3Q25 Outlook & Strategy

Finding Resilience Amidst Uncertainty

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Summary

- **Although President Trump's protectionist policies have been affecting market sentiment and creating significant volatility, the overall market has been positioning for an eventual easing of trade tensions, which has pushed Wall Street to greater heights. The next major event that traders are watching is the timing of the Federal Reserve's interest rate reduction.**
- **Closer to home, we believe investors will look for a domestic "hideout" strategy, given the stronger ringgit. Key catalysts that traders will be monitoring include (i) the adoption of AI and the rising demand for DC, (ii) solid demand for power and electricity, coupled with the NETR masterplan, and (iii) the return of foreign funds.**
- **We favour selected stocks in the Technology, Utilities, Construction, Renewable Energy, and Industrial Products sectors, as well as several conglomerates.**

FBMKLCI	1548.99
Resistance	1580-1600
Support	1500-1510

Indices	**2Q25 (%)**
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%

3Q25 Stock picks	**S1**	**S2**	**R1**	**R2**
ADB	0.97	0.92	1.26	1.32
CLOUDPT	0.75	0.685	1.04	1.10
EG	1.03	0.94	1.31	1.40
KGB	3.25	3.09	4.25	4.50
GASMSIA	4.10	4.00	4.69	4.83
KJTS	1.08	0.975	1.30	1.36
UUE	0.755	0.695	0.96	1.00
BMGREEN	1.90	1.80	2.15	2.28
PEKAT	1.29	1.24	1.50	1.55
SCGBHD	1.39	1.32	1.60	1.70
GAMUDA	4.68	4.47	6.00	6.10
OSK	1.15	1.08	1.34	1.40
KFIMA	2.65	2.53	3.00	3.10
YTL	2.30	2.05	3.57	3.90

Seasonality Analysis

- **FBM KLCI had gone through 2Q25 on a better footing.** April rose 1.8% as anticipated, while May had fallen with the "Sell in May" saying. Following that, June had a 1.6% recovery before heading into 2H25. Historically, 3Q25 should be accompanied by a stronger buying interest in view of solid stats in July, with 2.3% average monthly return and up/down ratio of 1.7, suggesting the probability of positive closing the for the month.

Fig #1 FBM KLCI Heat Map (2001-2025)

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%
2025	-5.2%	1.1%	-3.9%	1.8%	-2.1%	1.6%							-6.7%
Avg Monthly Return	0.3%	0.6%	-0.5%	1.0%	-0.7%	-0.1%	2.3%	-0.4%	-1.6%	1.0%	0.0%	2.2%	4.6%
Up	13	15	12	16	10	15	15	11	8	17	10	22	13
Down	12	10	13	9	15	10	9	13	16	7	14	2	12
Up/Down Ratio**	1.1	1.5	0.9	1.8	0.7	1.5	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, M+ Global

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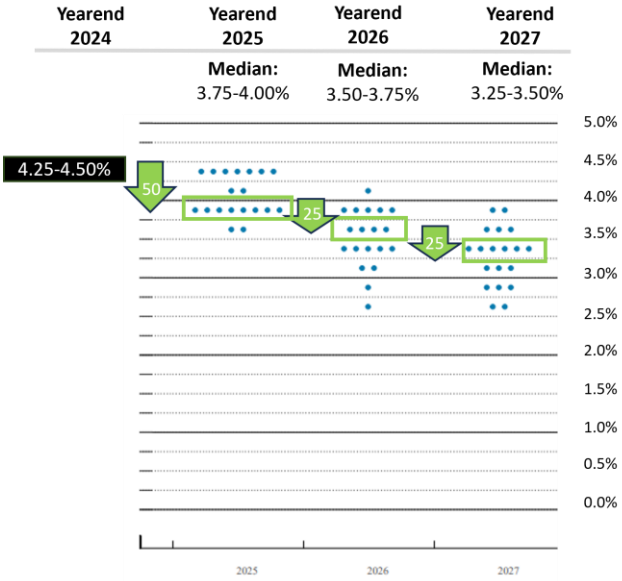
US Review and Outlook

- **President Trump vs. Global during "Liberation Day".** Since the inauguration of President Trump in January, he has been imposing tariffs on key trading partners and reciprocal tariffs globally. This has hit the high-flying tech and AI sectors, triggering a sharp market sell-off in April.

- **Economic data remains stable.** Despite the tariffs and uncertainty throughout the 1H2025, US GDP has maintained a quarterly growth rate of around 2% year-over-year. Inflationary indicators such as the Personal Consumption Expenditures (PCE) Price Index, Consumer Price Index (CPI), and Producer Price Index (PPI) are hovering around 2.7% YoY, 2.4% YoY, and 0.1% MoM, respectively.

- **The Fed slowing the pace of rate cut.** The Federal Reserve is holding back on interest rate cuts due to concerns about potential inflationary pressures. The recent dot plot indicates that the Fed is expected to reduce rates by 50 bps, 25 bps, and 25 bps over 2025, 2026, and 2027, respectively. The Fed is maintaining a cautious approach for now, until the data proves palatable for a rate cut.

Fig #2 June 2025 Fed Dot Plot: Projected Target Range of Fed Funds Rate



Source: Bondsavvy

- **Trump's Big Beautiful Bill (BBB).** Despite calls to reduce the US deficit, this bill is projected to increase the budget deficit to $2.4 trillion. However, the debt ceiling will be increased by $5 trillion, allowing the government to continue spending close to $300 billion on border security, immigration, and defense.

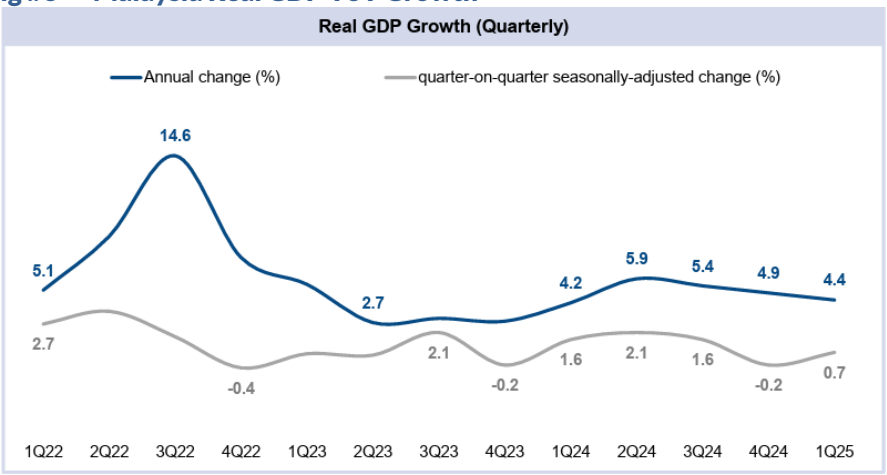
- **Continuous growth to be anticipated.** Given the increased debt ceiling and approved continuous spending, we believe the market will view this positively, leading to new market highs. The S&P 500 and Nasdaq have surged to new heights after the sharp sell-offs in April 2025.

- **AI race persisted.** In the recent rally, the Magnificent 7 remain at the forefront, with a new leader like Broadcom (AVGO) surging into the top 10 by market cap in the US. To support the AI race, we believe the utilities and energy sectors will be the next to flourish.

Malaysia Review and Outlook

- **1Q25 Malaysia GDP expanded 4.4% YoY.** This was mainly supported by (i) sustained household spending, (ii) a steady expansion in investment activities, and (iii) continued export growth supported by E&E exports and tourism. According to a statement from the Bank Negara Malaysia (BNM) Governor, in view of the anticipated impact of international tariffs, Malaysia's economy is now projected to grow at a slightly lower rate in 2025 than the initially forecasted 4.5% to 5.5%.

Fig #3 Malaysia Real GDP YoY Growth



Source: Bank Negara Malaysia, DOSM

- **Ringgit trend continues to strengthen.** In 2Q25, the ringgit has trended positively, strengthening by 5.29% to the RM4.21/USD range. We believe this is due to a weakening bias for the USD following President Trump's protectionist policies and the impact of globally imposed tariffs. This strengthening of the ringgit could be negative for export-oriented stocks while benefiting domestic-driven sectors in the coming quarters.

Fig #4 Ringgit trend (2021-2025)



Source: Bloomberg

- **Brent oil surged to USD80 but trended lower for the quarter.** With the Iran-Israel geopolitical tension in June, the price of oil spiked to USD 80. However, it has since dropped below USD 70 following the ceasefire. We believe President Trump will want to ensure low oil prices for the foreseeable future to avoid an increase in inflationary pressure.

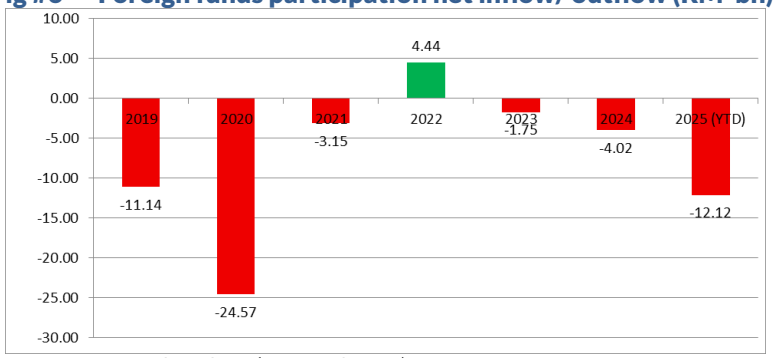
Fig #5 Brent oil Weekly (2020-2025)



Source: Bloomberg

- **Foreign funds outflow in 1H25**. In 1H25, the foreign funds continue to witness an outflow of –RM12.12bn, after a –RM4.0bn outflow in 2024. We believe foreign investors could be lowering their exposure after the recent IPO frenzy, which has slowed down, and are looking into opportunities globally, thus translating to the outflow. However, we believe the second half of 2025 will be a decent period for investors to accumulate in view of ongoing data center investment, coupled with several defensive themes in Malaysia.

Fig #6 Foreign funds participation net inflow/ outflow (RM' bn)

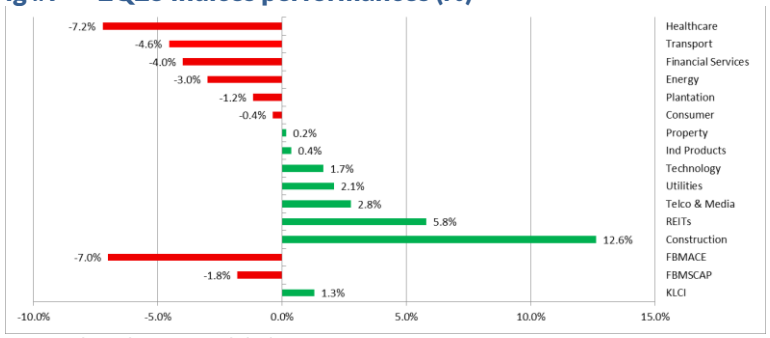


Source: Bursa Market Place (as at end-2Q25)

Market performances and review

- **Mixed sentiment across the board.** In 2Q25, the FBM KLCI rose 1.28%, while both the FBM Small Cap and FBM ACE plunged –1.78% and -7.05, respectively. Sectoral wise, Healthcare (-7.2%) and Transportation (4.6%). On the other hand, both Construction (+12.6%) and REIT (+5.8%) were the leading sectors for the quarter.

Fig #7 2Q25 indices performances (%)



Source: Bloomberg, M+ Global

3Q25 Strategy – Targeted Domestic Themes

- **Decent rebound with selected themes**. As mentioned in the previous Market Chat, we believe there might be a pocket of opportunities as Malaysia could be in a "positive" position for a domestic hideout, despite being subjected to certain tariffs. Do note that the strengthening ringgit will be a boon for domestic-driven sectors.

- **Data center theme seen resuming…** After the selldown phase in the data center theme in 1Q25, we are seeing resilience in the segment due to continuous expansion and investments from international players like Google, Microsoft, and Nvidia. With the mushrooming of data centers in this region, we expect power demand to see an exponential surge, thus providing significant investments in the power sector. These projects and contracts may continue to flow into the sub-utility sector and power infrastructure specialists, and the demand for cables going forward. **We like the Construction, Building Material, Utilities, and Renewable Energy sectors under this theme.**

- **…and it requires Cyber Security and Cloud services.** With the data center boom, these sectors align with Malaysia's digital transformation and infrastructure push. Meanwhile, IoT, smart city solutions, and security cloud services are to gain traction alongside 5G and AI adoption. **The Technology sector will be crucial** in the rising data center environment.

- **NETR and NIMP masterplans gaining traction**. The NETR and NIMP blueprints will drive sustainable growth through policy support for green energy, high-tech manufacturing, and automation. The government's goal to increase renewable energy (RE) generation from 40% to 70% by 2050 is set to unlock significant **investment opportunities in the Utilities sector, specifically within the Natural Gas and Renewable Energy segments.**

- **Kick starting the ARM Holdings-Malaysia collaboration.** The partnership between ARM Holdings and Malaysia in semiconductor and AI development enhances the country's position in high-value tech manufacturing, potentially boosting local firms and attracting foreign investment in advanced chip design. Additionally, the KL20 summit and the National Semiconductor Strategy further establish Malaysia as a key player in the global semiconductor industry, **benefiting the Technology sector and EMS players**.

- **Net cash companies with stable dividend yields.** Still, we like companies with a solid balance sheet, a strong net cash position, and consistent dividends, which will be good to weather through a volatile market. **Key focus sectors include Utilities, Telcos, REITs, and Consumer,** which may offer defensive and attractive investment opportunities.

Factors/ Elements/ Theme for 3Q25 sectors and stock picks

Companies	Sector	AI/ Data Center	Power/ Electricity/ NETR	Resilient Demand	Solid Orderbook	Net cash/ Dividend Yield	Quality scoring	Momentum Scoring	Combined Scoring
ADB	Technology			✓		✓	A	A	A
CLOUDPT	Technology	✓		✓		✓	A	B	A
EG	Technology	✓		✓			A	A	A
KGB	Technology	✓	✓	✓	✓	✓	A	A	A
GASMSIA	Utilities		✓	✓		✓	B	A	A
KJTS	Utilities	✓	✓			✓	D	A	A
UUE	Utilities	✓	✓				B	D	D
BMGREEN	Renewable Energy		✓			✓	C	B	B
PEKAT	Renewable Energy		✓	✓	✓		A	A	A
SCGBHD	Industrial Products	✓	✓	✓	✓		A	A	A
GAMUDA	Construction	✓	✓	✓	✓		C	A	A
OSK	Finance	✓		✓			C	A	A
KFIMA	Conglomerate		✓			✓	B	A	A
YTL	Conglomerate	✓	✓	✓	✓		A	D	C

Source: M+ Global

ADB – Strong e-invoicing demand with solid cash position

- **ADB is a software provider in Malaysia** which offers a suite of accounting and business applications including POS, cloud-based accounting, payroll, and others**.**
- **Record profit**. In 1Q25, the net income grew 235.6% YoY to RM13.7m, driven by stronger distribution of financial management software, following the increase in demand of e-invoicing module.
- **Strong cash position.** ADB's net cash stood at RM57.2m, which is 10% of the market cap and we believe ADB will continue to provide at least 2 sen DPS per quarter, which will translate to c.7-8% of dividend yield.

Fig #8 ADB– Rebound above the support zone



Source: Bloomberg, M+ Global

CLOUDPT – Cybersecurity may pickup with DC trend

- **CLOUDPT is a Malaysia IT solutions provider** engaged in Data Center networking, cybersecurity, cloud computing, and Enterprise AI solutions to financial services institutions, large enterprises, and telecommunication companies.
- **Growing earnings**. In 1Q25, ADB's net income grew 21.5% YoY to RM4.5m, led by its networking, cybersecurity solutions, digital applications and cloud services segments, respectively.
- **Rising demand for CLOUDPT's products and services.** In view of businesses advancing their digital and AI strategies, emphasising automation and data security, we believe CLOUDPT is well positioned to capture opportunities within the high-growth areas such as cybersecurity, data centers, enterprise IT infrastructure and cloud services.

Fig #9 CLOUDPT – Bottoming out formation



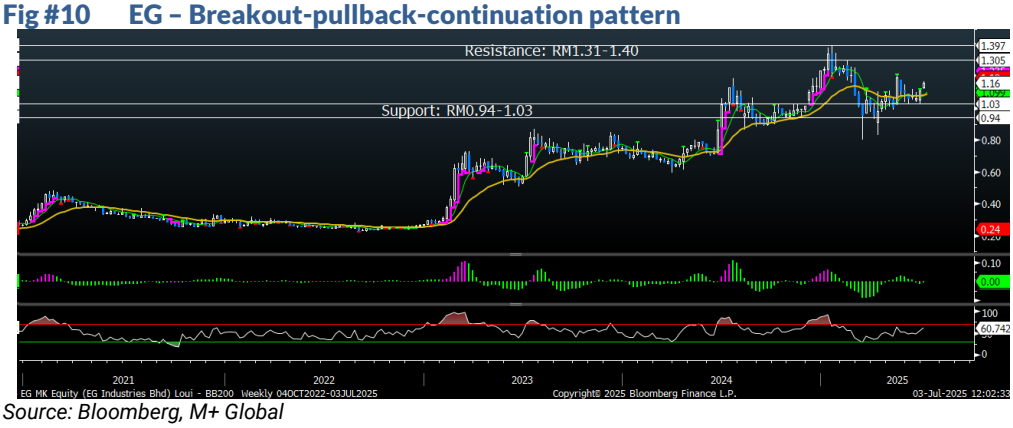
Source: Bloomberg, M+ Global

EG – Anticipate strong demand for Optical and AI Modules

- **EG is the one of the leading EMS and Vertical Integration providers** for world-renowned brand names of electrical and electronic products.

- **Growing revenue and earnings**. 9M25 PATAMI improved 84.3% YoY to RM61.8m, driven primarily by higher yields from 5G wireless access and photonics-related products.
- **Positive outlook with Master Purchase Agreement (MPA).** EG is anticipating strong demand for its optical and AI modules driven by wireless and data center growth, a new US-based customer MPA. Production of these advanced solutions will be manufactured in the new Smart Factory 4.0 in Batu Kawan, Penang.

Fig #10 EG – Breakout-pullback-continuation pattern

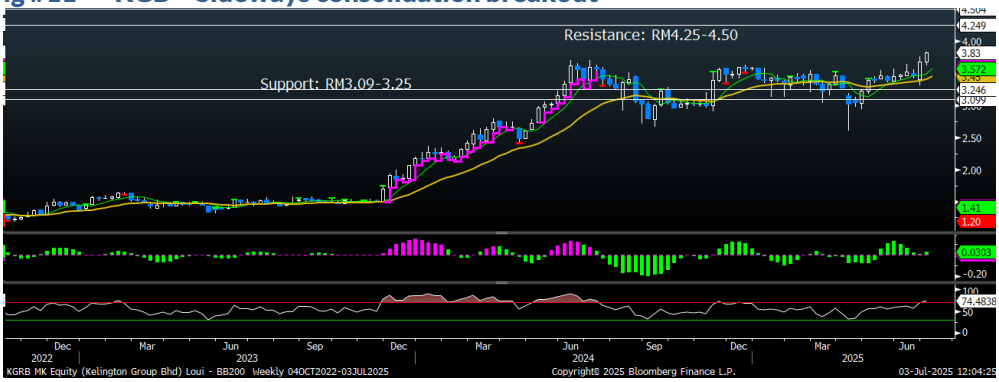


Source: Bloomberg, M+ Global

KGB – Solid orderbook and emerging as key CCUS player

- **KGB is involved in ultra-high purity (UHP) delivery systems,** process engineering and general contracting. The company commenced maiden production of LCO2 in 4Q19.
- **Orderbook stood at RM1.43bn**. In 1Q25, KGB has added RM390m contract wins and KGB is expecting stronger orders in 2H. Majority of orderbook is within in the Advanced Engineering segment, while total tenderbook stood at RM4.0bn.
- **Kerteh LCO2 Plant operates as a Carbon Capture Technology.** While the demand for liquid carbon dioxide remains stable, the company is pursuing long-term growth by aiming to become a key player in the emerging Carbon Capture, Utilisation, and Storage (CCUS) industry, where NETR may have >RM25bn in investments.

Fig #11 KGB – Sideways consolidation breakout



Source: Bloomberg, M+ Global

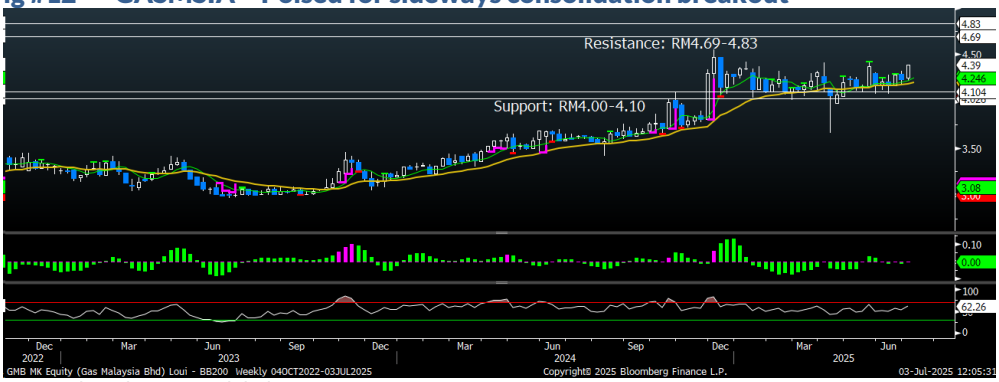
GASMSIA – Pivotal role in NETR policy

- **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.
- **Pivotal Role in National Energy Policy.** Under the NETR, natural gas is designated a

key transition fuel for Malaysia, essential for phasing out coal and balancing renewable energy sources. By 2050, it is forecast to supply 56% of the nation's total energy.

- **Strong financial health.** The company maintains a robust balance sheet with RM317.4m in net cash, complemented by a compelling dividend yield of around 6.0%, signalling strong financial stability and value for investors.

Fig #12 GASMSIA – Poised for sideways consolidation breakout

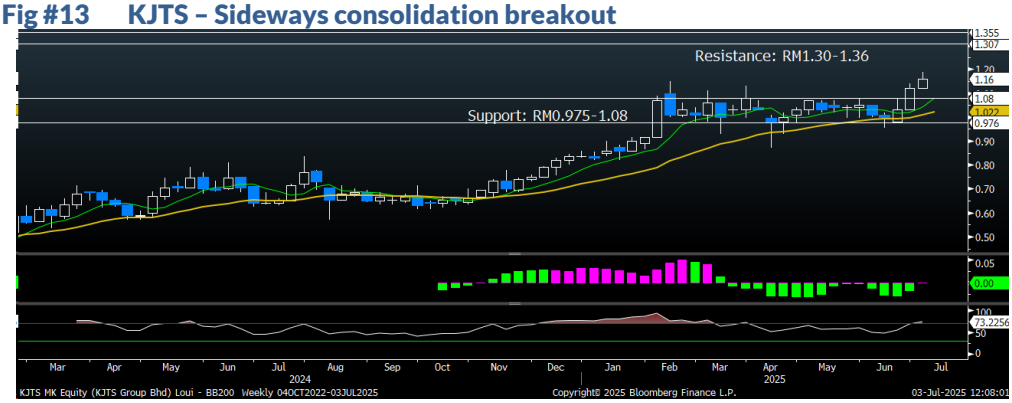


Source: Bloomberg, M+ Global

KJTS – One-stop integrated cooling energy solutions provider

- **KJTS Group provides one-stop integrated building support services**, including the EPCC of cooling energy systems, cleaning, and facilities management.
- **Strongest earnings since listing.** In 1Q25, the earnings grew 604.7% YoY to RM4.2m, led by EPCC projects of Cooling Energy segment and steady growing customer base in the Cleaning Services segment.
- **Decent prospects with electricity hike.** KJTS is expected to see accelerate demand for its cost-effective solutions, particularly in cooling energy infrastructure and energy-as-a-service models following the electricity base tariff hike starting from July-2025 onwards.

Fig #13 KJTS – Sideways consolidation breakout



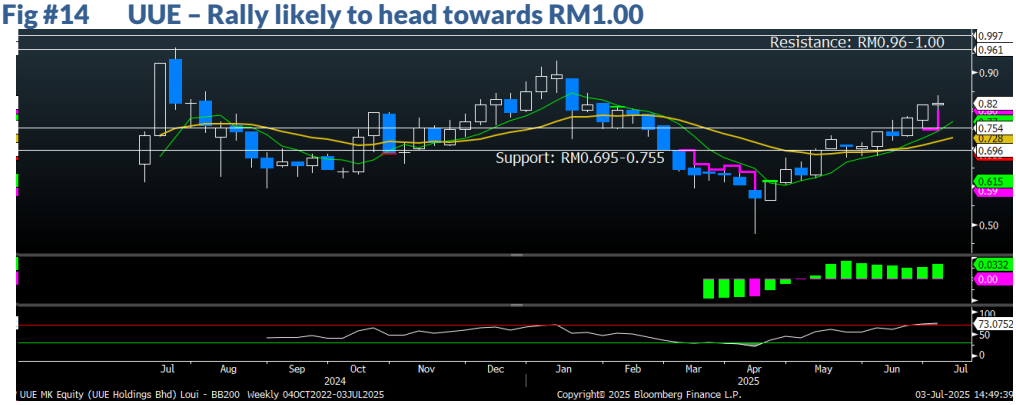
Source: Bloomberg, M+ Global

UUE – Solid demand in the underground utilities segment

- **UUE engaged in underground utilities engineering solutions** in Malaysia and Singapore, specialising in the Horizontal Directional Drilling method and has expanded into manufacturing and trading HDPE pipes.
- **Strong demand for underground utilities engineering solutions segment.** In 1Q25, the net income grew 171.5% to RM3.5m, and we believe with the rising electricity demand from DCs and Tenaga's CapEx into power grids will provide upside to UUE.
- **Secured deals worth RM92.4m.** Recently, it has been awarded with 3 new contracts

and a renewal of an existing contract, and it brings the total order wins for 2025 to RM184.5m.

Fig #14 UUE – Rally likely to head towards RM1.00



Source: Bloomberg, M+ Global

BMGREEN –Green and renewable energy solutions

- **BMGREEN is involved in integrated biomass power generation systems** and innovative technological solutions to enhance productivity and environmental protection in the palm industry.
- **Strongest net income since QL emerged as BMGREEN's shareholders.** BMGREEN recorded a 14Y CAGR of 7.4% in earnings, hitting RM52.4m in 2025. Since then, it has expanded to water and solar segments, diversifying from bio-energy segment.
- **PXH acquisition.** BMGREEN acquired Plus Xnergy Holdings (PXH) for RM110m, and this will expand BMGREEN's presence in the solar PV solutions segment. PXH has a profit guarantee of at least RM44m over 4 year.

Fig #15 BMGREEN – Awaiting sideways consolidation breakout



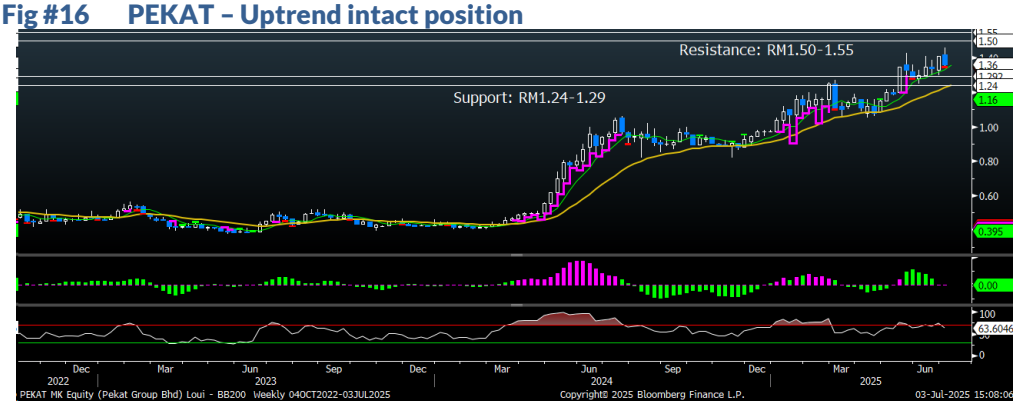
Source: Bloomberg, M+ Global

PEKAT – Going solar and expanding to power distribution

- **PEKAT is a leading EPCC service provider** in solar photovoltaic (PV) systems, earthing and lightning protection systems, and other renewable energy solutions.
- **Another quarter earnings.** PEKAT managed to fetch RM12.1m net profit for 1Q25, which is the highest since listing. Also, we believe the TNB's tariff hike effective in July-25 will expedite the solar PV adoption for businesses and households looking to manage rising energy costs.
- **Orderbook stood at RM590.9m** as of Feb-25, translating to a cover ratio of slightly more than 2x on 2024 revenue will provide decent earnings visibility.
- **Apex Power Acquisition.** PEKAT has acquired Apex Power, is a power distribution equipment business that may complement PEKAT. Also, it will provide a profit

guarantee of not less than RM48m over FY24-26 and expected to contribute 25% or more on bottom-line to PEKAT in the future.

Fig #16 PEKAT – Uptrend intact position

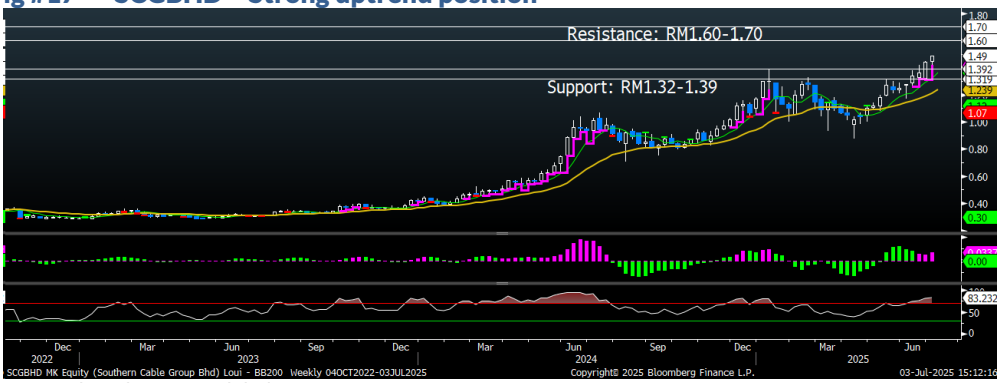


Source: Bloomberg, M+ Global

SCGBHD – Significant role in power segment

- **SCGBHD is a reputable manufacturer providing a wide range of cables and wires** for power distribution, communications, and control applications to diverse industries.
- **Record quarter earnings.** In 1Q25, it has registered RM27.4m, up 94.7% YoY, driven by higher sales volume of power cables and wires and adjusted ASP.
- **Secured contracts worth RM403.6m.** SCGBHD managed to secure contracts from TNB to supply and deliver underground cables and conductors for one year and as of end-Mar 2025, its orders in hand stood at RM1.32m, providing financial visibility until 2026.

Fig #17 SCGBHD – Strong uptrend position

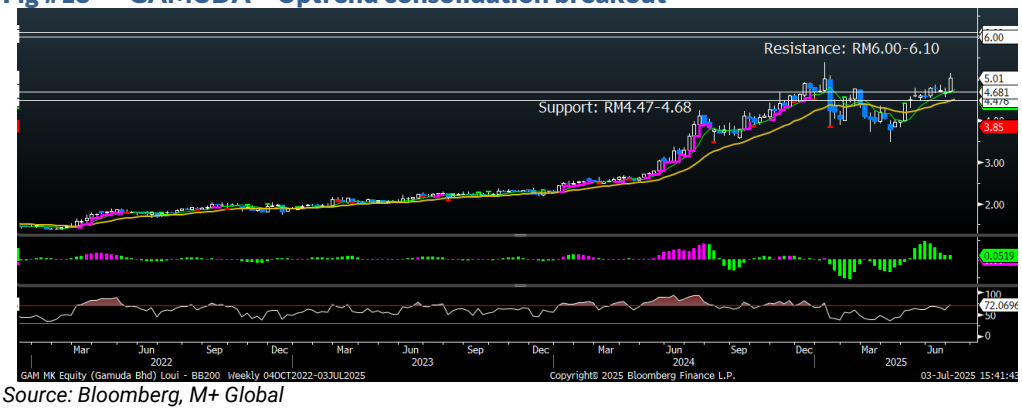


Source: Bloomberg, M+ Global

GAMUDA – Growing regional presence and solid orderbook

- **GAMUDA is a regional engineering, property and infrastructure** group based in Malaysia. It is one of the largest Malaysian infrastructure companies, with a proven track record of delivering innovative breakthrough solutions worldwide.
- **On track to meet its order book target of RM40-45bn,** bolstered by a record of RM15.8bn in project wins so far this fiscal year, translating to a current order book of RM34.6bn**.** Also, through the GAMUDA-Dong Pi JV, it has been awarded with Kaohsiung Port contract, worth RM3.7bn.
- **RE opportunities in Australia.** Gamuda's Australian subsidiary has partnered with local landowners in Central Tasmania to jointly develop a major renewable energy portfolio, including up to 600 MW of wind and solar power, complemented by a 600 MW battery energy storage system.

Fig #18 GAMUDA – Uptrend consolidation breakout

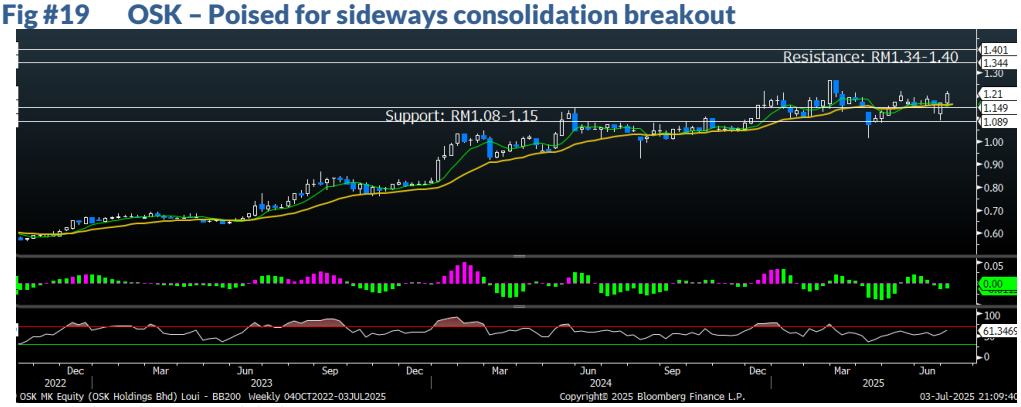


Source: Bloomberg, M+ Global

OSK – A proxy to RHB and firing on all cylinders

- **OSK is a diversified conglomerate** with businesses in Property Development and Investment, Financial Services, Industries, Hospitality, and Investment Holding.
- **Prospects looking positive.** The property segment has unbilled sales of RM1.2bn, with substantial land bank valued at RM17.7bn. Meanwhile, the industries segment is poised for growth, as the cable division expand its production capacity to meet new utility orders. Over to the hospitality segment, it should be fuelled by extended visa-free travel policies. The financial services segment expects continued growth through the rest of 2025 with the outstanding loans registered at RM2.4bn in 1Q25 vs RM1.7bn in 1Q24.
- **Higher dividends from RHB.** In 1Q25, the investment holdings segment rose to RM73.7m, vs RM68.5m in 1Q24, due to a larger profit contribution from the improved performance of RHB.

Fig #19 OSK – Poised for sideways consolidation breakout



Source: Bloomberg, M+ Global

KFIMA – Bulking division to gain traction

- **KFIMA is a diversified group involved in manufacturing, plantation, bulking, and food sectors** across Malaysia, Indonesia, and Papua New Guinea.
- **Bulking, Plantation and Food divisions reported growth.** In FY25, revenue grew 7%, while the PAT added 84.1% YoY to RM152.2m, thanks to growth in the bulking, plantation and food divisions.
- **Bulking division will be core contributor.** The Bulking division has enhanced its storage capacity with 18 new tanks in North Port Klang in March 2025. The division is set for further expansion with its new Tanjung Langsat Terminal in Johor, where operations for 21 tanks are expected to commence in the second quarter of fiscal year 2026 to meet long-term customer demand.

Fig #20 KFIMA – Sideways consolidation breakout in uptrend wave



Source: Bloomberg, M+ Global

YTL – Favourable domestic driven conglomerate

- **YTL is a Malaysian multinational conglomerate** with diverse interests in utilities, construction, cement, property development, hotels, and digital technologies.
- **Construction, Utilities and Cement outlook remains favourable.** We expect YTL to continue securing new projects as data center construction proceeds on track. The cement industry is set for stable growth, bolstered by civil engineering, infrastructure, and the forthcoming Johor-Singapore Special Economic Zone (JSSEZ). As an essential service, power generation will see sustained demand. Notably, YTL is developing a 500MW solar facility in its Kulai Young Estate to power a corresponding 500MW green data center park.
- **NVIDIA partnership and resumption of data center trend.** Their partnership with Nvidia Corp made them a good proxy to the enormous potential of the artificial intelligence (AI) chipmaker and we believe after the selldown in 1Q25, we believe values have emerged within YTL for investors to ride the new upward trend.

Fig #21 YTL – Forming a bottoming out breakout formation



Source: Bloomberg, M+ Global

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As of **Friday, 04 Jul, 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