2Q25 Outlook & Strategy

Tariff Twist: Malaysia Could Have Unexpected Advantage

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Summary

- **Wall Street could face downside risk following President Trump's announcement of reciprocal tariffs. However, this may simply be a bargaining tactic. If economic activity slows, it could pressure the Fed to cut rates going forward.**
- **Meanwhile, on the local front, we expect investors to adopt a domestic hideout strategy. Malaysia may have an unexpected advantage due to lower reciprocal tariffs in the ASEAN region—a potential "tariff twist." We anticipate that rising data center developments, along with the ongoing NETR and NIMP blueprints, will support Malaysia's economic growth.**
- **We favour selected stocks in the Construction, Plantation, Utilities, Technology, Telco, Renewable Energy, Healthcare, Consumer, and Finance sectors.**

FBMKLCI	1518.91
Resistance	1560-1580
Support	1470-1480

Indices	**1Q25 (%)**
KLCI	-7.8%
FBMSCAP	-13.3%
FBMACE	-10.6%
REITs	-2.0%
Plantation	-2.8%
Transport	-3.2%
Financial Services	-4.1%
Energy	-7.9%
Utilities	-11.2%
Property	-11.3%
Consumer	-11.6%
Telco & Media	-12.2%
Ind Products	-13.1%
Construction	-14.0%
Technology	-22.6%
Healthcare	-22.7%

2Q25 Stock picks	**S1**	**S2**	**R1**	**R2**
BNASTRA	1.64	1.53	2.00	2.10
SUNCON	4.33	4.07	5.02	5.28
MNHLDG	1.05	0.95	1.40	1.50
UTDPLT	21.00	20.00	24.00	25.00
INNO	1.69	1.63	1.93	2.00
GASMSIA	4.10	4.00	4.55	4.69
ITMAX	3.68	3.49	4.50	4.55
KGB	3.25	2.09	4.00	4.20
TIMECOM	4.90	4.70	5.60	5.80
PEKAT	1.05	1.00	1.24	1.29
KPJ	2.53	2.40	2.91	3.00
FOCUSP	0.75	0.71	0.94	0.98
KENANGA	0.95	0.90	1.09	1.13

Seasonality Analysis

- **FBM KLCI had a weak 1Q25.** However, we believe the seasonality of the key index may perform much better in April, albeit having the tariff threats from the US. Historically, April has an average return of 1.0% over the past 24 years, while up-down ratio stood at 1.7.

Fig #1 FBM KLCI Heat Map (2001-2024)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly Return
2001	7.1%	-2.5%	-8.7%	-9.7%	-2.0%	3.5%	11.2%	4.2%	-10.5%	-2.5%	6.3%	9.1%	2.4%
2002	3.3%	-1.4%	6.7%	5.0%	-6.6%	-2.2%	-0.5%	-1.4%	-10.3%	3.4%	-4.6%	2.7%	-7.1%
2003	2.9%	-2.7%	-1.7%	-0.8%	6.5%	3.1%	4.1%	3.2%	-1.3%	11.4%	-4.6%	1.9%	22.8%
2004	3.1%	7.4%	2.6%	-7.1%	-3.3%	1.1%	1.7%	-0.7%	2.7%	1.3%	6.5%	-1.1%	14.3%
2005	1.0%	-1.0%	-4.0%	0.9%	-2.1%	3.2%	5.5%	-2.5%	1.5%	-1.8%	-1.6%	0.4%	-0.8%
2006	1.6%	1.6%	-0.2%	2.4%	-2.3%	-1.4%	2.3%	2.4%	1.0%	2.1%	9.3%	1.4%	21.8%
2007	8.5%	0.6%	4.2%	6.0%	1.9%	0.6%	1.4%	-7.3%	4.9%	5.8%	-1.2%	3.4%	31.8%
2008	-3.6%	-2.6%	-8.1%	2.6%	-0.3%	-7.0%	-2.0%	-5.4%	-7.4%	-15.2%	0.3%	1.2%	-39.3%
2009	0.9%	0.7%	-2.0%	13.5%	5.4%	3.0%	9.3%	-0.1%	2.4%	3.4%	1.3%	1.1%	45.2%
2010	-1.1%	0.9%	3.9%	2.0%	-4.6%	2.3%	3.6%	4.5%	2.9%	2.9%	-1.4%	2.3%	19.3%
2011	0.1%	-1.9%	3.6%	-0.7%	1.5%	1.3%	-1.9%	-6.6%	-4.2%	7.6%	-1.3%	4.0%	0.8%
2012	-0.6%	3.2%	1.7%	-1.6%	0.6%	1.2%	2.0%	0.9%	-0.6%	2.2%	-3.7%	4.8%	10.3%
2013	-3.6%	0.6%	2.1%	2.8%	3.0%	0.2%	-0.1%	-2.5%	2.4%	2.2%	0.3%	3.0%	10.5%
2014	-3.4%	1.8%	0.7%	1.2%	0.1%	0.5%	-0.6%	-0.3%	-1.1%	0.5%	-1.8%	-3.3%	-5.7%
2015	1.1%	2.2%	0.5%	-0.7%	-3.9%	-2.3%	1.0%	-6.4%	0.5%	2.8%	0.4%	1.2%	-3.9%
2016	-1.5%	-0.8%	3.8%	-2.6%	-2.8%	1.7%	0.0%	1.5%	-1.5%	1.2%	-3.2%	1.4%	-3.0%
2017	1.8%	1.3%	2.7%	1.6%	-0.1%	-0.1%	-0.2%	0.7%	-1.0%	-0.4%	-1.7%	4.6%	9.4%
2018	4.0%	-0.7%	0.4%	0.4%	-6.9%	-2.8%	5.5%	2.0%	-1.5%	-4.7%	-1.7%	0.6%	-5.9%
2019	-0.4%	1.4%	-3.8%	-0.1%	0.5%	1.3%	-2.2%	-1.4%	-1.8%	0.9%	-2.3%	1.7%	-6.0%
2020	-3.6%	-3.2%	-8.9%	4.2%	4.7%	1.9%	6.8%	-4.9%	-1.3%	-2.5%	6.5%	4.1%	2.4%
2021	-3.7%	0.7%	-0.3%	1.8%	-1.1%	-3.2%	-2.5%	7.1%	-4.0%	1.6%	-3.1%	3.5%	-3.7%
2022	-3.5%	6.3%	-1.3%	0.8%	-1.9%	-8.0%	3.3%	1.3%	-7.8%	4.7%	1.9%	0.4%	-4.6%
2023	-0.7%	-2.1%	-2.2%	-0.5%	-2.0%	-0.8%	6.0%	-0.5%	-1.9%	1.3%	0.7%	0.1%	-2.7%
2024	4.0%	2.5%	-1.0%	2.6%	1.3%	-0.4%	2.2%	3.3%	-1.8%	-2.9%	-0.5%	3.0%	12.9%
2024	-5.2%	1.1%	-3.9%										-7.8%
Avg Monthly Return	0.3%	0.6%	-0.5%	1.0%	-0.6%	-0.1%	2.3%	-0.4%	-1.6%	1.0%	0.0%	2.2%	4.5%
Up	13	15	12	15	10	14	15	11	8	17	10	22	13
Down	12	10	13	9	14	10	9	13	16	7	14	2	12
Up/Down Ratio**	1.1	1.5	0.9	1.7	0.7	1.4	1.7	0.8	0.5	2.4	0.7	11.0	1.1

**More than 1 is positive indication that the winning rate is high (example: Dec is 11.0 is super solid month to have success trades)

Source: Bloomberg

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US Review and Outlook

- **Trump's Reciprocal Tariff threats add uncertainty.** After the inauguration of President Trump in January 2025, he has been imposing tariffs on key trading partners include Mexico, Canada, China and the EU. This may result in persisting inflationary pressure and disrupting supply chains and may complicate the Fed's policy decisions.

- **'Liberation Day' Tariff plan.** Starting April 5, the US will impose a minimum 10% reciprocal tariff on all imports. By April 9, higher tariffs—equivalent to "half" of the tariffs levied on US exports—will take effect for selected countries.

Fig #2 US Reciprocal Tariffs on Countries



Reciprocal Tariffs

Country	Tariffs Charged to the U.S.A. including Currency Manipulation and Trade Barriers	U.S.A. Discounted Reciprocal Tariffs
China	67%	34%
European Union	39%	20%
Vietnam	90%	46%
Taiwan	64%	32%
Japan	46%	24%
India	52%	26%
South Korea	50%	25%
Thailand	72%	36%
Switzerland	61%	31%
Indonesia	64%	32%
Malaysia	47%	24%
Cambodia	97%	49%
United Kingdom	10%	10%
South Africa	60%	30%
Brazil	10%	10%
Bangladesh	74%	37%
Singapore	10%	10%
Israel	33%	17%
Philippines	34%	17%
Chile	10%	10%
Australia	10%	10%
Pakistan	58%	29%
Turkey	10%	10%
Sri Lanka	88%	44%
Colombia	10%	10%

Reciprocal Tariffs

Country	Tariffs Charged to the U.S.A. including Currency Manipulation and Trade Barriers	U.S.A. Discounted Reciprocal Tariffs
Peru	10%	10%
Nicaragua	36%	18%
Norway	30%	15%
Costa Rica	17%	10%
Jordan	40%	20%
Dominican Republic	10%	10%
United Arab Emirates	10%	10%
New Zealand	20%	10%
Argentina	10%	10%
Ecuador	12%	10%
Guatemala	10%	10%
Honduras	10%	10%
Madagascar	93%	47%
Myanmar (Burma)	88%	44%
Tunisia	55%	28%
Kazakhstan	54%	27%
Serbia	74%	37%
Egypt	10%	10%
Saudi Arabia	10%	10%
El Salvador	10%	10%
Côte d`Ivoire	41%	21%
Laos	95%	48%
Botswana	74%	37%
Trinidad and Tobago	12%	10%
Morocco	10%	10%

Source: US White House

- **Fed maintains hawkish tone.** The Fed is holding back on its decision on interest rate cuts due to persistent inflationary pressures and concerns over a potential economic slowdown. Last year they have only made 3 cuts, while this year, the market is expecting 4 cuts. Their cautious approach suggests rates will stay higher for longer, dampening market expectations of near-term easing.

Fig #3 Fed Interest Rate Expectations

Meeting	#Hikes/Cuts	%Hike/Cut	Imp. Rate Δ	Implied Rate	A.R.M.
05/07/2025	-0.252	-25.2%	-0.063	4.263	0.250
06/18/2025	-0.842	-59.0%	-0.211	4.116	0.250
07/30/2025	-1.515	-67.3%	-0.379	3.948	0.250
09/17/2025	-2.217	-70.2%	-0.554	3.772	0.250
10/29/2025	-2.675	-45.8%	-0.669	3.658	0.250
12/10/2025	-3.243	-56.8%	-0.811	3.515	0.250
01/28/2026	-3.505	-26.2%	-0.876	3.450	0.250
03/18/2026	-3.871	-36.6%	-0.968	3.359	0.250
04/29/2026	-4.055	-18.4%	-1.014	3.313	0.250
06/17/2026	-4.235	-18.0%	-1.059	3.267	0.250
07/29/2026	-4.405	-17.0%	-1.101	3.225	0.250
09/16/2026	-3.539	+86.6%	-0.885	3.441	0.250

Source: Bloomberg

- **Rotational play from Growth-to-Value.** If inflation remains elevated alongside slowing growth, equities could face renewed pressure. In 1Q25, the Dow and S&P500 have declined by -1.28% and -4.59%, respectively. The market's decline has been concentrated in previously overvalued sectors, especially those tied to artificial intelligence (AI), which experienced a bear market. Stocks like Tesla, Nvidia, and Alphabet saw significant drops. Meanwhile, value-oriented stocks in sectors such as utilities, healthcare, financials, and energy have posted gains.

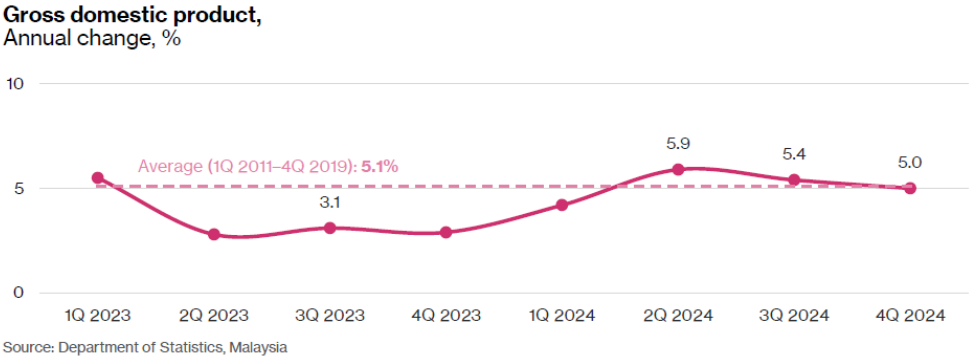
- **Trump's MAGA 2.0, tariffs, and fiscal policy.** We believe the policy uncertainty under the Trump administration will continue to impact the stock markets, but the clearer rerating catalyst could be due to AI-themed stock corrections. However, do note that trade policy risks could slow GDP growth in 2025, especially if supply chains face renewed disruptions.

- **The DOGE effect.** With the creation of Department of Government Efficiency (DOGE), we expect slower government spending growth this year, which may weigh on economic expansion. However, if President Trump reduces the corporate tax for US businesses, the corporate earnings may be insulated.

Malaysia Review and Outlook

- **4Q24 Malaysia GDP expanded 5.0% YoY,** supported mainly by (i) strong expansion in investment activities – gross fixed capital formation: 11.7% (3Q24: 15.3%), (ii) continued growth in exports of goods and services – exports of goods and services: 8.5% (3Q24: 11.8%) and (iii) sustained household spending – private consumption: 4.9% (3Q24: 4.8%).

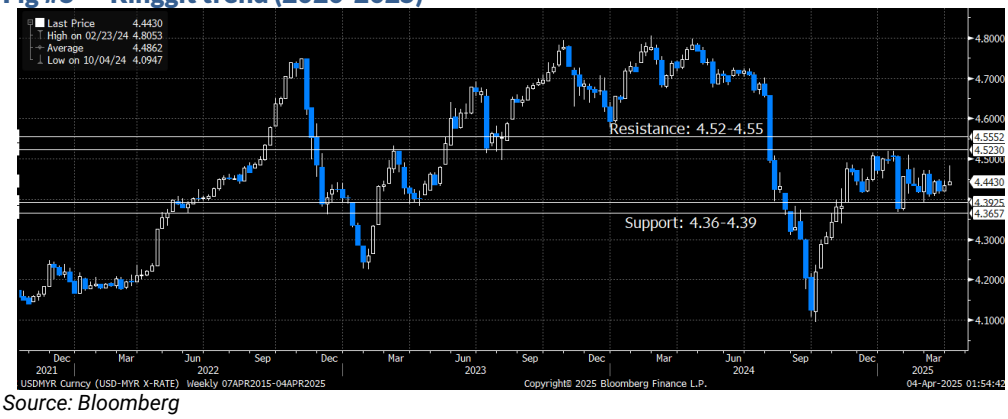
Fig #4 Malaysia GDP Quarterly Growth YoY%



Source: Bank Negara Malaysia, DOSM

- **Ringgit trend continue to weaken.** The ringgit trend has been hovering around the RM4.37-4.52/USD level in 1Q25. However, after the reciprocal tariff announcement, the ringgit has started to weaken. Nonetheless, a weaker ringgit may benefit export-oriented stocks (e.g. gloves, tech) and benefit the country as a whole due to being labelled as export-oriented nation.

Fig #5 Ringgit trend (2020-2025)



Source: Bloomberg

- **Brent oil declined below USD75.** Despite effort from the OPEC+ to decrease production, oil prices remains in the downtrend move due to weaker demand from China. Moreover, without the risk premium from geopolitical tension, we expect the Brent oil to stay around USD70-80/bbl at least in the near term.

Fig #6 Brent oil Weekly (2020-2025)



Source: Bloomberg

- **Foreign funds outflow in 1Q25.** In 1Q25, the foreign funds witnessed an outflow of –RM9.96bn, after a –RM4.0bn outflow in 2024. This outflow could be due to weakening bias of data center theme and funds shifting to China or Hong Kong and back to the US on the back of President Trump's MAGA2.0 and MAWA agenda.

Fig #7 Foreign funds participation net inflow/ outflow (RM' bn)



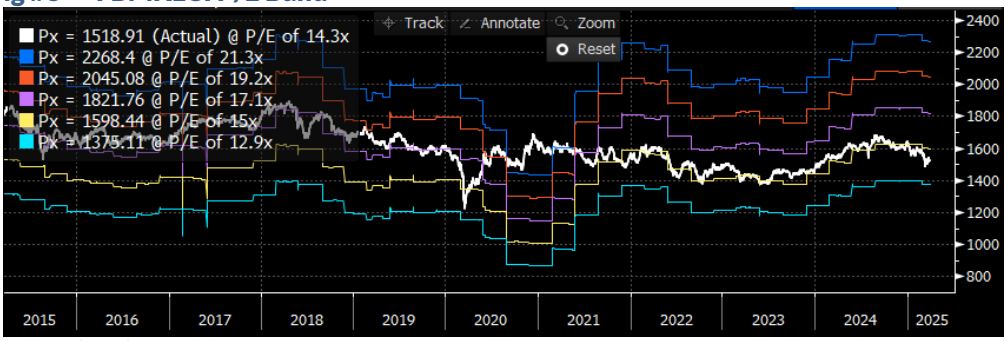
Source: Bursa Market Place (as at end-1Q25)

Market performances and review

- **MSCI World and S&P500 are trading at premiums,** with P/E ratios of 22.4x and 27.2x, respectively as compared to their 10Y average P/E of 20.0x and 21.5x. This is largely supported by the prevailing AI theme and burgeoning growth of data centers.

- **The FBM KLCI is currently trading at a discount** with a P/E ratio of 14.3x, lower than its 10Y average of 17.1x. This optimism is fuelled by increased FDIs flowing into Malaysia, outperforming the Southeast Asian peers. Also, the growing data center theme is expected to drive growth across various sectors within the Malaysian economy.

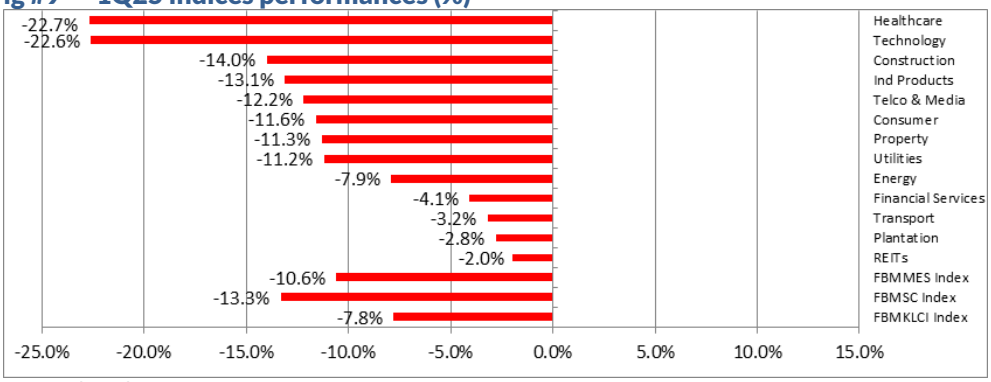
Fig #8 FBMKLCI P/E Band



Source: Bloomberg

- **Negative sentiment across the board.** In 1Q25, the FBM KLCI fell -7.8%, while both the FBM Small Cap and FBM ACE plunged –13.3% and -10.6%, respectively. Sectoral wise, Healthcare (-22.7%), and Technology (-22.6%) were the worst performing sectors, and no sectors ended in the positive territory for the quarter.

Fig #9 1Q25 indices performances (%)



Source: Bloomberg, M+

2Q25 Strategy –Domestic Hideout and Potentially Tariff Twist

- **Unexpected "advantage".** Despite being slapped with 24% reciprocal tariffs on Malaysia exports, some of the segments are being exempted such as (i) steel/aluminium articles and autos/ parts already subject to tariffs, (ii) copper, pharmaceuticals, semiconductors, and lumber. Also, amongst our ASEAN peers and China, the reciprocal tariffs are much lower. Hence, there might be advantage for Malaysian gloves and technology-related manufacturers at least for the near term.

Fig #10 US Tariffs Charged and US Reciprocal Tariffs (ASEAN and China)

Country	Tariffs Charged to the U.S.A.	U.S.A. Discounted Reciprocal Tariffs
Cambodia	97%	49%
Laos	95%	48%
Vietnam	90%	46%
Myanmar	88%	44%
Thailand	72%	36%
China	68%	34%
Indonesia	64%	32%
Malaysia	47%	24%
Brunei	47%	24%
Singapore	10%	10%
Philippines	10%	10%

Source: US White House

- **Data center theme may be overstretched…** The rapid growth in data center investment has driven valuations higher, and it noticed significantly pullback after the Biden's chip restrictions act, coupled with Deepseek moment in January 2025. While the long-term outlook remains decent, cherry picking is essential to avoid overvalued plays.

- **…ARM Holdings-Malaysia collaboration to lead the tech sector.** The partnership between ARM Holdings and Malaysia in semiconductor and AI development strengthens the country's position in high-value tech manufacturing, which may boost local tech firms and attract more foreign investments in advanced chip design. Also, the KL20 summit and the National Semiconductor Strategy position Malaysia as a prominent player in the global semiconductor industry, which may benefit the **Technology sector, including EMS players**.

- **MNCs continuing their investment journey in SEA.** MNCs are increasingly diversifying supply chains into SEA, with Malaysia benefiting from its strong infrastructure and workforce. Key sectors like **E&E, EVs, and Renewables** will benefit from sustained FDI inflows. Companies like Google, Nvidia, and Microsoft have invested in Malaysia, reflecting growing confidence in the country's economic potential.

- **Stay within Construction, Utilities, IoT, Smart City, and Security Cloud services…** With the data center boom, these sectors align with the Malaysia's digital transformation and infrastructure push. Meanwhile, IoT, smart city solutions and security cloud services to gain traction alongside 5G and AI adoption. The **Construction, Utilities, and Technology sectors** will be crucial under the rising data center environment.

- **…NETR and NIMP blueprints to support sustainable growth.** The NETR and NIMP will provide policy support for green energy, high-tech manufacturing, and automation. The government aim to increase the renewable energy (RE) generation from 40% to 70% by 2050, and is expected to unlock significant investment opportunities in the Utilities sector, particularly in the Natural Gas, RE, and Water segments.

- **Silver economy to be one of the key highlights.** As Malaysia's aging population environment, it should drive demand for healthcare, retirement solutions and senior-friendly services. Healthcare providers, pharmaceutical firms, and wellness-related businesses present long-term opportunities. We maintain a positive outlook on the **Healthcare segment** despite the recent insurance premium hike incident.

- **Net cash companies with stable dividend yields.** In a volatile market, companies with strong balance sheets, net cast positions and consistent dividends offer defensive appeal. Focus on sectors like **Utilities, Telcos, and Industrial** players for stable returns. Also, **REITs and Consumer sectors** appear to also offer defensive and attractive investment opportunities.

Factors/ Elements/ Theme for 2Q25 sectors and stock picks

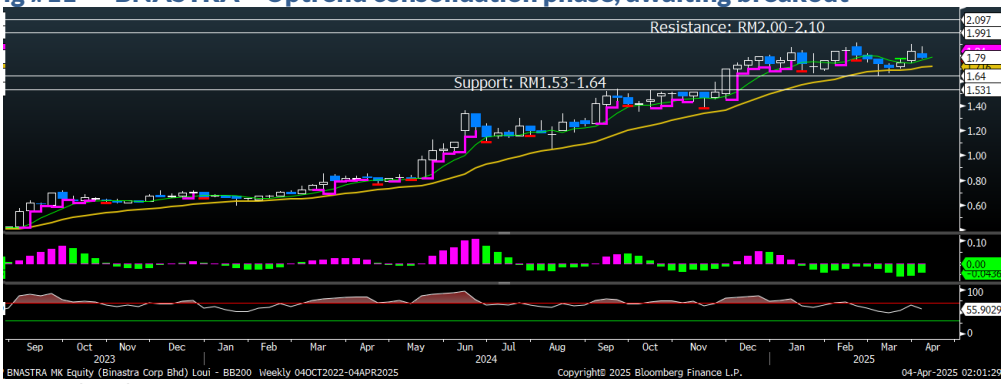
Company	Sector	AI/ Data Center	Solid Orderbook	Resilient Demand	NETR	Net cash/ Stable Dividend Yield	Quality Scoring	Momentum Scoring	Combined Scoring
BNASTRA	Construction	✓	✓			✓	B	A	A
SUNCON	Construction	✓	✓			✓	A	A	A
MNHLDG	Construction	✓	✓	✓	✓	✓	B	A	A
UTDPLT	Plantation			✓		✓	A	A	A
INNO	Plantation			✓		✓	B	A	A
GASMSIA	Utilities			✓	✓	✓	B	B	A
ITMAX	Technology	✓	✓	✓		✓	A	A	A
KGB	Technology	✓	✓	✓		✓	A	A	A
TIMECOM	Telecommunications	✓		✓		✓	B	B	A
PEKAT	Renewable Energy		✓		✓		C	A	A
KPJ	Healthcare			✓			A	A	A
FOCUSP	Consumer			✓		✓	A	B	A
KENANGA	Finance			✓		✓	A	D	C

Source: M+

BINASTRA – Solid Orderbook With DC Element

- **BNASTRA engaged in construction activities** via its G7-licensed construction subsidiary. Established in 1980, it has completed around 189 projects worth more than RM12bn.
- **Solid orderbook of c.RM3.6bn**. As of Jan-25, its orderbook stood at RM3.6bn, and will provide consistent earnings at least for the next 3-4 years, based on FY25's revenue of RM946.6m.
- **Secured RM1.24bn worth of DC projects.** BNASTRA's portfolio includes 4 blocks of DCs, from clients such as AIMS and EXSIM in Cyberjaya and Bukit Jalil. We believe the short turnover period of DC will provide earnings boost for BNASTRA.

Fig #11 BNASTRA – Uptrend consolidation phase, awaiting breakout

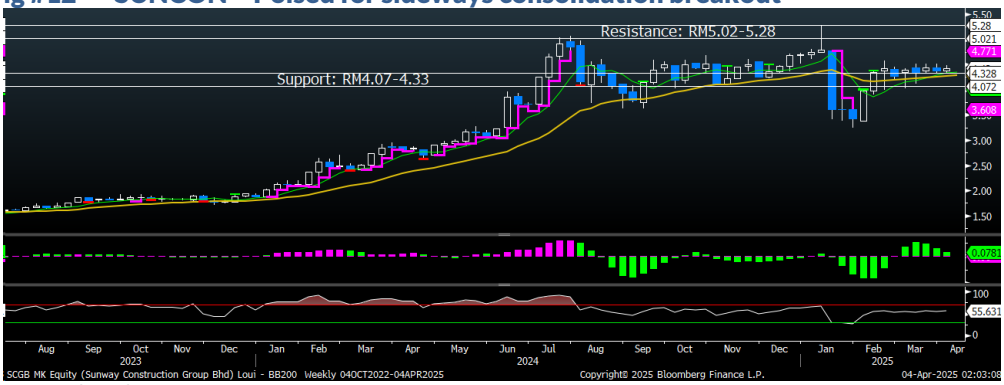


Source: Bloomberg, M+

SUNCON – On Track To Win More Jobs

- **SUNCON is a leading construction and engineering company.**
- **Awarded with RTS-linked project, boosting orderbook to RM7.6bn.** SUNCON has secured a contract worth RM1.5bn from Sunway Bhd, covering construction works related to the RTS Transport Oriented Development, boosting its orderbook to c.RM7.6bn, and it may cover at least 2 years based on FY24 construction revenue.
- **Construction opportunities in Malaysia.** We believe based on its track record, SUNCON may tender for projects in JSSEZ, Pan Borneo Highest, MRT3 and HSR going forward. Currently, it has tenderbook of around RM14.6bn.

Fig #12 SUNCON – Poised for sideways consolidation breakout



Source: Bloomberg, M+

MNHLDG – Sub-Utility That Could Weather The Volatility

- **MNHLDG is involved in providing underground utilities** and substation engineering services in the power industry in Malaysia.
- **Orderbook at all-time high of RM977.8.** With its recent job win from Tenaga, the orderbook is nearing RM1bn mark and we expect more opportunities under the increased capex environment from Tenaga, coupled with higher demand for power infra solutions (in the DC space).
- **Record quarterly earnings.** In 2Q25, PEKAT charted new heights in its quarterly earnings to RM12.6m, strongest since listing. We believe the group is well positioned to capitalise on the growth prospects within the power sector, riding the growth in NETR and data center boom.

Fig #13 MNHLDG – Forming a sideways consolidation breakout



Source: Bloomberg, M+

UTDPLT – Strong Plantation Player

- **UTDPLT specializes in sustainable oil palm and coconut cultivation** across 62,500 hectares in Malaysia (83%) and Indonesia (17%), and engages in downstream operations, including edible oil refining and specialty fats production.
- **Superior FFB yield and OER.** Based on its 2024 annual report, UTDPLT recorded a FFB yield of ~29.56MT/ha where the peer average yield stood at 15.8MT/ha, suggesting UTDPLT effective in managing its plant, and its oil extraction ratio stood at 20% vs peers at 19.67%.
- **Near to 100% payout ratio.** In FY24, UTDPLT rewarded its shareholders with RM709m, which is a payout ratio of 99%, translating to a dividend yield of 5.2%.

Fig #14 UTDPLT – Undergoing a flag formation retracement

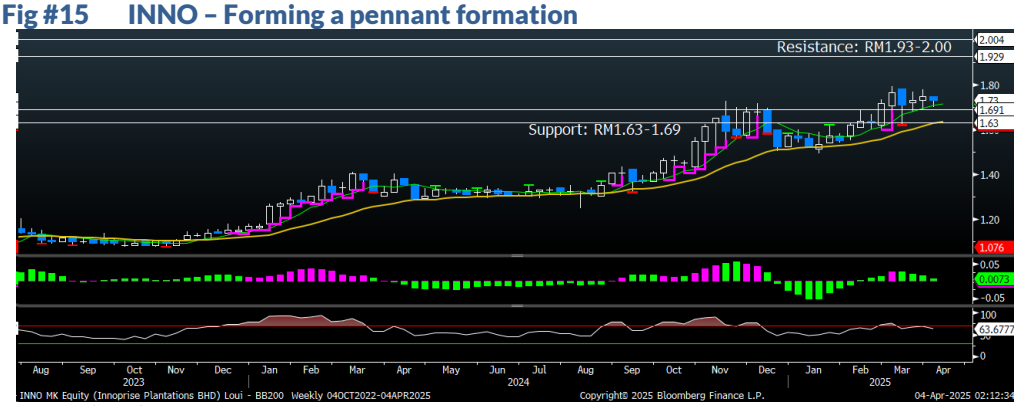


Source: Bloomberg, M+

INNO – Solid Dividend Yield Planter

- **INNO cultivates oil palm** on 12,246 hectares in Sabah with six estates and a palm oil mill, while dedicating 2,734 hectares to sustainable Industrial Tree Plantations.
- **Superior FFB yield.** Based on its 2023 annual report, INNO recorded a FFB yield of ~22MT/ha where the peer average yield stood at 15.8MT/ha, suggesting INNO is a high-efficiency planter. Also, its earnings have high correlation with CPO trends, and could benefit from the recent positive move in CPO.
- **Solid dividend yield of 9%.** In FY24, INNO has rewarded its shareholder 15.55 sen, translating to a yield of near to 9%. INNO has a net cash of RM42.2m against the market cap of RM828.4m.

Fig #15 INNO – Forming a pennant formation

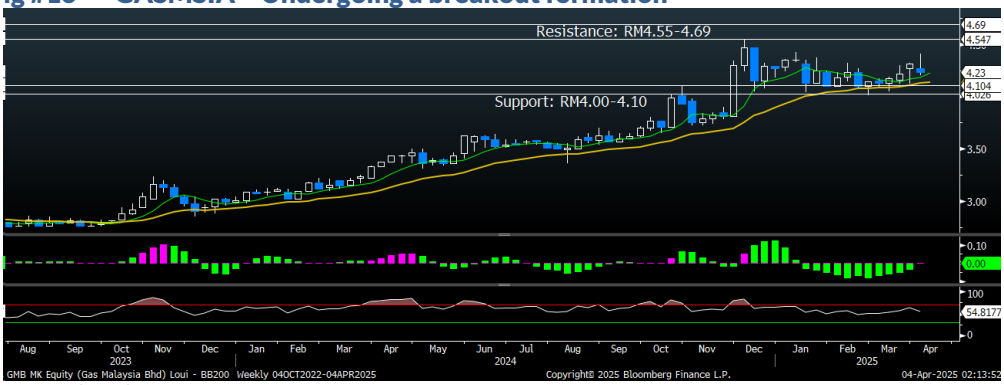


Source: Bloomberg, M+

GASMSIA – Crucial In The NETR Journey

- **GASMSIA is involved in selling, marketing, and distributing natural gas** to residential, commercial, and industrial customers, as well as developing, operating, and maintaining the Natural Gas Distribution System (NGDS) within Peninsular Malaysia.
- **Crucial role in NETR.** As part of Malaysia's NETR, natural gas is set to play a critical role in replacing coal-fired power and supporting renewable energy, positioning it as a key energy source. By 2050, natural gas is expected to supply 56% of Malaysia's total energy and account for 29% of its electricity generation capacity.
- **Net cash with strong dividend yield.** GASMSIA net cash of RM331.5m and a dividend yield of ~6.0% underscore its strong financial position.

Fig #16 GASMSIA – Undergoing a breakout formation

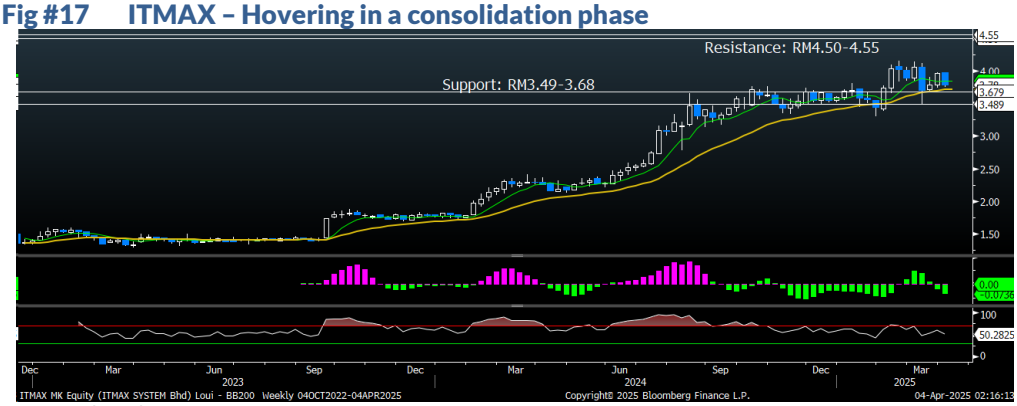


Source: Bloomberg, M+

ITMAX – Smart City Solutions Provider

- **ITMAX provides cutting-edge technology solutions** that promote smart and efficient solutions for cities, townships, and enterprises.
- **After Johor, now Penang.** After they have a decent presence in Johor, they have secured their first project in Penang during Aug-2024, and have expanded to the third project last month. Also, we believe there is an opportunity to expand East Malaysia where Sabah will require at least 1.5k CCTV in the first phase.
- **Highly scalable and replicable.** ITMAX's solutions can be replicated in other states, providing strong earnings catalyst going forward.

Fig #17 ITMAX – Hovering in a consolidation phase

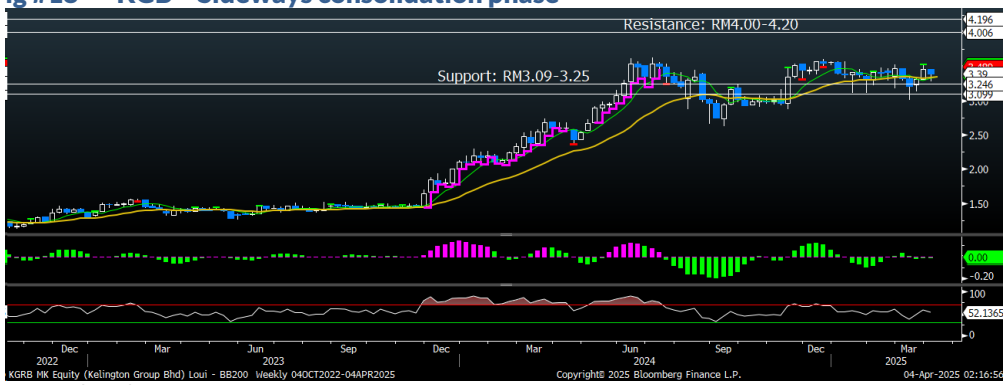


Source: Bloomberg, M+

KGB – Solid Orderbook With High-Value Projects

- **KGB is involved in ultra-high purity (UHP) delivery systems,** process engineering and general contracting. The company commenced maiden production of LCO2 in 4Q19.
- **Highest-ever net profit of RM123.1m.** Despite only having RM1.27bn of revenue, its net profit surged 18.3% to RM123.1m as KGB focused on high-value projects.
- **KGB has orderbook of RM1.27bn**, with majority in the Advanced Engineering – UHP segment well spread out across geographical segments, while the total tenderbook stood at RM4.2bn.
- **Kerteh LCO2 Plant operates as a Carbon Capture Technology.** KGB will explore opportunities in the CCUS sector, where NETR may have >RM25bn in investments.

Fig #18 KGB – Sideways consolidation phase



Source: Bloomberg, M+

TIMECOM – Stable Telco Provider With Data Center Revenue

- **TIMECOM is a telecommunications provider** specializing in domestic and international connectivity, data centers, cloud, and managed services, catering to retail, enterprise, and wholesale markets.
- **Growing revenue and adjusted PAT.** Revenue grew 6% to RM1.69bn, while Adjusted PAT added 10% for FY24. In FY24, they have a combined payout of RM700.2m, which translates to c.7.6% dividend yield (includes special dividend).
- **Benefit from higher data center demand.** We believe TIMECOM will benefit from growing digital demand, and its strong enterprise and wholesale business ensures stable earnings, as it is a crucial telecom player in Malaysia.

Fig #19 TIMECOM – Uptrend intact rally

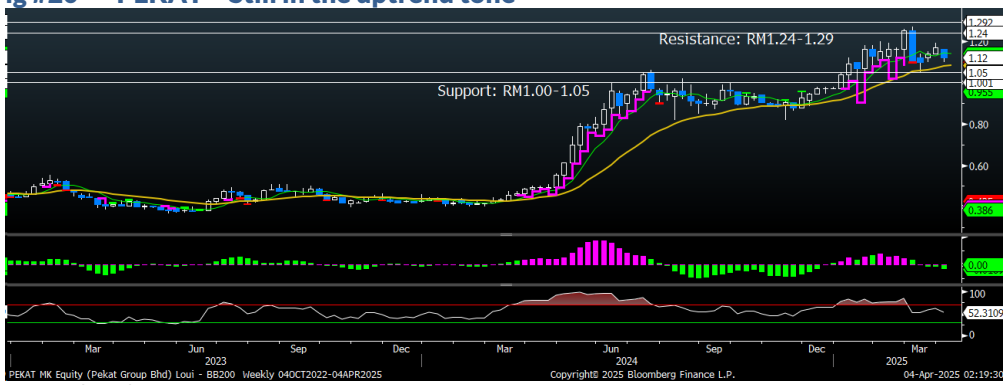


Source: Bloomberg, M+

PEKAT – Riding The Green Initiatives

- **PEKAT is a leading EPCC service provider** in solar photovoltaic (PV) systems, earthing and lightning protection systems, and other renewable energy solutions.
- **Record quarter earnings.** PEKAT managed to fetch RM7.4m net profit for 4Q24, which is the highest since listing. Also, we believe the TNB's tariff hike may expedite solar PV adoption as it will be more attractive solution for businesses and households looking to manage rising energy costs.
- **Riding the green initiatives.** PEKAT will benefit from Malaysia's green energy initiatives, including NETR, LSS packages, as well as 12MP's interim target of reducing greenhouse gas emissions by 45% by 2030.

Fig #20 PEKAT – Still in the uptrend tone

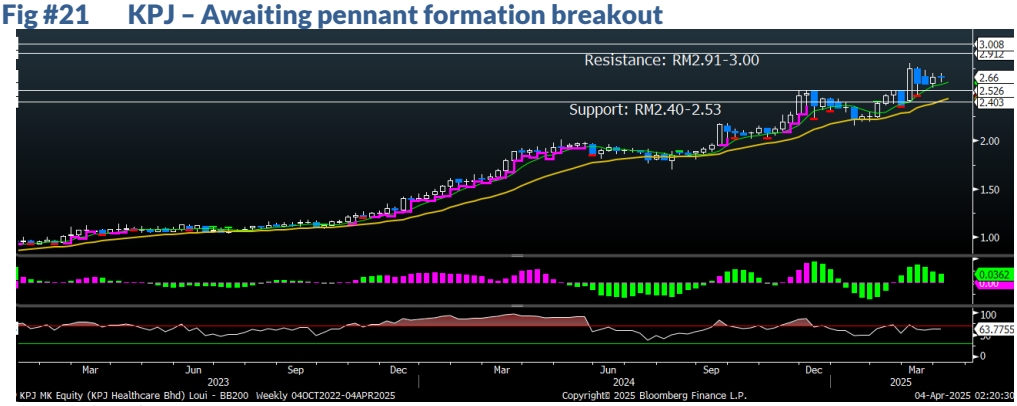


Source: Bloomberg, M+

KPJ – Getting Into The Silver Economy

- **KPJ is a top private healthcare provider** with over 28 hospitals nationwide and they have international presence in Indonesia, Thailand, and Bangladesh.
- **Silver economy and medical tourism.** The demand for medical services is poised for significant growth, fuelled by (i) medical tourism, as quality care and Malaysia's strategic geographic location enhance its appeal for healthcare services, and (ii) the expanding silver economy.
- **New CEO took KPJ to greater heights.** Under the leadership of new CEO, Mr Chin Keat Chyuan, KPJ's revenue and earnings have hit record highs. FY24's revenue and net profit grew 14.7% and 34.3% YoY to RM3.92bn and RM353.8m, respectively.

Fig #21 KPJ – Awaiting pennant formation breakout



Source: Bloomberg, M+

FOCUSP – Defensive Consumer With F&B Presence

- **FOCUSP engaged in providing optometry services** and retailing optical products. It also has a growing presence in the F&B sector through its Komugi bakery.
- **Revenue has been growing strength on strength.** Since listing, it has reached record revenue with stable earnings over the past 3 years. This was due to stronger optical and franchise segments, coupled with turning around in F&B business.
- **Net cash and decent dividend yield.** As of FY24, FOCUSP net cash of RM3.1m and rewarded shareholders 3.5sen as dividend, which translates to ~4.4% yield.

Fig #22 FOCUSP – Rebounding formation

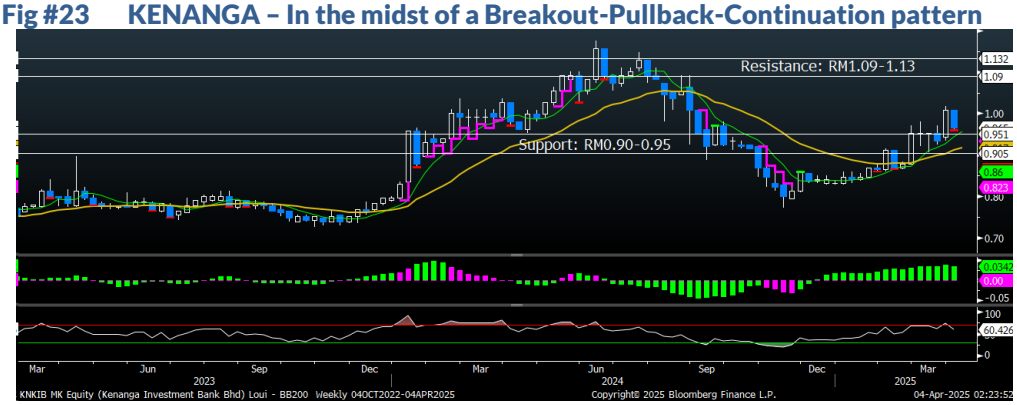


Source: Bloomberg, M+

KENANGA – Firing Up In All Business Segments

- **KENANGA Malaysian financial services firm** specializing in investment banking, stockbroking, futures trading, money lending, and wealth management.
- **Charted new highs in revenue.** Revenue and net profit rose to RM1.0bn (+22.3% YoY) and RM95.8m (+31.6% YoY), respectively driven by better performance across all its business segments.
- **Dividend yield >7%.** Based on the latest payout of 8 sen per share, KENANGA is rewarding its shareholder >7% yield, we believe this is sustainable as they have shown decent performance throughout the years across its business divisions.

Fig #23 KENANGA – In the midst of a Breakout-Pullback-Continuation pattern



Source: Bloomberg, M+

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As of **Friday, 04 Apr, 2025**, the analyst(s), Loui Low Ley Yee whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:
nil.

Stock recommendation guide	
BUY	The share price is expected to appreciate more than 10% over the next 12 months
HOLD	The stock price is expected to range between -10% and +10% over the next 12 months
SELL	The share price is expected to fall more than 10% over the next 12 months
TRADING BUY	The share price is projected to rise more than 10% over the next three (3) months due to an ongoing or impending corporate development. The stock price is also expected to be volatile over the next three months
TRADING SELL	The stock price is expected to fall more than 10% over the next three months due to an ongoing or impending corporate developments. The stock price is also expected to be volatile over the next three months
NOT RATED	No recommendation is assigned