Monday, November 25, 2024 Company Results

# **Steven Chong**

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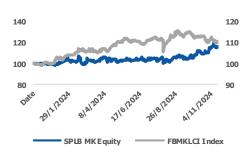
Recommendation:		HOLD
<b>Current Price:</b>		RM 2.32
<b>Previous Target Price:</b>		RM 2.60
Target Price:	$\downarrow$	RM 2.50
Upside/Downside:		7.8%

#### **Stock information**

Board	MAIN
Sector	Plantation
Bursa / Bloomberg Code	5135 / SPLB MK
Syariah Compliant	Yes
FTSE4Good Index	Yes
FTSE ESG Rating	☆☆☆★
Bloomberg ESG Rating	No
Shares issued (m)	279.0
Market Cap (RM' m)	647.4
52-Week Price Range (RM)	2.48-2.04
Beta (x)	0.4
Free float (%)	16.9
3M Average Volume (m)	0.1
3M Average Value (RM' m)	0.2

Top 3 Shareholders	(%)
Ta Ann Holdings Bhd	29.4
State Financial Secretary	25.5
Amanah Khairat Yayasan B	4.2

# **Share Price Performance**



	1M	3M	12M
Absolute (%)	2.7	6.4	6.9
Relative (%)	4.5	9.5	-2.2

# Sarawak Plantation Berhad

# **Dragged by lower CPO production**

# **Summary**

- Sarawak Plantation recorded CNP of RM21.8m (-20.0% yoy, +58.2% qoq) in 3QFY24, bringing 9MFY24 CNP to RM46.7m (-3.4% yoy), which was below ours and consensus' expectations, accounting for 64% and 68% of forecasts respectively.
- Trimmed our earnings forecast for FY24-FY26 by -5.0%/-20%/-15% respectively to account for weaker projected CPO sales following the decline in production.
- Maintained our HOLD recommendation, with a lower target price of RM2.50 based on 9.3x PER pegged to FY25F EPS of 27.1 sen.

# **Results Review**

- **Results review**. Sarawak Plantations' 3QFY24 CNP stood at RM21.8m (-20.0% yoy but grew +58.2% qoq) after excluding FV gain on biological assets of RM9.2m. The weaker yoy CNP was due to lower CPO output from cutback on third party FFB purchases. Similarly, revenue recorded at RM149.1m, (-13.7% yoy and +13.4% qoq) despite higher realised CPO and PK selling prices.
- **Results below expectation**. The Group's 9MFY24 core net profit of RM46.7m was below expectation, meeting only 64% and 68% of ours and consensus estimates. That said, we expect earnings to regain momentum moving into 4QFY24, led by the surge in CPO ASP.
- **Operations Highlights**. 3Q24 FFB production climbed +3.7% yoy but CPO and PKO production dropped to 29k mt (-23.5% yoy) and 6.5k mt (-28.5% yoy) respectively due to significant decline in third-party FFB purchases to 71k mt (-63.7% yoy). We gather that the rise in FFB prices has resulted in higher production costs for the Group's mill, prompting a reduction in purchases to protect margins. Meanwhile, average selling price of CPO grew to RM3,945/mt (vs RM3,759, +4.9% yoy) while PK selling price rose to RM2,462/mt (vs RM1,924/mt, +28.0% yoy).
- **Declared second interim dividend of 15.0 sen per share.** We believe this will be the final dividend declared by the Group for FY24. Total dividend for FY24 could end up at 20.0 sen per share, which translates into a decent dividend yield of 6.6% based on current share price of RM2.32.
- **Outlook**. We slash our CPO output forecast to 110k mt (-11.6% from our previous estimate) for FY24, after taking into account the lower-than expected FFB input. We expect the Group to achieve record earnings in 4QFY24, driven by the strong increase in CPO prices, which are expected to reach c.RM4,900.
- Valuation. Trimmed our earnings forecast for FY24-FY26 by -5.0%/-20%/-15% respectively to account for weaker projected CPO sales volume in tandem with decline in output. Maintained a HOLD recommendation, with a lower target price of RM2.50 (previously: RM2.60) based on 9.3x PER (+1 STD from 3-year average forward PE) pegged to FY25F EPS of 27.1 sen.
- **Risk**. EU export ban and regulations, changing weather patterns, taxation and export ban in Indonesia threatens local CPO demand and shortage of labours.



Fair Value (RM)

Source: Company, Apex Securities

2.50

Part	PEX SECURITIES BERH	AD												
Property	Monday, November 25	, 2024										С	ompany	Results
Property	Figure 1: Results Com	parison												
BBITDA	FYE Dec (RM m)	3QFY24	3QFY23		2QFY24		9MFY23	9MFY24		5 Quarters	Trend	Comme	nts	
Price Lange Pric	Revenue	149.1	172.6	(13.7)	131.5	13.4	411.5	407.9	(0.9)		•	Dragged	by lower (	CPO, PK
Net profife	EBITDA	50.9	46.1							•				
Corne reporte   18	Pre-tax profit													
Part	•											-	-	ea
PRIT margin (%)				. ,								producti	011	
PRT margin (%)														
Professional Highlights   Financial Highlights   Five Dec (RM in)   Five D	J ( )									•				
Financial Highlights	• , ,													
Page	Cole 1 / (1)/imargin (70)	17.7	10.0		10.0		11.0	11.0			•			
FYE Dec (RM m)         FY22         FY23         FY24F         FY25F         FY26F         FYE Dec (RM m)         FY27         FY23         FY28F         FY28F         RY26R         Revenue         70.9         570.7         556.0         598.1         656.5         588.1         656.5         588.1         656.5         588.1         656.5         618.1         Cash         180.2         181.6         180.2 </td <td>Financial Highlights</td> <td></td>	Financial Highlights													
Profession   Pr	Income Statement						Bala	nce Sheet						
Gross Profit         205.2         13.3.0         13.6.2         146.5         163.1         Receivables         □5.5         18.8         18.1         9.5         21.7           EBITOA         173.6         125.4         125.4         125.4         125.4         125.2         Inventories         93.2         23.8         23.2         24.9         27.7           Dependention Amorisation         143.7         33.1         83.6         95.6         109.1         Total Current Assets         257.4         26.3         250.0         302.9         226.2           Cheir Finance Income/ (Cost)         15.4         83.6         95.6         109.1         Total Current Assets         257.4         26.3         250.0         302.9         266.0           Associates & IV         0.0 <t< td=""><td>FYE Dec (RM m)</td><td>FY22</td><td>FY23</td><td>FY24F</td><td>FY25F</td><td>FY26</td><td>F FYE</td><td>Dec (RM m)</td><td>)</td><td>FY22</td><td>FY23</td><td>FY24F</td><td>FY25F</td><td>FY26F</td></t<>	FYE Dec (RM m)	FY22	FY23	FY24F	FY25F	FY26	F FYE	Dec (RM m)	)	FY22	FY23	FY24F	FY25F	FY26F
Part	Revenue	710.9	570.7	556.0	598.1	665.	8 Cash			126.0	114.6	103.4	153.2	167.9
Dependication & Amortisation   419	Gross Profit	205.2	133.0	136.2	146.5	163	.1 Recei	vables		13.5	18.6			
Part	EBITDA	173.6	125.4	129.7	139.0	152.	2 Invent	ories		18.2	23.8	23.2	24.9	27.7
Net Finance Income   Cost   25	Depreciation & Amortisation	41.9	9 42.3	42.	1 43.4	43	3.1 Other	current assets	5	99.8	105.3	105.3	105.3	105.3
Associates 8 JV 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	EBIT	131.7	83.1	87.6	95.6	109	.1 Tota	I Current As	sets	257.4	262.3	250.0	302.9	322.6
Pre-tax Profit 134.2 87.4 91.9 99.9 113.4 Viernon-current assets 430.6 430.6 430.6 430.6 843	Net Finance Income/ (Cost)	2.	5 4.3	4.3	3 4.3	4	.3 Fixed	Assets		262.7	261.8	269.7	268.2	265.0
Pre-tax Profit         134.2         8.7.4         91.9         99.9         113.4         Other non-current assets         430.6         543.6         557.5         557.7         50.7         50.7         20.0         20	Associates & JV	0.0	0.0	0.0	0.0	0	.0 Intano	ibles		0.0	0.0	0.0	0.0	0.0
Profit After Tax   97.3   64.9   69.9   76.0   86.2   Short-tem Debt   10.3   11   26.1   47.1   27.1     Minority Inferest   0.6   0.4   0.4   0.4   0.4   0.4   24.0   24.0   24.0   25.0   25.0   25.0   25.0   25.0     Net Profit   96.7   64.4   69.4   69.4   75.5   85.7   Other Current Liabilities   42.6   42.0   42.1   42.1   42.1     Exceptionals   6.8   0.0   0.0   0.0   0.0   0.1   0.0	Pre-tax Profit	134.2	87.4	91.9	99.9	113.	-		ssets	430.6	430.6	430.6	430.6	430.6
Minority Interest   0.6   0.4   0.4   0.4   0.5   0.	Tax	36.9	9 22.6	22.	1 24.0	27	.2 Tota	l Non-curre	nt assets	693.3	692.4	700.3	698.8	695.6
Net Profit   96.7   64.4   69.4   75.5   85.7   Other Current Liabilities   42.8   211	Profit After Tax	97.3	64.9	69.9	76.0	86.	2 Short	term Debt		10.3	1.1	26.1	47.1	27.1
Presentionals   General Result   Gener	M ino rity Interest	0.0	6 0.4	0.4	0.4	0	.4 Payal			64.9	57.4	55.2	59.2	65.6
Core Net Profit   8.9.9   6.4   6.9.4   7.5.5   8.5.7   Cong-term Debt   1.3   8.0	Net Profit	96.7	64.4	69.4	75.5	85.	•	•		42.8	21.1	21.1	21.1	21.1
Contemporary   Cont	Exceptionals	-6.8	3 0.0	0.0	0.0	0	.0 Tota			118.0	79.6	102.4	127.3	113.8
Public   P	Core Net Profit	89.9	64.4	69.4	75.5	85.	7 Long-	term Debt		1.3	8.0	8.0	8.0	8.0
FYE Dec (RM m)         FY22         FY23         FY24F         FY25F         FY26F         Shareholder's equity         712.0         748.5         772.9         799.4         829.4           P/E (x)         7.2         10.0         9.3         8.6         7.6         Minority interest         -6.0         -5.9							Other	non-current lia	abilities	125.4	124.4	124.4	124.4	124.4
PFE(X)   7.2   10.0   9.3   8.6   7.6   Minority interest   -6.0   -6.9   -5.9   -5.9   -5.9   -5.9   -5.9     EBITDA margin   24.4%   22.0%   23.3%   23.2%   22.9%   Equity   706.0   742.6   767.0   793.5   823.5     EBIT margin   18.5%   14.6%   15.8%   16.0%   16.4%     PPAT margin   18.9%   15.3%   16.5%   16.7%   17.0%   Cash Flow     PPAT margin   13.6%   11.3%   12.5%   12.6%   12.9%   Pre-tax profit   134.2   87.4   91.9   99.9   113.4     Core NP margin   13.6%   11.3%   12.5%   12.6%   12.9%   Pre-tax profit   134.2   87.4   91.9   99.9   113.4     ROB   13.7%   8.7%   9.7%   9.5%   10.4%   Changes in working capital   -2.9   -18.2   -12   0.9   14.4     ROA   10.2%   6.8%   7.3%   7.5%   8.4%   Others   -4.0%   -2.9%   -2.25   -2.44   -27.6     Net gearing   Net Cash	Key Ratios						Tota	l Non-curre	nt Liabilit	ies 126.8	132.4	132.4	132.4	132.4
EBIT DA margin 24.4% 22.0% 23.3% 23.2% 22.9% Equity 70.0 74.0 76.0 74.0 76.0 793.5 823.5 823.5 EBIT margin 18.5% 14.6% 15.8% 16.0% 16.4% PBT margin 18.9% 15.3% 16.5% 16.7% 17.0% Cash Flow PAT margin 13.6% 11.4% 12.6% 12.7% 12.9% PYE Dec (R M m) FY22 FY23 FY24F FY25F FY26F NP margin 13.6% 11.3% 12.5% 12.6% 12.9% Depreciation & amortisation 14.19 42.3 42.1 43.4 43.1 A3.1 ROE 13.7% 8.7% 9.9% 9.5% 10.4% Changes in working capital 2.99 -18.2 1-12 0.99 143.4 A3.1 ROE 13.7% Net Cash Net gearing Net Cash Net Cash Net Cash Net Cash Net Gash 15.8% Net Cash Net Cash Net Gash 15.8% Net Cash Ne	FYE Dec (RM m)	FY22	FY23	FY24F	FY25F	FY26	F Share	holder's equity	/	712.0	748.5	772.9	799.4	829.4
EBIT margin 18.5% 14.6% 15.8% 16.0% 16.4% PPT margin 18.9% 15.3% 16.5% 16.7% 17.0% Cash Flow PAT margin 18.9% 15.3% 16.5% 12.6% 12.9% PPE-tax profit 13.4.2 87.4 91.9 99.9 113.4 Core NP margin 13.6% 11.3% 12.5% 12.6% 12.9% Pre-tax profit 134.2 87.4 91.9 99.9 113.4 Core NP margin 13.6% 11.3% 12.5% 12.6% 12.9% Depreciation & amortisation 41.9 42.3 42.1 43.4 43.1 ROE 13.7% 8.7% 9.1% 9.5% 10.4% Changes in working capital -2.9 -18.2 -12 0.9 1.4 ROA 10.2% 6.8% 7.3% 7.5% 8.4% Others 40.8 2-9.9 -22.5 -22.4 2-7.6 Net gearing Net Cash Net	P/E (x)	7.1	2 10.0	9.3	8.6	7	.6 Mino	rity interest		-6.0	-5.9	-5.9	-5.9	-5.9
PRT margin	EBITDA margin	24.49	6 22.0%	23.3%	23.2%	22.9	% Equit	:y		706.0	742.6	767.0	793.5	823.5
PRT margin	EBIT margin	18.5%	6 14.6%	15.8%	6 16.0%	16.4	%							
NP margin 13.6% 11.3% 12.5% 12.6% 12.9% Pre-tax profit 134.2 87.4 91.9 99.9 113.4 Core NP margin 13.6% 11.3% 12.5% 12.6% 12.9% Depreciation & amortisation 41.9 42.3 42.1 43.4 43.1 ROE 13.7% 8.7% 9.7% 9.5% 10.4% Changes in working capital -2.9 -18.2 -12 0.9 14.8 ROA 10.2% 6.8% 7.3% 7.5% 8.4% Others -40.8 -29.9 -22.5 -24.4 -27.6 Net gearing Net Cash flow 13.4 81.6 110.4 119.8 130.2 Net capex -33.1 -38.2 -50.0 -41.9 -39.9 Others 26.3 -9.8 0.0 0.0 0.0 10.0 Net Cash flow -6.8 -48.0 -50.0 -41.9 -39.9 Net Cash flow -5.8 -41.9 -45.1 -49.1 -55.7 Others -5.0 Net Cash flow -113.2 -44.8 -20.1 -28.1 -75.7 Net cash flow -113.2 -44.8 -20.1 -28.1 -75.7 Net cash flow -113.2 -44.8 -20.1 -11.4 49.8 14.6 Net Cash flow -113.2 -44.8 -20.1 -11.4 49.8 14.6 Net Cash flow -113.2 -44.8 -20.1 -11.4 49.8 14.6 Net Cash flow -113.2 -44.8 -45.0 -45	PBT margin	18.9%	6 15.3%	16.5%		17.0	% Cash	Flow						
Core NP margin         13.6%         11.3%         12.5%         12.6%         12.9%         Depreciation & amortisation         41.9         42.3         42.1         43.4         43.1           ROE         13.7%         8.7%         9.1%         9.5%         10.4%         Changes in working capital         -2.9         -18.2         -12         0.9         1.4           ROA         10.2%         6.8%         7.3%         7.5%         8.4%         Others         -40.8         -29.9         -22.5         -24.4         -27.6           Net gearing         Net Cash         110.4         119.8         130.2           Net gearing         Net Cash         Net Cash         Net Cash         Net Cash         Net Cash         132.4         81.6         110.4         119.8         130.2           Net gearing         Net Cash         Net Cash         Net Cash         Net Cash         132.4         81.6         110.4         119.8         130.2           Others         -2.0         -2.0         -3.3         -2.8         -50.0         -41.9         -39.9 <td< td=""><td>PAT margin</td><td>13.79</td><td>6 11.4%</td><td>12.6%</td><td>ú 12.7%</td><td>12.9</td><td>% FYE</td><td>Dec (RM m)</td><td>)</td><td>FY22</td><td>FY23</td><td>FY24F</td><td>FY25F</td><td>FY26F</td></td<>	PAT margin	13.79	6 11.4%	12.6%	ú 12.7%	12.9	% FYE	Dec (RM m)	)	FY22	FY23	FY24F	FY25F	FY26F
ROE 13.7% 8.7% 9.1% 9.5% 10.4% Changes in working capital -2.9 -18.2 -12 0.9 14 ROA 10.2% 6.8% 7.3% 7.5% 8.4% Others -40.8 -29.9 -22.5 -24.4 -27.6 Net gearing Net Cash Net Ca	NP margin	13.6%	6 11.3%	12.5%	½ 12.6%	12.9	% Pre-	ax profit		134.2	87.4	91.9	99.9	113.4
ROA 10.2% 6.8% 7.3% 7.5% 8.4% Others -40.8 -29.9 -22.5 -24.4 -27.6  Net gearing Net Cash flow N	Core NP margin	13.6%	6 11.3%	12.5%	ú 12.6%	12.9	% Depre	ciation & amo	rtisation	41.9	42.3	42.1	43.4	43.1
Net gearing         Net Cash         132.4         81.6         110.4         119.8         130.2           Net capex         -33.1         -38.2         -50.0         -41.9         -39.9           Others         26.3         -9.8         0.0         0.0         0.0           Investing cash flow         -6.8         -48.0         -50.0         -41.9         -39.9           Changes in borrowings         -57.2         -2.7         25.0         20.9         -20.0           Issuance of shares         0.0         0.0         0.0         0.0         0.0           Dividends paid         -55.8         -41.9         -45.1         -49.1         -55.7           Others         -0.2         -0.3         0.0         0.0         0.0           Financing cash flow         -113.2         -44.8         -20.1         -28.1         -75.7           Valuations         FY25F         Net cash flow         12.4         -11.2         -11.4         49.8         14.6           Core EPS (RM)         0.271<	ROE	13.7%	6 8.7%	9.1%	9.5%	10.4	% Chan	ges in working	capital	-2.9	-18.2	-1.2	0.9	1.4
Net capex -33.1 -38.2 -50.0 -41.9 -39.9 Others 26.3 -9.8 0.0 0.0 0.0 Investing cash flow -6.8 -48.0 -50.0 -41.9 -39.9 Changes in borrowings -57.2 -2.7 25.0 20.9 -20.0 Issuance of shares 0.0 0.0 0.0 0.0 0.0 Dividends paid -55.8 -41.9 -45.1 -49.1 -55.7 Others -0.2 -0.3 0.0 0.0 0.0 Financing cash flow -113.2 -44.8 -20.1 -28.1 -75.7 Valuations FY25F Net cash flow 12.4 -11.2 -11.4 49.8 14.6 Core EPS (RM) 0.271	ROA	10.29	6.8%	7.3%	7.5%	8.4	% Other	S		-40.8	-29.9	-22.5	-24.4	-27.6
Others       26.3       -9.8       0.0       0.0       0.0         Investing cash flow       -6.8       -48.0       -50.0       -41.9       -39.9         Changes in borrowings       -57.2       -2.7       25.0       20.9       -20.0         Issuance of shares       0.0       0.0       0.0       0.0       0.0         Dividends paid       -55.8       -41.9       -45.1       -49.1       -55.7         Others       -0.2       -0.3       0.0       0.0       0.0         Valuations       FY25F       Net cash flow       113.2       -44.8       -20.1       -28.1       -75.7         Valuations       FY25F       Net cash flow       12.4       -11.2       -11.4       49.8       14.6         Core EPS (RM)       0.271       Forex       -3.0       -2.0       -10       0.0       10	Net gearing	Net Casl	n Net Cash	Net Cash	Net Cash	Net Cas	h <b>Oper</b>	ating cash f	low	132.4	81.6	110.4	119.8	130.2
Investing cash flow   -6.8   -48.0   -50.0   -41.9   -39.9     Changes in borrowings   -57.2   -2.7   25.0   20.9   -20.0     Issuance of shares   0.0   0.0   0.0   0.0     Dividends paid   -55.8   -41.9   -45.1   -49.1   -55.7     Others   -0.2   -0.3   0.0   0.0     Financing cash flow   -113.2   -44.8   -20.1   -28.1   -75.7     Valuations   FY25F   Net cash flow   12.4   -11.2   -11.4   49.8   14.6     Core EPS (RM)   0.271   Forex   -3.0   -2.0   -1.0   0.0   1.0     Consideration   -41.9   -39.9   -20.0   -41.9   -39.9     Consideration   -50.0   -41.9   -39.9     Consideration   -50.0   -2.0   -41.9   -39.9     Consideration   -50.0   -2.0   -41.9   -20.0     Consideration   -50.0   -2.0   -10.0     Consideration   -50.0   -2.0   -10.0     Consideration   -50.0   -2.0     Consideration   -50.0     Consideration   -50							Net ca	арех		-33.1	-38.2	-50.0	-41.9	-39.9
Changes in borrowings -57.2 -2.7 25.0 20.9 -20.0 Issuance of shares 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 Dividends paid -55.8 -41.9 -45.1 -49.1 -55.7 Others -0.2 -0.3 0.0 0.0 0.0 0.0 Financing cash flow -113.2 -44.8 -20.1 -28.1 -75.7 Valuations FY25F Net cash flow 12.4 -11.2 -11.4 49.8 14.6 Core EPS (RM) 0.271 Forex -3.0 -2.0 -1.0 0.0 1.0							Other	S		26.3	-9.8	0.0	0.0	0.0
Issuance of shares   0.0   0							Inves	sting cash fl	o w	-6.8	-48.0	-50.0	-41.9	-39.9
Dividends paid -55.8 -41.9 -45.1 -49.1 -55.7 Others -0.2 -0.3 0.0 0.0 0.0 Financing cash flow -113.2 -44.8 -20.1 -28.1 -75.7  Valuations FY25F Net cash flow 12.4 -11.2 -11.4 49.8 14.6 Core EPS (RM) 0.271 Forex -3.0 -2.0 -1.0 0.0 1.0							Chan	ges in borrowir	ngs	-57.2	-2.7	25.0	20.9	-20.0
Others         -0.2         -0.3         0.0         0.0         0.0           Financing cash flow         -113.2         -44.8         -20.1         -28.1         -75.7           Valuations         FY25F         Net cash flow         12.4         -11.2         -11.4         49.8         14.6           Core EPS (RM)         0.271         Forex         -3.0         -2.0         -10         0.0         1.0							Issuai	nce of shares		0.0	0.0	0.0	0.0	0.0
Valuations         FY25F         Net cash flow         -113.2         -44.8         -20.1         -28.1         -75.7           Vore EPS (RM)         0.271         Forex         12.4         -11.2         -11.4         49.8         14.6           To result in the control of the contro							Divide	ends paid		-55.8	-41.9	-45.1	-49.1	-55.7
Valuations         FY25F         Net cash flow         12.4         -11.2         -11.4         49.8         14.6           Core EPS (RM)         0.271         Forex         -3.0         -2.0         -10         0.0         10							Other	S		-0.2	-0.3	0.0	0.0	0.0
Core EPS (RM) 0.271 Forex -3.0 -2.0 -1.0 0.0 1.0							Fina	ncing cash f	low	-113.2	-44.8	-20.1	-28.1	-75.7
	Valuations	FY25F	_				Net	ash flow		12.4	-11.2	-11.4	49.8	14.6
P/E multiple (x) 9.3 Others 3.0 1.8 1.2 0.0 -1.0	Core EPS (RM)	0.27	1				Forex			-3.0	-2.0	-1.0	0.0	1.0
	P/E multiple (x)	9.3	3				Other	Others			1.8	1.2	0.0	-1.0

114.6

103.4

103.4

153.2

153.2

167.9

113.6

126.0

126.0

114.6

 $B\,eginning\,cash$ 

Ending cash

Monday, November 25, 2024 Company Results

### **APEX SECURITIES BERHAD – CONTACT LIST**

#### **APEX SECURITIES BHD**

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## RESEARCH RECOMMENDATION FRAMEWORK

#### STOCK RECOMMENDATIONS

**BUY**: Total returns\* are expected to exceed 10% within the next 12 months.

**HOLD**: Total returns\* are expected to be within +10% to -10% within the next 12 months.

**SELL**: Total returns\* are expected to be below -10% within the next 12 months.

**TRADING BUY:** Total returns\* are expected to exceed 10% within the next 3 months. **TRADING SELL:** Total returns\* are expected to be below -10% within the next 3 months.

\*Capital gain

## SECTOR RECOMMENDATIONS

**OVERWEIGHT**: The industry defined by the analyst is expected to exceed 10% within the next 12 months. **NEUTRAL**: The industry defined by the analyst is expected to be within +10% to -10% within the next 12 months. **UNDERWEIGHT**: The industry defined by the analyst, is expected to be below -10% within the next 12 months.

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