Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52,218.6	(0.0)	(0.8)	1.0	8.6
S&P 500	7,499.0	(0.1)	(1.0)	0.4	9.5
FTSE 100	10,717.0	1.2	1.9	2.7	7.9
AS30	9,004.9	0.3	(0.3)	(0.3)	(0.2)
CSI 300	4,717.2	(0.5)	(1.5)	(6.8)	1.9
FSSTI	5,595.4	1.2	0.6	7.5	20.4
HSCEI	8,251.1	(1.3)	0.8	4.2	(7.4)
HSI	24,892.7	(1.0)	0.9	4.7	(2.9)
JCI	6,334.5	(0.1)	4.8	3.6	(26.7)
KLCI	1,711.4	(0.5)	(0.1)	0.6	1.9
KOSPI	6797.7	0.7	(6.7)	(25.4)	61.3
Nikkei 225	66,115.6	(0.2)	(3.8)	(8.6)	31.3
SET	1,639.3	(0.8)	0.6	4.1	30.1
TWSE	44,825.8	1.3	(1.8)	(6.1)	54.8
BDI	2,715.0	1.7	(7.3)	1.2	44.6
CPO (RM/mt)	4,497.0	0.0	(0.0)	(1.7)	14.3
Brent Crude (US$/bbl)	94.1	3.4	10.7	20.8	54.6

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Hybrid Post-result Group Luncheon with Plover Bay Technologies Ltd (1523 HK)	Hong Kong	31 Jul	31 Jul
Virtual Meeting with i-Tail Corporation Public Company Limited (ITC TB)	Thailand	05 Aug	05 Aug

Corporate & Macro Calendar

Economic Indicator/Event	Country/Region	Date
PMI	Malaysia	3 Aug
Foreign Reserves	Malaysia	7 Aug
Industrial Production	Malaysia	11 Aug
Manufacturing Sales	Malaysia	11 Aug

Please click on the page number to move to the relevant page

Top Stories

Company Results | Eco-Shop Marketing (ECOSHOP MK/**BUY**/RM1.49/Target: RM1.70) Page 2

Earnings are within expectations as SSSG appears to have reached an inflection point. Gross margins improved amid Middle East spillover cost filtering through but opex increased due to seasonal staff-related expenses. Maintain BUY as Eco-Shop offers attractive growth, underpinned by its store expansion rollout. Target price remains unchanged at RM1.70.

Company Results | IGB REIT (IGBREIT MK/**BUY**/RM2.71/Target: RM3.16) Page 5

2Q26 results were ahead of our expectations. IGB REIT declared a dividend of 3.44 sen, representing an annualised distribution yield of 5.1%. Management maintained its mid-single-digit reversion guidance for 2026, while we expect MVS to outperform the portfolio's reversion guidance and benefit from robust cross-border spending by Singaporeans. Upgrade from HOLD to BUY with a higher target price of RM3.16 as we adjust our DPU forecast upwards by 5-7%.

Market Spotlight

Page 8

- The FBMKLCI continued to slide lower for the third consecutive days by 9.00pt to close at 1,711.37 yesterday amid persistent selling pressure in index-linked counters.
- US stocks were lower after the close on Wednesday, as losses in the consumer services, healthcare and technology sectors led shares lower.

Technical Analysis

FBMKLCI, FCPO & FKLI Index Outlook Page 9

Traders' Corner Page 11

KESM Industries | KESM MK
Trading Buy Range: RM4.20-4.25

KJTS Group | KJTS MK
Trading Buy Range: RM0.815-0.82

MGB | MGB MK
Trading Buy Range: RM0.445-0.45

Disclaimer: *In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.*

Eco-Shop Marketing (ECOSHOP MK)

4QFY26: SSSG Hits An Inflection Point

Highlights

- Earnings are within expectations as SSSG appears to have reached an inflection point.
- Gross margins improved amid Middle East spillover cost filtered through but opex increased due to seasonal staff-related expenses.
- Maintain BUY as Eco-Shop offers attractive growth, underpinned by its store expansion rollout. Target price remains unchanged at RM1.70.

BUY (Maintained)	
Share Price	RM1.49
Target Price	RM1.70
Upside	14.1%

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4QFY26 Results

Year to 31 May	4QFY26 (RMm)	qoq % chg	yoy % chg	FY26 (RMm)	yoy % chg	Comments
Revenue	**772.9**	**3.9**	**12.2**	**2,915.8**	**4.6**	4QFY26 SSSG came in at -2.3% (improvement from 3QFY26's -12.9%).
GP	**266.9**	**6.3**	**21.3**	**969.7**	**23.3**	
EBITDA	**136.3**	**-4.0**	**25.8**	**526.4**	**22.1**	
PBT	89.2	-9.0	30.9	352.5	25.4	
Profit	**72.6**	**1.9**	**47.0**	**264.6**	**29.4**	
Core PATAMI	**64.7**	**-9.2**	**15.7**	**256.7**	**22.6**	Within expectations.
Margins	%	+/- ppt	+/- ppt	%	+/- ppt	
Gross Profit	34.5	0.8	2.6	33.3	5.0	Gross margins improved despite Middle East conflict impact filtering through.
EBITDA	17.6	-1.4	1.9	18.1	2.6	Higher opex relating to staff incentive, bonus and ESOS.
Effective Tax Rate	-18.6	8.7	8.9	-24.9	2.3	
Core Profit	8.4	-1.2	0.3	8.8	1.3	

Source: Eco-Shop, UOB Kay Hian

Analysis

- **Within expectations.** Eco-Shop Marketing (Eco-Shop) registered a 4QFY26 core profit of RM64.7m (15.7% yoy, -9.2% qoq), bringing FY26 core profit to RM256.7m (+22.6% yoy). This falls within expectations with earnings accounting for 100% of both our and consensus estimates. Core profit has excluded a one-off deferred tax liability that amounted to RM7.9m. Highlights for the quarter include SSSG shrinking to -2.3% from -12.9% in the preceding quarter while gross margins improved despite a full quarter's impact from the Middle East conflict spillover cost filtering through.

Key Financials

Year to 31 May (RMm)	2025	2026	2027F	2028F	2029F
Net turnover	2,788	2,916	3,714	4,484	5,160
EBITDA	377	486	555	635	710
Operating profit	254	341	385	444	499
Net profit (rep./act.)	212	257	316	363	413
Net profit (adj.)	212	257	316	363	413
EPS	3.7	4.5	5.5	6.3	7.2
PE	40.3	33.4	27.1	23.6	20.7
P/B	8.7	7.5	6.6	5.8	5.1
EV/EBITDA	21.6	16.5	14.4	12.5	11.1
Dividend yield	1.8	1.4	1.8	2.1	2.4
Net margin	7.6	8.8	8.5	8.1	8.0
Net debt/(cash) to equity	(24.5)	(27.8)	(24.1)	(25.0)	(27.7)
Interest cover	15.3	16.7	19.3	20.3	22.4
ROE	23.3	23.6	24.5	24.8	24.8
Consensus net profit	n.a.	n.a.	316	366	415
UOBKH/Consensus (x)	n.a.	n.a.	1.00	0.99	1.00

Source: Eco-Shop, Bloomberg, UOB Kay Hian

Stock Data

GICS Sector	Consumer Discretionary
Bloomberg ticker	ECOSHOP MK
Shares issued (m)	5,749.0
Market cap (RMm)	8,578.2
Market cap (US$m)	2,092
3-mth avg daily t'over (US$m)	3.1

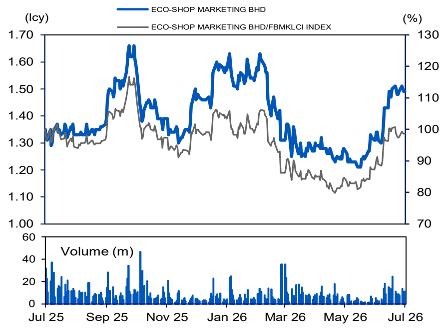
Price Performance (%)

52-week high/low				RM1.66/RM1.13
1mth	**3mth**	**6mth**	**1yr**	**YTD**
13.7	17.3	(5.7)	13.7	2.1

Balance Sheet Metrics

FY27 NAV/Share	0.2
FY27 Net Debt/Share	0.0

Price Chart



Source: Bloomberg

Company Description

Eco-Shop Marketing is Malaysia's leading fixed-price retailer, offering affordable everyday essentials through a fast-growing nationwide store network.

- **SSSG inflection?** 4QFY26 revenue grew 12.2% yoy (3.9% qoq) as higher store count (24.5% or 91 net new stores to 462 stores) more than offset SSSG contracting 2.3% yoy. While the latter contracted, it was a marked improvement from the preceding quarter's contraction of 12.9%. Management indicated that SSSG has been trending positive since May, which bodes well for 1QFY27. The recovery in SSSG is attributed to foot traffic recovering (particularly in the East Coast and Central Malaysia regions), marketing initiatives and store refurbishment efforts.
- **Gross margins expanded despite Middle East conflict impact…** 4QFY26 gross margin expanded 0.8ppt qoq (+2.6ppt yoy) to 34.5% despite the Middle East conflict spillover costs filtering through. It was more than offset by the strengthening of the ringgit vs the renminbi, improved product mix from increased house-brand contributions and reclassification of supplier rebate. Close to 700 SKUs have been affected by supplier cost increases, which is an increase from 250SKUs early on when the conflict first broke out. It remains highly manageable as Eco-Shop has close to 13,000SKUs altogether.
- **…but tempered by seasonally induced opex.** In terms of operating margins, the improvement was tempered to -1.4ppt qoq (1.9ppt yoy) due to higher overhead expenses arising from seasonal expenses such as staff target incentive, employee share option scheme (ESOS) and bonus payouts. Core PAT margins were tempered further to -1.2ppt qoq (+0.3ppt yoy) following higher interest expense and depreciation as earnings contracted 9.2% qoq (+15.7% yoy).

Valuation/Recommendation

- **Maintain BUY with an unchanged target price of RM1.70.** We like Eco-Shop for its attractive three-year profit CAGR of 17.2% driven by its store expansion-led growth. Its SSSG appears to have hit an inflection point as well, potentially indicating limited downside risk to SSSG.
- We value Eco-Shop at 31.0x 2027F PE (from 34.5x), at a discount to our valuation for 99SM (38.9x) but more closely aligned with Mr. DIY (30.0x) given Eco-Shop's more moderated earnings growth since its IPO listing. 99SM deserves a valuation premium given its index-linked status, resilient underlying demand reflected by its SSSG and superior capital efficiency.

Earnings Revision/Risk

- **No changes to earnings.** Key risks include the strengthening of the renminbi against the ringgit and a sharp deterioration in consumer sentiment.

Margin Assumptions

	FY27F	FY28F	FY29F
Avg. base ASP (RM)	2.63	2.70	2.70
Gross margin (%)	32.2	32.8	32.8
Operating margin (%)	16.9	16.1	15.7

Source: Eco-Shop, UOB Kay Hian

Growth And Margin Outlook

	FY27F	FY28F	FY29F
Revenue (RMm)	**3,714**	**4,484**	**5,160**
Growth yoy (%)	27.4	20.7	15.1
PAT (RMm)	**316**	**363**	**413**
Growth yoy (%)	23.3	14.9	13.7
3-year CAGR (%)	15.6	17.2	21.0
Gross Margin (%)	32.2	32.8	32.8
EBIT Margin (%)	12.3	11.8	11.6
PAT Margin (%)	8.5	8.1	8.0

Source: Eco-Shop, UOB Kay Hian

Environmental, Social, Governance (ESG)

Environmental

- Energy & emission efficiency. Eco-Shop achieved a 2.5% reduction in emission intensity in FY24, lowering it from 24.63 to 24.02 tCO2e per million revenue in ringgit, even as store count grew from 240 to 297. LED lighting and passive architectural designs at key distribution centres drive energy conservation.

Social

- Workplace safety & inclusion. Eco-Shop has established a Health and Safety Committee and an OSHA committee that meets quarterly. These bodies oversee safety training, risk audits, and workplace wellness for its over 6,000 employees across operations.

Governance

- ESG oversight and independent validation. While Eco-Shop has not yet received external ESG certification, its sustainability disclosures are incorporated in the IPO prospectus. Financial data, including ESG-linked reporting elements, has been reviewed and assured by PricewaterhouseCoopers (PwC) as part of its reasonable assurance report on the pro forma financials submitted to the Securities Commission Malaysia.

Source: Eco-Shop, UOB Kay Hian

Profit & Loss

Year to 31 May (RMm)	2026	2027F	2028F	2029F
Net turnover	**2,915.8**	**3,713.9**	**4,483.9**	**5,159.8**
EBITDA	485.9	555.3	634.7	710.2
Deprec. & amort.	145.2	170.0	191.2	211.0
EBIT	340.7	385.3	443.6	499.2
Total other non-operating income	40.5	70.6	85.2	98.0
Associate contributions	0.4	0.4	0.4	0.4
Net interest income/(expense)	(29.1)	(28.8)	(31.2)	(31.6)
Pre-tax profit	**352.5**	**427.5**	**497.9**	**566.0**
Tax	(87.9)	(111.1)	(134.4)	(152.8)
Minorities	0.0	0.0	0.0	0.0
Net profit	**264.6**	**316.3**	**363.5**	**413.2**
Net profit (adj.)	256.7	316.3	363.5	413.2

Balance Sheet

Year to 31 May (RMm)	2026	2027F	2028F	2029F
Fixed assets	931.1	1,038.3	1,115.1	1,172.2
Other LT assets	218.6	241.1	272.3	307.8
Cash/ST investment	30.7	26.2	83.0	180.7
Other current assets	764.6	912.3	1,036.9	1,150.3
Total assets	**1,945.0**	**2,218.0**	**2,507.3**	**2,810.9**
ST debt	0.0	0.0	0.0	0.0
Other current liabilities	403.3	480.7	560.4	634.7
LT debt	0.0	0.0	0.0	0.0
Other LT liabilities	407.3	444.7	472.6	495.3
Shareholders' equity	1,134.4	1,292.5	1,474.3	1,680.9
Minority interest	0.0	0.0	0.0	0.0
Total liabilities & equity	**1,945.0**	**2,218.0**	**2,507.3**	**2,810.9**

Cash Flow

Year to 31 May (RMm)	2026	2027F	2028F	2029F
Operating	**486.9**	**409.5**	**504.4**	**576.8**
Pre-tax profit	344.6	427.5	497.9	566.0
Tax	(97.1)	(111.1)	(134.4)	(152.8)
Deprec. & amort.	145.2	170.0	191.2	211.0
Associates	0.0	0.0	0.0	0.0
Working capital changes	76.5	(75.0)	(48.2)	(43.6)
Other operating cashflows	17.7	(1.8)	(2.0)	(3.8)
Investing	**(148.6)**	**(140.6)**	**(140.4)**	**(138.6)**
Capex (growth)	(141.7)	(142.0)	(142.0)	(142.0)
Investments	0.0	0.0	0.0	0.0
Proceeds from sale of assets	0.0	0.0	0.0	0.0
Others	(7.0)	1.4	1.6	3.4
Financing	**(328.4)**	**(273.4)**	**(307.2)**	**(340.5)**
Dividend payments	(146.7)	(158.2)	(181.7)	(206.6)
Issue of shares	0.0	0.0	0.0	0.0
Proceeds from borrowings	0.0	0.0	0.0	0.0
Loan repayment	0.0	0.0	0.0	0.0
Others/interest paid	(181.7)	(115.2)	(125.5)	(133.9)
Net cash inflow (outflow)	**9.9**	**(4.5)**	**56.8**	**97.7**
Beginning cash & cash equivalent	**20.9**	**30.7**	**26.2**	**83.0**
Changes due to forex impact	0.0	0.0	0.0	0.0
Ending cash & cash equivalent	**30.7**	**26.2**	**83.0**	**180.7**

Key Metrics

Year to 31 May (%)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	16.7	15.0	14.2	13.8
Pre-tax margin	12.1	11.5	11.1	11.0
Net margin	8.8	8.5	8.1	8.0
ROA	13.2	15.2	16.3	17.4
ROE	23.6	24.5	24.8	24.8
Growth				
Turnover	4.6	27.4	20.7	15.1
EBITDA	22.9	18.9	15.0	12.3
Pre-tax profit	19.2	24.1	16.5	13.7
Net profit	20.8	23.3	14.9	13.7
Net profit (adj.)	20.8	23.3	14.9	13.7
EPS	20.8	23.3	14.9	13.7
Leverage				
Debt to total capital	0.0	0.0	0.0	0.0
Debt to equity	0.0	0.0	0.0	0.0
Net debt/(cash) to equity	(27.8)	(24.1)	(25.0)	(27.7)
Interest cover	16.7	19.3	20.3	22.4

IGB REIT (IGBREIT MK)

2Q26: Solid Results With Dividend Of 3.44 Sen

	BUY (Upgraded)
Share Price	RM2.71
Target Price	RM3.16
Upside	16.6%
Previous TP	RM2.69

Analyst(s)
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Highlights

- 2Q26 results were ahead of our expectations. The REIT declared a dividend of 3.44 sen, representing an annualised distribution yield of 5.1%.
- Management maintained its mid-single-digit reversion guidance for 2026, while we expect MVS to outperform the portfolio's reversion guidance and benefit from robust cross-border spending by Singaporeans.
- Upgrade from HOLD to BUY with a higher target price of RM3.16 as we adjust our DPU forecast upwards by 5-7%.

2Q26 Results

Year to 31 Dec	2Q26 (RMm)	qoq % chg	yoy % chg	1H26 (RMm)	yoy % chg
Revenue	241.0	(7.8)	50.5	502.3	51.5
Property Expenses	(59.8)	10.1	48.6	(114.1)	45.3
Net Property Income	181.2	(12.5)	51.1	388.2	53.4
Other Income	66.8	(6.2)	49.8	5.7	35.5
Trust Expenses	(17.1)	(8.6)	59.6	(35.7)	62.8
Finance Costs	(23.2)	1.1	72.5	(46.2)	72.5
Core Net Profit	143.9	(14.3)	47.1	311.9	49.6
EPU (sen)	3.32	(14.4)	23.1	7.2	25.2
DPU (sen)	3.44	(14.0)	22.0	7.440	23.8
Margins	%	+/- ppt	+/- ppt	%	+/- ppt
Net Property Income	75.2	(4.0)	0.3	77.3	1.0
Core Net Profit	59.7	(4.6)	(1.4)	62.1	(0.8)

Source: IGB REIT, UOB Kay Hian

Analysis

- **Results ahead of our full-year forecasts.** IGB REIT reported 2Q26 revenue of RM241m (-8% qoq; +51% yoy) and core net profit of RM144m (-14% qoq; +47% yoy). This brings 1H26 core net profit to RM312m (+50% yoy), accounting for 54% and 52% of our and consensus full-year estimates. The results were ahead of our expectations due to higher-than-expected top-line. Net property income (NPI) margin was flat yoy at 75.2%.
- **Declared 3.44 sen dividend for 2Q26** (vs 1Q26/2Q25: 4.00 sen/2.82 sen), with a payout ratio of 97.5%. The DPU of 3.44 sen represents an annualised distribution yield of 5.1%.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	626.1	687.8	1,000.4	1,037.5	1,075.2
Operating profit	455.7	516.3	748.3	766.2	795.1
Net profit (rep./act.)	579.8	643.2	617.7	640.7	670.9
Net profit (adj.)	368.7	418.2	617.7	640.7	670.9
EPU (sen)	10.2	9.7	14.2	14.7	15.4
DPU (sen)	10.7	11.8	14.7	15.2	15.8
PE (x)	26.6	28.0	19.0	18.4	17.6
P/B (x)	2.3	1.9	1.8	1.8	1.8
DPU Yld (%)	3.9	4.3	5.4	5.6	5.8
Net margin (%)	58.9	60.8	61.7	61.8	62.4
Net debt/(cash) to asset (%)	16.7	22.2	19.6	18.4	17.0
Interest cover (x)	9.1	9.3	10.3	11.6	12.6
Consensus DPU (sen)			13.9	14.8	15.1
UOBKH/Consensus (x)			1.06	1.03	1.05

Source: IGB REIT, Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Real Estate
Bloomberg ticker	IGBREIT MK
Shares issued (m)	4,328.7
Market cap (RMm)	11,774.2
Market cap (US$m)	2,890.9
3-mth avg daily t'over (US$m)	2.0

Price Performance (%)

52-week high/low				RM3.16/RM2.51
1mth	3mth	6mth	1yr	YTD
(0.4)	(3.5)	(5.9)	0.4	(0.4)

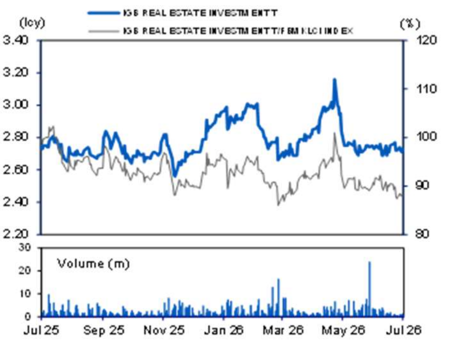
Major Shareholders

	%
IGB Corporation Bhd	45.8
Employees Provident Fund	9.1
Kumpulan Wang Persaraan	5.2

Balance Sheet Metrics

FY26 NAV/Share (RM)	1.9
FY26 Net Debt/Share (RM)	0.5

Price Chart



Source: Bloomberg

Company Description

IGB REIT is a real estate investment trust. Its portfolio consists of the Mid Valley Megamall and The Gardens Mall in Malaysia.

- **Mid-single-digit rental reversion for 2026.** IGB REIT guides for positive mid-single-digit rental reversion in 2026. Overall portfolio tenant sales growth remained positive yoy despite fewer festive periods in 2Q26. Management attributed the rise in operating costs to the consolidation of Mid Valley Southkey Mall (MVS), utility cost fluctuations, higher staff costs and third-party services. In 2Q26, the growth in operating expenses (+48% yoy) was manageable, as it was below the increase in enlarged GFA base (+51% yoy).
- **Mid Valley Megamall (MVM): Stable with near full occupancy.** MVM recorded 2Q26 revenue growth of 3.2% yoy, with monthly revenue at RM19.1psf (+2.0% yoy). NPI rose 2.4% while NPI margin was flattish at 77.6% (-0.6ppt yoy). Occupancy rate remained resilient at 99.4%. About 40.5% of leases are due for expiry this year, with major tenants such as AEON (17.0%) and Golden Screen Cinemas (5.6%) expected to renew.
- **The Gardens Mall: AEIs during the quarter impacted NPI growth.** The Gardens Mall delivered solid 2Q26 revenue, with revenue up 4.6% yoy and monthly revenue at RM16.7psf (+2.8% yoy). NPI was down 0.6% yoy and NPI margin narrowed 63.9% (-3.3ppt yoy), due to certain AEIs works done during the quarter.
- **MVS to record higher than mid-single-digit growth rental reversion.** MVS recorded revenue and NPI of RM75m and RM59m respectively in 2Q26, accounting for around one-third of the overall portfolio. Monthly revenue grew to RM15.0psf in 2Q26 (vs 2025: 14.2psf), supported by Singaporeans spending, which accounted for 35-40% of spending at the mall. On a blended basis, rental reversion for the mall is expected at high single digits, while turnover rent mix should eventually normalise at the mid-to-high teens.

Earnings Revision/Risk

- We raise our 2026-28 earnings forecasts by 5-6% and our DPU forecasts for 2026-28 are now 14.7 sen/15.2 sen/15.8 sen respectively.

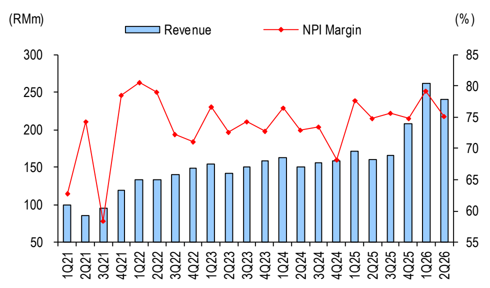
Valuation/Recommendation

- **Upgrade to BUY with a higher target price of RM3.16 from RM2.69.** Our target price is based on a dividend discount model (required rate of return: 6.4%, terminal growth: 1.5%), with an implied dividend yield of 4.6%/4.8% for 2026/27.

Environment, Social, Governance (ESG) Updates

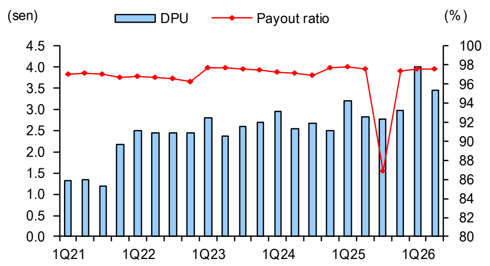
- **Environment** – Remains committed to exploring ways to continue to reduce energy consumption and monitor total electricity consumed monthly. Electricity consumption has been on a downtrend since 2016 (base year).
- **Social** – Regular cybersecurity training through e-portals as well as ad hoc social engineering tests throughout the year.
- **Governance** – The Board comprises four independent directors and five non-independent directors. There are four Board Committees – Audit Committee, Nomination Committee, Remuneration Committee and Sustainability Committee.

Revenue And NPI Margin



Source: IGB REIT, UOB Kay Hian

DPU And Payout Ratio



Source: IGB REIT, UOB Kay Hian

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	**687.8**	**1,000.4**	**1,037.5**	**1,075.2**
EBITDA	468.5	684.0	701.1	728.5
Deprec. & amort.	0.0	0.0	0.0	0.0
EBIT	468.5	684.0	701.1	728.5
Associate contributions	0.0	0.0	0.0	0.0
Net interest income/(expense)	(50.3)	(66.3)	(60.4)	(57.6)
Pre-tax profit	**643.2**	**617.7**	**640.7**	**670.9**
Tax	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0
Net profit	**643.2**	**617.7**	**640.7**	**670.9**
Net profit (adj.)	418.2	617.7	640.7	670.9

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	8,369.2	8,369.2	8,369.2	8,369.2
Other LT assets	2.1	5.1	8.1	11.1
Cash/ST investment	305.4	492.6	579.4	684.7
Other current assets	81.6	89.6	105.9	102.6
Total assets	**8,758.2**	**8,956.4**	**9,062.6**	**9,167.5**
ST debt	18.8	18.8	18.8	18.8
Other current liabilities	242.5	398.7	406.6	408.5
LT debt	2,228.8	2,228.8	2,228.8	2,228.8
Other LT liabilities	0.0	0.0	0.0	0.0
Shareholders' equity	6,268.2	6,310.2	6,408.5	6,511.5
Minority interest	0.0	0.0	0.0	0.0
Total liabilities & equity	**8,758.2**	**8,956.4**	**9,062.6**	**9,167.5**

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	**530.4**	**832.2**	**692.6**	**733.7**
Pre-tax profit	418.2	617.7	640.7	670.9
Tax	0.0	0.0	0.0	0.0
Deprec. & amort.	0.0	0.0	0.0	0.0
Associates	0.0	0.0	0.0	0.0
Working capital changes	(65.1)	148.2	(8.4)	5.2
Other operating cashflows	177.4	66.3	60.4	57.6
Investing	**(1,050.5)**	**(3.0)**	**(3.0)**	**(3.0)**
Capex (growth)	(0.7)	(3.0)	(3.0)	(3.0)
Investments	0.0	0.0	0.0	0.0
Others	(1,049.8)	0.0	0.0	0.0
Financing	**565.6**	**(585.8)**	**(602.8)**	**(625.5)**
Distribution to unitholders	(408.6)	(509.8)	(526.8)	(549.5)
Issue of shares	0.0	0.0	0.0	0.0
Proceeds from borrowings	1,030.0	0.0	0.0	0.0
Loan repayment	0.0	0.0	0.0	0.0
Others/interest paid	(55.8)	(76.0)	(76.0)	(76.0)
Net cash inflow (outflow)	**45.5**	**243.4**	**86.9**	**105.2**
Beginning cash & cash equivalent	**203.6**	**249.2**	**492.6**	**579.4**
Changes due to forex impact	56.2	0.0	0.0	0.0
Ending cash & cash equivalent	**305.4**	**492.6**	**579.4**	**684.7**

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	68.1	68.4	67.6	67.8
Pre-tax margin	93.5	61.7	61.8	62.4
Net margin	93.5	61.7	61.8	62.4
ROA	9.2	8.7	9.0	9.3
ROE	12.8	12.2	12.6	13.0
Growth				
Turnover	9.9	45.5	3.7	3.6
EBITDA	13.2	46.0	2.5	3.9
Pre-tax profit	13.2	46.0	2.5	3.9
Net profit	13.2	46.0	2.5	3.9
Net profit (adj.)	13.4	47.7	3.7	4.7
EPU	(5.1)	47.3	3.4	4.4
Leverage				
Debt to total capital	35.9	35.6	35.1	34.5
Debt to total asset	35.9	35.6	35.1	34.5
Net debt/(cash) to asset	22.2	19.6	18.4	17.0
Interest cover (x)	9.3	10.3	11.6	12.6

Market Spotlight

Market News

The FBMKLCI continued to slide lower for the third consecutive days by 9.00pt to close at 1,711.37 yesterday amid persistent selling pressure in index-linked counters. Meanwhile, Asian stocks advanced on Wednesday, tracking a rebound-on Wall Street as investors looked past another rise in oil prices sparked by escalating Middle East tensions, while optimism over technology shares helped fuel gains across the region. The FBMKLCI's top gainers were Press Metal Aluminium Holdings (+1.9%), Petronas Gas (+1.6%) and Petronas Chemicals Group (+1.3%), while the top losers were IHH Healthcare (-2.0%), Tenaga Nasional (-1.9%) and Nestle (M) (-1.7%). In the broader market, losers outpaced gainers 590 to 450 with 596 counters unchanged. Turnover was 3.43b shares valued at RM2.48b.

US stocks were lower after the close on Wednesday, as losses in the consumer services, healthcare and technology sectors led shares lower. At the close in NYSE, the Dow Jones Industrial Average lost 0.01%, while the S&P 500 Index fell 0.14%, and the NASDAQ Composite Index declined 0.57%. Falling stocks outnumbered advancing ones on the New York Stock Exchange by 1,472 to 1,239 and 95 ended unchanged; on the Nasdaq Stock Exchange, 2,215 fell and 1,182 advanced, while 178 ended unchanged. *(Sources: Investing.com)*

FBMKLCI, FCPO & FKLI Index Outlook

FBMKLCI

Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI

Last close: 1,711.37

Expected moving range: 1,710– 1,750

Technical view:

The FBMKLCI extended its decline following uncertainties throughout the region. Based on the daily chart, the DMI shows a prevailing bearish momentum. This is supported by a downtick in the RSI, which signals growing selling momentum. We expect the index to test the psychological support level at 1,700 in the near term. The support and resistance levels are still maintained as follows:

Support: 1,677, 1,65

Resistance: 1,750, 1,770

FCPO

Source: Tradingview

Futures Crude Palm Oil (FCPO) Active Contract, 1 Hour Chart

Technical SELL with -2.3% potential downside

Trading SELL range: RM4,500-4,600

Last price: RM4,647

Target price: RM4,568, RM4,542

Resistance: RM4,710

Stop-loss: RM4,711

SELL with a target price of RM4,542 and stop-loss at RM4,711. Based on the chart, FCPO continued the bearish movement and closed lower at RM4,647 yesterday. This bearish movement is supported by a downtick in the RSI and a bearish crossover in both the MACD and DMI indicators. We still maintain our targets at RM4,568 and RM4,542 in the near term.

Expected timeframe: One day to three days

FKLI

Source: Tradingview

FTSE Bursa Malaysia KLCI Futures (FKLI), 1 Hour Chart

Technical BUY with +1.6% potential return

Trading buy range: 1,700-1,720

Last price: 1,716.5

Target price: 1,733, 1,744

Support: 1,708

Stop-loss: 1,707

BUY with a target price of 1,744 and stop-loss at 1,707. Based on the chart, FKLI continued the bullish movement and closed at 1,716.5 on yesterday's movement. This bullish movement is supported by an uptick in the RSI and bullish crossovers in both MACD and DMI indicators. We maintained our targets at 1,733 and 1,744 in the near term.

Expected timeframe: One day to three days

Traders' Corner

Source: UOBKH ChartGenie

KESM Industries (KESM MK)

Technical BUY with +18.9% potential return

Trading buy range: RM4.20-4.25

Last price: RM4.24

Target price: RM4.76, RM5.04

Support: RM3.91

Stop-loss: RM3.89

BUY with a target price of RM5.04 and stop-loss at RM3.89. Based on the daily chart, share price has recovered gradually and moved above the 7- and 21-day EMAs following yesterday's spike to the highest of RM4.28. This is supported by an uptick in the RSI. A bullish crossover in both the MACD and DMI indicates that positive momentum would strengthen in the near term. We peg our targets at RM4.76 and RM5.04 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

KJTS Group (KJTS MK)

Technical BUY with +19.2% potential return

Trading buy range: RM0.815-0.82

Last price: RM0.835

Target price: RM0.935, RM0.995

Support: RM0.71

Stop-loss: RM0.705

BUY with a target price of RM0.995 and stop-loss at RM0.705. Yesterday, KJTS penetrated the breakout level of RM0.815 and closed higher at RM0.835. This bullish movement is supported by the DMI which is currently showing positive signals. This is also consistent with the uptick in the RSI which suggests stronger buying momentum ahead. We peg our targets at RM0.935 and RM0.995 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

MGB (MGB MK)

Technical BUY on breakout with +18.0% potential return

Trading buy range: RM0.445-0.45

Last price: RM0.435

Target price: RM0.495, RM0.525

Support: RM0.40

Stop-loss: RM0.395

BUY on breakout with a target price of RM0.525 and stop-loss at RM0.395. Having sustained at above the BBI line over the past few days, MGB surged on renewed buying interest to retest the breakout level of RM0.445 yesterday. The growing bullish divergence in the MACD suggests the bullish trend will continue in the near term while the steep upward movement of the RSI suggests buying momentum will continue to pick up going forward. We peg our targets at RM0.495 and RM0.525 once the stock penetrates above the breakout level of RM0.445.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Analyst

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