0.9mbpd (+7% YoY) to 12.8mbpd in 2023. This would make the US the producer that delivers the strongest output growth in 2023. US production has been hovering at around 12.2mbpd, but has spiked above 12.5mbpd since August and is nearing its record-high pre-pandemic level of 12.9mbpd.

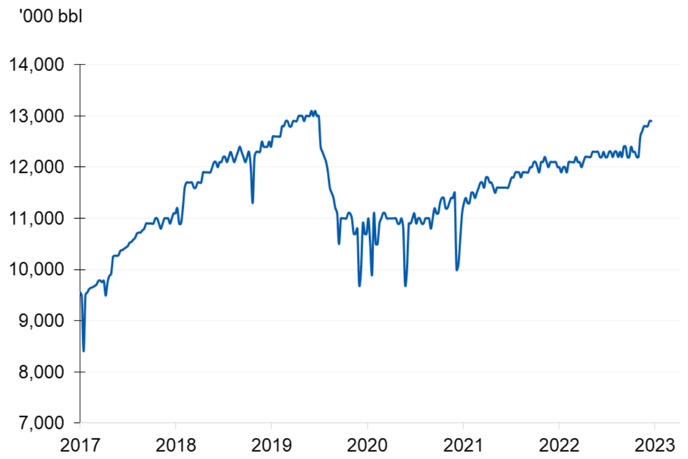
EIA expects US crude oil production to stay at this level and subsequently average at 13.2mbpd (+0.4mbpd, +3% YoY) in 2024. The recent higher production levels were mainly led by stronger oil prices and better well productivity in the near term. The US rig count stood at 630 at end-September, indicating a 19% decline YTD. We expect the rig count to also pick up in 2024 on the back of higher operating cash flow from US producers to trigger higher capex spending.

Figure 4: US rig count



Source: Bloomberg

Figure 5: US crude oil production



Source: Bloomberg

Figure 6: US annual oil production is anticipated to reach record high levels in 2024

(mbpd)	2017	2018	2019	2020	2021	2022	2023F	2024F
US crude oil production	9.35	10.99	12.29	11.28	11.25	11.91	12.78	13.16
US crude oil production growth	0.51	1.64	1.3	-1.01	-0.03	0.66	0.87	0.38

Source: EIA, RHB

RHB Guide to Investment Ratings

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