Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52,208.1	1.2	1.0	(0.2)	8.6
S&P 500	7,437.6	1.7	0.4	(0.8)	8.6
FTSE 100	10,897.3	(0.1)	2.4	3.8	9.7
AS30	9,122.7	(0.8)	1.2	1.5	1.2
CSI 300	4,549.7	(1.1)	(3.8)	(8.6)	(1.7)
FSSTI	5,673.6	(0.7)	1.6	9.7	22.1
HSCEI	8,644.7	0.2	3.5	14.4	(3.0)
HSI	25,858.9	0.2	2.6	13.0	0.9
JCI	6,186.4	1.6	(2.0)	9.6	(28.5)
KLCI	1,720.4	0.3	0.3	3.4	2.4
KOSPI	5,593.6	(1.2)	(21.2)	(34.0)	32.7
Nikkei 225	61,867.4	0.7	(6.9)	(11.7)	22.9
SET	1,598.1	(1.6)	(3.3)	0.4	26.9
TWSE	39,933.3	(0.3)	(11.0)	(13.4)	37.9
BDI	2,632	(1.2)	(3.4)	5.2	40.2
CPO (RM/mt)	4,515	0.4	0.4	0.4	14.8
Brent Crude (US$/bbl)	89	(1.9)	(11.6)	22.1	46.3

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
Virtual Meeting with UOB-Kay Hian Holdings Ltd (UOBK SP)	Singapore	11 Aug	11 Aug
Hybrid Meeting with UltraGreen.ai Ltd (UGAI SP)	Singapore	13 Aug	13 Aug
Analyst Marketing by Julia Pan on Greater China Internet Sector	Singapore	07 Sep	08 Sep

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 | Bursa Malaysia (BURSA MK /**HOLD**/RM8.70/Target: RM8.20) Page 3

Bursa's reported 2Q26 earnings were broadly in line with expectations. We expect the current muted market sentiment to persist. Downgrade to HOLD with a lower target price of RM8.20 from RM9.63 after earnings revision.

Company Update | Dialog Group (DLG MK/**BUY**/RM1.98/Target: RM2.95) Page 6

Using Vopak's 2Q26 information, we assume that the upcoming 4QFY26 results are unlikely to surprise the market, despite high O&G prices under a prolonged US-Iran war. However, Dialog's upstream portfolio will "reboot for debut" in FY27, with several new PSCs including BJC. The material gas field will likely achieve early first gas by Oct/Nov 26. We expect an early startup track record and improving upstream data transparency to rerate Dialog's upstream valuation. Maintain BUY and target price of RM2.95.

What's Inside

Company Results | Axis REIT (AXRB/**BUY**/RM1.94/Target: RM2.21) Page 9

Axis REIT's 2Q26 results are in line, with 1H26 core net profit at RM98m (-5% yoy), or 46%/45% of our/consensus forecasts respectively. A 2.3 sen DPU was declared. Earnings should recover as occupancy improves to 96-97% by year-end. Separately, the latest RM113m Kedah acquisition generates an initial gross yield of 6.6% and provides mild 2027 accretion of <1%. Maintain BUY with target price of RM2.21, which implies a dividend yield of 4.8% for 2026 (vs 10-year mean of 4.8%).

Company Results | ViTrox Corporation (VITRO MK/**HOLD**/RM8.00/Target: RM8.60) Page 10

1H26: Above expectations on record earnings; momentum to extend through to 2027.

Market Spotlight

Page 11

- The FBMKLCI remained in positive territory for most of the day, ending 4.84pt higher at 1,720.40 yesterday.
- US stocks were higher after the close on Thursday, as gains in the technology, basic materials and industrials sectors led shares higher.

Technical Analysis

Autocount Dotcom | ADB MK
Trading Buy Range: RM0.605-0.61

Eupe Corporation | EUPE MK
Trading Buy Range: RM1.97-1.98

Hap Seng Consolidated | HAP MK
Trading Buy Range: RM2.77-2.78

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.*

Bursa Malaysia (BURSA MK)

2Q26: Muted Near-Term Outlook; Downgrade To HOLD

HOLD (Downgraded)

Share Price	RM8.70
Target Price	RM8.20
Upside	-5.7%

Analyst(s)
Keith Wee
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Highlights

- Bursa Malaysia reported 2Q26 net profit of RM72m (+26% yoy, -1% qoq). Earnings were in line.
- Domestic political uncertainty to take centre stage.
- **Downgrade to HOLD with a lower target price of RM8.20 (based on 24.0x FY27F P/E),** from RM9.63, reflecting our earnings downgrades and a lower valuation multiple. We reduce our target PE to 24.0x (historical mean) from 25.5x (+0.5SD) as we now expect the earnings and trading activity recovery to be back-end loaded into 2H27, warranting a more conservative valuation approach.

2Q26 Results

Year to 31 Dec	2Q26 (RMm)	2Q25 (RMm)	qoq % chg	yoy % chg	1H26 (RMm)	yoy % chg
Total Revenue	**211.0**	**172.6**	**(1.5)**	**22.2**	**425.0**	**19.1**
EBITDA	107.2	85.4	(0.9)	25.6	215.4	15.8
EBITDA margin (%)	52.4%	51.2%	0.0ppt	1.1ppt	50.7%	1.4ppt
PBT	**97.1**	**76.0**	**(1.5)**	**27.8**	**195.7**	**16.9**
Net Profit	**71.8**	**57.1**	**(1.4)**	**25.8**	**144.6**	**15.2**
EPS (sen)	8.8	7.1	(1.6)	25.2	17.8	14.7
Average daily trading value (RMb)	3.26	2.29	(2.3)	47.1	3.30	34.1

Source: Bursa, UOB Kay Hian

Analysis

- **In line.** Bursa Malaysia (Bursa) reported 2Q26 net profit of RM71.8m (+25.8% yoy, -1.4% qoq), bringing 1H26 earnings to RM144.6m (+15.2% yoy), which came in broadly in line with expectations at 49% of our full-year forecast. 1H26 revenue grew 19.6% yoy, driven by a 26.9% yoy increase in securities trading revenue, in line with stronger average daily value traded (ADV), alongside a 64% yoy surge in listing revenue supported by larger IPOs. However, earnings growth was relatively more muted at 15.3% yoy due to higher operating expenses, primarily arising from the new regulatory fees payable to the Securities Commission Malaysia, effective 1 Jan 26 (capped at RM35m p.a. for 2026).
- **2Q26 yoy earnings growth underpinned by strong securities market trading revenue.** 2Q26 earnings rose 25.7% yoy, driven primarily by a 33% increase in securities trading revenue, underpinned by a 40% yoy surge in ADV. On a qoq basis, earnings dipped slightly (-1%) in tandem with the 2% qoq decline in ADV to RM3.26b.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	784	728	814	827	863
EBITDA	446	374	406	401	418
Operating profit	411	338	368	362	378
Net profit (rep./act.)	310	250	280	276	288
Net profit (adj.)	310	250	280	276	288
EPS	38.4	30.9	34.6	34.2	35.6
PE	22.7	28.1	25.1	25.5	24.4
P/B	8.0	8.8	8.6	8.5	8.4
EV/EBITDA	14.3	17.3	15.9	16.0	15.2
Dividend yield	5.1	3.2	3.8	3.7	3.9
Net margin	39.5	34.4	34.4	33.4	33.4
Net debt/(cash) to equity	(74.5)	(70.3)	(72.7)	(75.8)	(79.3)
Interest cover	n.a.	n.a.	n.a.	n.a.	n.a.
ROE	36.6	29.9	34.7	33.6	34.5
Consensus net profit			289.6	304.5	311.6
UOBKH/Consensus (x)			1.04	1.02	0.90

Source: Bursa, Bloomberg, UOB Kay Hian

Stock Data

GICS Sector	Financials
Bloomberg ticker	BURSAMK
Shares issued (m)	809.3
Market cap (RMm)	7,040.9
Market cap (US$m)	1,721.4
3-mth avg daily t'over (US$m)	1.5

Price Performance (%)

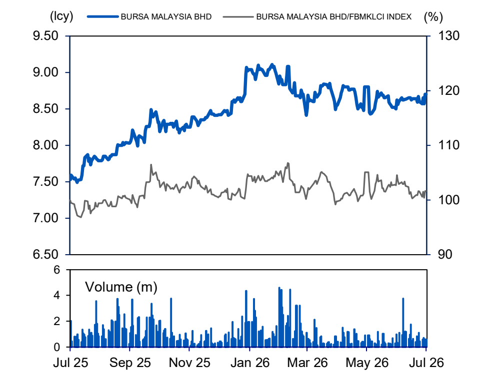
52-week high/low RM9.18/RM7.48

1mth	3mth	6mth	1yr	YTD
2.4	1.8	(3.8)	14.6	3.3

Major Shareholders

	%
Capital Market Development Fund	18.5
EPF	12.9
Kumpulan Wang Persaraan	11.2

Price Chart



Source: Bloomberg

Company Description

Bursa Malaysia is a fully integrated stock exchange offering a wide range of exchange-related services. It also offers information services related to the Malaysian securities market.

Analysis

- **Lower ADV assumptions amid prolonged political uncertainty.** Lingering geopolitical uncertainty in the Middle East, coupled with the increasingly likely postponement of Malaysia's General Election (GE) to 2027 (versus earlier expectations of a potential Oct 26 election), is expected to weigh on investor sentiment well into 1H27. Consequently, we have revised our ADV assumptions lower to RM2.83b for both 2026 and 2027, from RM3.15b and RM3.20b, respectively.
- **Recent trading activity has already begun to reflect this softer backdrop.** ADV declined sharply to RM2.3b in Jul 26 from RM3.2b in 2Q26, although ytd ADV remains relatively resilient at RM3.15b. Our revised forecast implies a moderation in trading activity to around RM2.5b in 2H26, reflecting a more cautious investor stance amid heightened political uncertainty.
- **Recovery deferred until after the GE.** Looking ahead, we expect trading activity to remain subdued at approximately RM2.5b in 1H27, as investors continue to adopt a wait-and-see approach ahead of the General Election. Assuming the GE is held in 1H27, we expect market activity to recover thereafter, with ADV improving to around RM3.0b in 2H27 as political clarity returns coupled with the resolution of the current Middle Eastern crisis.
- **Domestic politics takes centre stage.** In our view, the domestic GE overhang is likely to exert a larger negative influence on market sentiment than the resolution of geopolitical tensions in the Middle East. This dynamic was evident in Jun 26, when ADV declined 15% mom despite the announcement of the US-Iran interim peace agreement. In the same month, foreign investors remained net sellers of Malaysian equities, recording RM2.4b of net outflows, as speculation surrounding an early General Election intensified alongside the Johor state elections. This suggests that domestic political developments have become the dominant driver of investor sentiment, outweighing the positive impact from easing geopolitical risks.

Valuation/Recommendation

- **Downgrade to HOLD with a lower target price of RM8.20** (based on 24.0x FY27F P/E), from RM9.63, reflecting our earnings downgrades and a lower valuation multiple. We reduce our target P/E to 24.0x (historical mean) from 25.5x (+0.5SD) as we now expect the earnings and trading activity recovery to be back-end loaded into 2H27, warranting a more conservative valuation approach.

Earnings Revision/Risk

- Cut our 2026 and 27 earnings forecasts downwards by 7%/8% on lower ADV assumptions.
- **Risks:** Escalation of the current Middle Eastern Crisis and its contagion effect on global macroeconomic growth and consequently market sentiment.

Share Price Catalyst

- Stronger-than-expected ADV
- Stronger-than-expected derivative contract volumes

Environmental, Social, Governance (ESG) Updates

Environmental

- **Carbon neutrality and zero greenhouse gas emission targets.** Set a target to achieve carbon neutrality by 2022 and zero greenhouse gas emission by 2050.

Social

- **Gender diversity.** Maintained 42% females in senior management.
- **Diversity, Equity and Inclusion (DEI).** Established a DEI Policy in 2021 to ensure that the organisation is steered by a diverse group of employees in terms of age, ethnicity and gender.

Governance

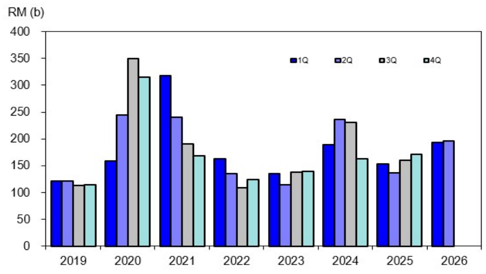
- -**Non-independent board of directors composition.** Composition of Independent Non-Executive Directors (INED) – 90%.

Assumptions

	2026F	2027F	2028F
Average Daily Value of Equities (RMb)	2.85	2.83	3.10
Futures Contract (m)	18.3	18.9	19.4
Dividend payout ratio (%)	95.0	95.0	95.0

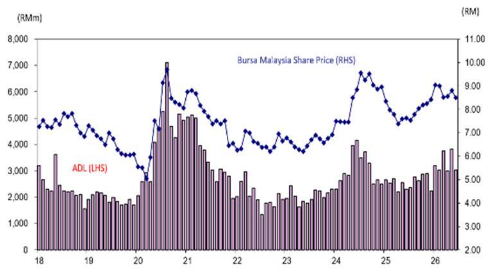
Source: Bloomberg, UOB Kay Hian

Bursa Quarterly Value Traded



Source: Bursa UOB Kay Hian

Bursa ADV Vs Share Price



Source: Bloomberg

Bursa 2026 ADV Forecast

	2026F Average
Overall Market Capitalisation (RMb)	2,000
Market Velocity	35%
Total Value Traded (Market Velocity x Market Cap) (RMb)	700
Number of trading days	247
2025 estimated ADV (RMb)	2.83

Source: Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	**727.7**	**814.0**	**826.8**	**862.7**
EBITDA	374.4	406.3	401.1	418.0
Deprec. & amort.	36.7	37.8	39.0	40.2
EBIT	337.6	368.4	362.1	377.9
Net interest income/(expense)	(0.5)	0.0	0.0	0.0
Pre-tax profit	**337.1**	**368.4**	**362.1**	**377.9**
Tax	(89.1)	(88.4)	(86.9)	(90.7)
Minorities	2.2	0.0	1.0	1.0
Net profit	**250.2**	**280.0**	**276.2**	**288.2**
Net profit (adj.)	250.2	280.0	276.2	288.2

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	243.7	275.7	307.7	339.7
Other LT assets	142.5	146.3	158.3	170.3
Cash/ST investment	570.4	600.7	635.6	676.2
Other current assets	2,267.8	2,405.8	2,056.0	2,098.0
Total assets	**3,224.5**	**3,428.4**	**3,157.6**	**3,284.2**
ST debt	0.5	1.0	1.0	1.1
Other current liabilities	2,399.8	2,556.0	2,237.5	2,349.3
LT debt	7.4	7.4	7.4	7.4
Other LT liabilities	16.3	49.6	83.7	84.0
Shareholders' equity	800.1	814.1	827.9	842.3
Minority interest	0.3	0.3	0.0	0.0
Total liabilities & equity	**3,224.5**	**3,428.4**	**3,157.6**	**3,284.2**

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	**243.7**	**371.0**	**369.3**	**383.3**
Pre-tax profit	247.9	280.0	276.2	288.2
Deprec. & amort.	36.7	37.8	39.0	40.2
Working capital changes	(12.9)	18.0	19.0	20.0
Non-cash items	(28.1)	35.1	35.2	35.0
Investing	**59.9**	**(79.0)**	**(78.0)**	**(77.0)**
Capex (maintenance)	(28.4)	(79.0)	(78.0)	(77.0)
Investments	0.0	0.0	0.0	0.0
Others	88.3	0.0	0.0	0.0
Financing	**(321.1)**	**(266.0)**	**(262.4)**	**(273.8)**
Dividend payments	(323.7)	(266.0)	(262.4)	(273.8)
Issue of shares	0.0	0.0	0.0	0.0
Loan repayment	0.0	0.0	0.0	0.0
Others/interest paid	2.6	0.0	0.0	0.0
Net cash inflow (outflow)	**(17.6)**	**26.0**	**29.0**	**32.6**
Beginning cash & cash equivalent	**367.4**	**349.7**	**380.7**	**415.6**
Ending cash & cash equivalent	**349.8**	**375.7**	**409.6**	**448.2**

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	51.4	49.9	48.5	48.5
Pre-tax margin	46.4	45.3	43.8	43.8
Net margin	34.4	34.4	33.4	33.4
ROA	6.6	8.4	8.4	8.9
ROE	29.9	34.7	33.6	34.5
Growth				
Turnover	(7.2)	11.9	1.6	4.3
EBITDA	(16.1)	8.5	(1.3)	4.2
Pre-tax profit	(17.9)	9.3	(1.7)	4.4
Net profit	(19.3)	11.9	(1.4)	4.3
Net profit (adj.)	(19.3)	11.9	(1.4)	4.3
EPS	(19.3)	11.9	(1.4)	4.3
Leverage				
Debt to total capital	1.0	1.0	1.0	1.0
Debt to equity	1.0	1.0	1.0	1.0
Net debt/(cash) to equity	(70.3)	(72.7)	(75.8)	(79.3)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.

Dialog Group (DLG MK)

4QFY26 Results Preview: No Surprises, Upstream "Debut" For FY27

Highlights

- **FY26 results unlikely to surprise.** After several quarters of outperformance, we expect 4QFY26 to be largely consistent qoq, despite the temporarily high O&G prices triggered by the US-Iran conflict. Storage (midstream) will continue to reflect multi-cycle highs, though our analysis of Royal Vopak's 2Q26 results (showing a flattish MENA JV income qoq) seems to hint that any upside to storage ancillary income are not material catalysts.
- **Upstream will "reboot for debut" and be the centre of attention in FY27.** For 4QFY26 upstream, we understand that the maintenance activities which impaired 3QFY26 upstream results (25% earnings mix), were still ongoing and volumes were gradually recovering. However, Dialog's upstream portfolio will see accretion from several new PSCs including BJC. The material gas field has good progress for early first gas by Oct/Nov 26 (vs initial expectation of 2027). We see early startup track record and improving upstream data transparency as key factors to rerate Dialog's upstream valuation in our SOTP. Maintain BUY and target price of RM2.95.

Analysis

- **Royal Vopak's 2Q26 insights detailed the resiliency of the storage terminal business against geopolitical conflicts and trade disruptions.** Vopak highlighted how some of its existing storage terminals had a greater and instrumental role in navigating higher demand for national energy sovereignty and energy affordability. They often require reliable control over diverse and competitively priced global supply sources. These more than offset the negative shocks impacting the Fujairah terminals. Also, there is an urgent systemic need to decarbonise – as by doing so, energy independence can be formed from traditional energy sources, but long-term resilience of power grids must not be overlooked. Hence, these justifies the higher future capex allocation to Battery Energy Storage System.
- **Storage remains stable and at multi-cycle highs.** Vopak's 2Q26 MENA JV EBITDA was similar qoq at US$22m. This is a reliable indication of Dialog Group's (Dialog) upcoming 4QFY26 Malaysian JV income by 20 Aug 26 (3QFY26: RM74m), and corroborates our view that despite the heighted energy security demand, storage occupancy and rates will remain at multi-cycle levels (>90% uptime, monthly storage rates capped at average S$6-7/cbm). Although we were guided of increased throughput activities (which implies higher ancillary income), we take a more prudent view by assuming this is not a major catalyst.

Key Financials

Year to 30 Jun (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	3,152	2,502	2,641	2,798	2,715
EBITDA	788	546	808	836	877
Operating profit	455	216	439	440	458
Net profit (rep./act.)	580	300	610	663	593
Net profit (adj.)	595	452	610	663	593
EPS	9.5	7.2	9.7	10.5	9.4
PE	20.9	27.6	20.4	18.8	21.0
P/B	2.5	2.6	2.4	2.2	2.1
EV/EBITDA	11.3	15.9	10.5	10.1	9.9
Dividend yield	1.9	1.4	2.0	2.1	1.9
Net margin	18.4	12.0	23.1	23.7	21.8
Net debt/(cash) to equity	2.2	n.m.	n.m.	n.m.	n.m.
Interest cover	12.2	11.2	15.9	15.1	14.0
ROE	13.9	7.4	14.3	14.9	12.8
Consensus net profit	-	-	578	619	684
UOBKH/Consensus (x)	-	-	1.06	1.07	0.85

Source: Dialog, Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	RM1.98
Target Price	RM2.95
Upside	+49.0%

Analyst(s)
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Stock Data

GICS Sector	Energy
Bloomberg ticker	DLG MK
Shares issued (m)	5,642.6
Market cap (RMm)	11,179.0
Market cap (US$m)	2,795.0
3-mth avg daily t'over (US$m)	7.4

Price Performance (%)

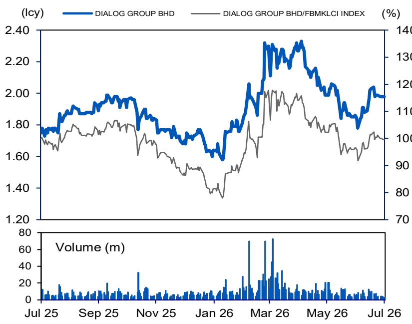
52-week high/low: RM2.36/RM1.54

1mth	3mth	6mth	1yr	YTD
6.5	(13.6)	20.7	17.1	17.9

Major Shareholders

	%
EPF	23.0
Ngau Boon Keat	18.3
Azam Utama	7.6

Price Chart

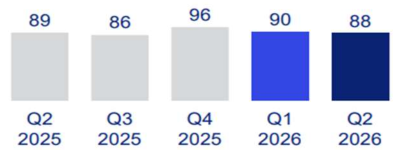


Source: Bloomberg

Company Description

Dialog Group provides engineering, procurement, construction and commissioning (EPCC) services and plant maintenance services. The company also owns O&G tank terminals, while marketing specialty chemicals and equipment. Dialog has joint operatorship of 3 storage terminals with Royal Vopak (Vopak), which is the world's largest independent storage player. The terminals are Kertih, Pengerang Independent Terminals SB (PITSB), and Pengerang Terminals (Two) SB (PT2SB)

Vopak's MENA Storage Utilisation



MENA = Middle East And North Asia
Source: Royal Vopak Results Presentation

- **Upstream: 3QFY26 volumes impaired by maintenance downtime...**The effect of benefitting from high oil prices was muted in the last quarter due to a heavy maintenance downtime. We now understand 4QFY26 will not see a full, but gradual recovery of those volumes. Nevertheless, we draw attention to new projects. We were early to reveal our channel checks on the Baram Junior Cluster Small Field Asset Production Sharing Contract (BJC SFA PSC), whereby its final investment decision was valued at US$235m, on a potential early first gas by Oct/Nov 26. Following our update that the Salbiah Wellhead Platform had an early sailaway by Apr 26, we understand that a greenfield transportation and installation (T&I) campaign during 25 Apr 26-30 July 26 was executed for the Salbiah platforms and drilling (SLDP-A) and Baronia (BNCCP-B) pipelines.
- **…but new projects progressed fast, hinting that upstream production increment is near.** Dialog recently updated that a routine flaring activity, part of standard well unloading operations, started on 13 Jul 26. Most recently, we understand that the T&I campaign is completed. We deem BJC's early startup as a material catalyst because: a) BJC's volume is significant (5,000-23,000 boepd) relative to D35 (3,000 boepd), this is based on guidance from Petronas on the potential production rate of 70-200mmscf/d; b) Petronas will recognise BJC as the first successful Discovered Resource Opportunity; and c) an early startup will also help capture high O&G prices if the war prolongs. In this case, the gas price will be referenced to Malaysia Reference Price (MRP), which typically lags a few months vs Brent movements.
- **Transparency for upstream assets to improve once earnings mix rise to >25% of group profit.** The Securities Commission and Bursa had taken steps since 2013 to enhanced public market disclosure of listed companies engaging in mineral, oil & gas (MOG) activities. For listed companies, the threshold for additional disclosure is if the MOG activity is >25% of group profit, expenses, or asset. Additional disclosures include updated data on reserves and contingent resources, and appointing a competent valuer. Based on this, we conclude that Dialog was previously exempted from this rule despite having a 25% upstream earnings mix in certain quarters, as that data included Bayan but we assume Bayan does not qualify as MOG because it is merely an oilfield service contract. We expect additional disclosures once BJC kicks in.

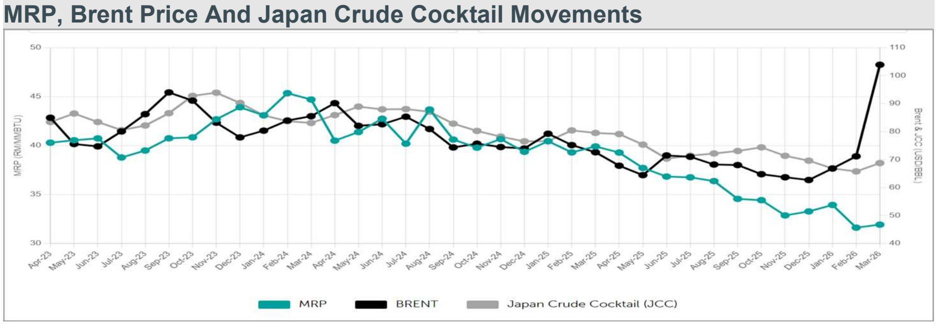
Valuation/ Recommendation

- **Maintain BUY with a target price of RM2.95** This implies 27x FY27F PE and 22x EV/EBITDA respectively after forecasts upgrades. We believe Dialog warrants the high EV/EBITDA, relative to its historical three-year average of 12-19x, given the near-term potential for its upstream earnings to surprise on the upside. But in the larger context, the rebalancing of Dialog's earnings mix away from storage (when Dialog used to trade at >30x EV/EBITDA historically) may imply that its long-term EV/EBITDA should more closely reflect integrated peers like ExxonMobil (11x) vs pure upstream producers like Hibiscus Petroleum (<2x). Also, improving transparency on upstream earnings will allow a higher revaluation of Dialog's upstream portfolio in the future.

Earnings Revision/ Risk

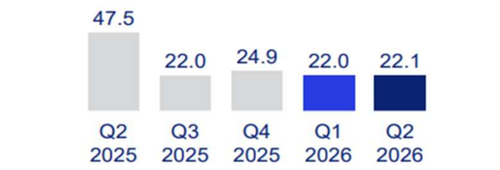
- **2026-28 earnings retained.**

MRP, Brent Price And Japan Crude Cocktail Movements



Source: Petronas, MRP

Vopak's MENA JV Terminals EBITDA



Note: Middle East And North Asia (MENA); Vopak has 22 JV terminals under its MENA portfolio of 27 terminals, with total capacity of 10.3m cbm. The three Malaysian terminals (Kertih, PITSB and PT2SB) accounted for 3.7m cbm or 36% of MENA JV terminals combined.
Source: Royal Vopak Results Presentations

Royal Vopak 2Q26 Insights

Vopak confidently raised, again, full-year 2026 EBITDA, with updates on the ground as the following:

i) Its gate terminal (Netherlands) provided liquefied natural gas (LNG). Capable of meeting Northwest Europe the needed flexibility to import 1/3 of Netherland's natural gas consumption, the scale was significant to Europe's energy security
ii) The persistent Middle East conflict has opened more alternative supply sources to the Asian market. One example is its Canadian Ridley Island Energy Export Facility (REEF) that exports liquefied petroleum gas (LPG) from Canada's West Coast to Asia in just 10 days, vs >25 days from US Gulf Coast.
iii) Fujairah's 18m cbm of storage capacity make it the world's third-largest storage hub (ranking behind Rotterdam and Singapore). Within this, Vopak's JV terminal is 2.6m cbm
iv) Although global utilisation remained strong at 91%, MENA was the sole portfolio (of 27 terminals) with a qoq decline from 90% to 88%. A back-of-envelope estimate suggests Fujairah's activity was really low, with utilisation likely at 40%.
v) Vopak confirmed this (without disclosing standalone utilisation) and added the damaged, taken-out-of-service capacity as another factor for its low occupancy. Vopak quantified a negative exposure of US$5m from the conflict.
vi) Vopak believes Fujairah will be more strategically important, but disagreed that South Africa, despite seeing rising spot storage, will overtake Fujairah as an alternative storage hub
vii) Aside from Fujairah, India also saw lower activity as the nation struggled to recalibrate the supply chain from a major disruption of Middle East LPG.

Source: Vopak

Environmental, Social and Governance

Environmental
- Carbon (CO2) emission reduction. Although greenhouse gas emissions increased in FY21, DLG is installing solar power generation assets to offset this.
- Safety (HSE). Nil Lost Time Injury (LTI) frequency in FY22 (FY21: 0.00).

Social
- Diversity. 9% female representation in the management team.
- >RM440m donations since inception of MyKasih (set up by the founder).

Governance
- Five out of nine board members are independent with diverse backgrounds, even though there is family representation in the management team.

Profit & Loss

Year to 30 Jun (RMm)	2025	2026F	2027F	2028F
Net turnover	**2,502**	**2,641**	**2,798**	2,715
EBITDA	550	674	676	778
Deprec. & amort.	329	370	397	420
EBIT	220	305	279	358
Total other non-operating income	n.a.	n.a.	n.a.	n.a.
Associate contributions	293	284	352	263
Net interest income/(expense)	(49)	(51)	(55)	(63)
Pre-tax profit	**372**	**673**	**736**	**659**
Tax	(66)	(47)	(52)	(46)
Minorities	(6)	(15)	(22)	(20)
Net profit	**452**	**610**	**663**	**593**

Balance Sheet

Year to 30 Jun (RMm)	2025	2026F	2027F	2028F
Fixed assets	2,644	2,862	3,074	3,253
Other LT assets	2,522	2,822	3,122	3,375
Cash/ST investment	1,670	2,006	2,241	2,386
Other current assets	418	442	468	454
Total assets	**8,622**	**9,165**	**9,869**	**10,523**
ST debt	721	957	1,042	971
Other current liabilities	747	532	604	683
LT debt	861	1,191	1,352	1,530
Other LT liabilities	21	21	21	21
Shareholders' equity	5,741	6,107	6,505	6,861
Minority interest	502	524	520	638
Total liabilities & equity	**8,622**	**9,165**	**9,869**	**10,523**

Cash Flow

Year to 30 Jun (RMm)	2025	2026F	2027F	2028F
Operating	**1,012**	**1,332**	**1,255**	**1,109**
Pre-tax profit	376	673	736	659
Tax	(80)	(47)	(52)	(46)
Deprec. & amort.	329	368	396	420
Working capital changes	273	222	53	(52)
Other operating cashflows	115	117	121	129
Investing	**(475)**	**(800)**	**(800)**	**(763)**
Capex (growth)	(76)	250	250	250
Investments	(91)	(51)	(55)	(63)
Others	(251)	(394)	(415)	(387)
Financing	**(418)**	**(195)**	**(220)**	**(200)**
Proceeds from borrowings	(76)	250	250	250
Loan repayment	(91)	(51)	(55)	(63)
Others/interest paid	(251)	(394)	(415)	(387)
Net cash inflow (outflow)	**120**	**337**	**235**	**146**
Beginning cash & cash equivalent	**1,572**	**1,669**	**2,006**	**2,241**
Changes due to forex impact	(22)	0	0	0
Ending cash & cash equivalent	**1,670**	**2,006**	**2,241**	**2,386**

Key Metrics

Year to 30 Jun (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	22.0	31.2	31.1	33.8
Pre-tax margin	15.0	26.6	27.9	23.9
Net margin	12.1	24.0	24.9	21.3
ROA	4.7	8.0	8.0	6.9
ROE	11.2	12.2	12.3	10.8
Growth				
Turnover	(1.3)	(14.9)	(14.4)	(9.2)
EBITDA	56.3	91.8	92.3	121.3
Pre-tax profit	1.9	55.6	64.4	49.0
Net profit	3.0	75.6	83.6	66.6
Net profit (adj.)	57.9	79.4	87.5	70.1
EPS	57.9	79.4	87.5	70.1
Leverage				
Debt to total capital	25.4	25.9	27.7	29.3
Debt to equity	27.6	28.1	30.0	32.1
Net debt/(cash) to equity	-	-	0.5	1.7
Interest cover (x)	11.3	13.5	12.5	12.8

Axis REIT

(AXRB MK/BUY/RM1.94/Target: RM2.21)

2Q26: In Line; Expect DPU Catch Up In 2H26

Highlights

- **In line.** Axis REIT reported 2Q26 revenue of RM88m (-1% qoq, -2% yoy) and core net profit of RM48m (-6% qoq, -8% yoy). This brings 1H26 core net profit to RM98m (-5% yoy), accounting for 46% and 45% of our and consensus full-year estimates respectively. We deem the results in line as we expect: a) progressive lease commencement, b) lower property expenses, and c) the eventual recognition of consequential-loss insurance proceeds.
- **Axis REIT has declared a 2.30 sen dividend for 2Q26** (vs 1Q26's 2.50 sen and 2Q25's 2.65 sen). This brings 1H26 declared dividend to 4.80 sen (-7% yoy), representing an annualised yield of 4.9%.
- Net gearing (net debt over asset) was 32.4% as of end-Jun 26 (vs 31.9% as of end-Mar 26).
- **2Q26 NPI declined to RM74.9m (-3% qoq; -4% yoy)** due to: a) temporary vacancies at Bukit Raja Distribution Centre (Bukit Raja DC) and Axis Shah Alam Distribution Centre 3 (Axis Shah Alam DC3), b) suspension of rental recognition at Wisma Kemajuan following the Feb 26 fire incident, and c) higher one-off repair and maintenance expenses.
- **Portfolio occupancy should recover to 96-97%.** Overall occupancy eased to 93% in 2Q26 from 94% in 1Q26. Nevertheless, leasing outlook remains encouraging, with management expecting occupancy to improve to 96-97% by year-end. As of end-2Q26, Bukit Raja DC occupancy improved markedly to 58% (vs 16% in 1Q26) and is expected to reach 77%/91% by end-3Q26/Jan 27, while Axis Shah Alam DC3 should improve from 49% currently to 71%/100% by end-3Q26/Jan 27.
- **Expands northern footprint with RM113m Kedah acquisition.** Axis REIT proposed to acquire a fully occupied industrial complex in Padang Meha for RM113m, with completion expected in 1Q27. The acquisition's gross yield is 6.6% with a six-year lease. Assuming completion by end-1Q27, a 90% NPI margin and 4.0% financing cost, we estimate the asset to contribute mild earnings growth of around RM2m, equivalent to <1% of our 2027 earnings forecast. Looking ahead, management is targeting another RM215m of asset acquisitions, on top of the ongoing RM393.6m of committed acquisitions. Management maintains its target gross acquisition yield of 6.0-6.5%.

Earnings Revision/Risk

- No earnings revision.
- **Maintain BUY with unchanged target price of RM2.21.** Our target price is based on a dividend discount model (required rate of return: 6.5%, terminal growth: 1.5%) and implies a dividend yield of 4.8% for 2026 (vs 10-year mean of 4.8%).

2Q26 Results

Year to 31 Dec	2Q26 (RMm)	qoq % chg	yoy % chg	1H26 (RMm)	yoy % chg
Revenue	**88.4**	**(1.2)**	**(1.7)**	**177.9**	**(0.8)**
Property expenses	(13.5)	9.9	15.5	(25.7)	8.2
Net property income	74.9	(2.9)	(4.2)	152.2	(2.2)
Other income	0.4	(64.1)	11.7	1.5	100.1
Trust expenses	(10.7)	(3.9)	8.9	(21.8)	11.1
Finance costs	(17.7)	2.2	(0.4)	(35.0)	(1.5)
Core net profit	**47.5**	**(5.8)**	**(8.4)**	**98.0**	**(4.8)**
EPU (sen)	2.35	(5.8)	(8.5)	4.84	(5.0)
DPU (sen)	2.30	(8.0)	(13.2)	4.80	(6.8)
Margins	%	+/- ppt	+/- ppt	%	+/- ppt
Net property income	84.8	(1.5)	(2.3)	171.1	(2.4)
Core net profit	53.8	(2.6)	(3.9)	55.1	(59.7)

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	322.2	365.0	374.5	393.3	405.3
Operating profit	242.8	278.5	277.2	294.2	303.9
Net profit (rep./act.)	210.0	283.3	213.1	226.5	233.5
Net profit (adj.)	168.3	207.1	213.1	226.5	233.5
EPU (sen)	8.4	10.2	10.4	11.0	11.3
DPU (sen)	9.3	10.3	10.6	11.2	11.4
PE (x)	23.2	19.0	18.6	17.6	17.2
P/B (x)	1.2	1.1	1.2	1.2	1.2
DPU Yield (%)	4.8	5.3	5.5	5.8	5.9
Net margin (%)	52.2	56.7	56.9	57.6	57.6
Net debt/(cash) to asset (%)	31.0	30.9	31.6	33.3	35.0
Interest cover (x)	3.3	3.9	4.3	4.4	4.3
Consensus DPU (sen)	-	-	10.6	11.2	11.4
UOBKH/Consensus (x)	-	-	1.0	1.0	1.0

Source: Axis REIT, Bloomberg, UOB Kay Hian

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ViTrox Corporation
(VITRO MK/HOLD/RM8.00/Target: RM8.60)

1H26: Above Expectations On Record Earnings; Momentum To Extend Through To 2027

Highlights

- **Above expectations.** ViTrox Corporation (Vitrox) delivered a record 2Q26 net profit of RM85.0m (+66% qoq, +202% yoy), lifting 1H26 net profit to RM136.2m (+161% yoy). The results exceeded expectations, accounting for 66% of our full-year forecast and 59% of consensus estimates. The earnings beat was primarily driven by explosive AI infrastructure demand, underpinned by the group's strategic focus on advanced packaging and high-precision inspection solutions tailored to address the increasing complexities of AI accelerators and high-bandwidth memory (HBM).
- **1H26 sales improved meaningfully by 105% yoy,** on the back of demand recovery in both Machine Vision System (MVS, +117%, which mainly serves semiconductor customers) and Automated Board Inspection (ABI, +89%, which mainly serves EMS customers) from a low base in 2025. While PBT improved 147% on a better product mix, net profit improved by a larger quantum of 161% yoy due to lower effective tax rate. Qoq, net profit continued to show strong improvement (+66%), largely driven by strong ABI and MVS sales.
- **GSS extending growth streak.** Global semiconductor sales (GSS) has posted its 30th consecutive month of yoy expansion, approaching the longest upcycle in the past 16 years of 31 straight months of growth. More importantly, growth momentum has accelerated sharply over the last five months, with yoy expansion ranging from 40% to an impressive 94% in the latest reading – the strongest pace recorded in the past 16 years. This sustained acceleration underscores the robust demand environment driven by ongoing investments in AI infrastructure, high-performance computing (HPC), and next-generation accelerated computing platforms.
- **Riding on industry tailwinds through strategic exposure.** Amid a broader industry recovery, Vitrox is well positioned to ride the trend, thanks to its strategic segment exposure. While end-customers from the ABI and MVS segments may be vulnerable to tariff and policy uncertainties, the group's continued push for product innovation and targeted market expansion – particularly across AI, 5G/telecommunication infrastructure, and high-performance computing – provides a buffer against sector-wide softness. We expect earnings momentum to sustain through to 1H27, driven by its exposure to high-growth verticals such as 5G network rollout and AI-led computing demand. Notably, the group's book-to-bill ratio remains healthy at above 1.5x, signalling sustained order visibility.

Earnings Revision/Risk

- We raise our 2026-27 earnings forecasts by 22-39% to account for higher ABI and MVS sales following a stronger book-to-bill ratio.
- **Maintain HOLD with a higher target price of RM8.60 (from RM4.62)**, based on a rolled-over 48.0x 2027F PE which is +1.0SD (from 42x) to the industry's average seven-year mean. The premium valuation ascribed reflects Vitrox's increasing exposure to AI-driven demand, particularly across advanced testing and inspection solutions within the semiconductor value chain.

2Q26 Results

Year to 31 Dec	2Q26 (RMm)	qoq % chg	yoy % chg	1H26 (RMm)	yoy % chg
Revenue	**374.9**	**40.4**	**104.8**	**642.0**	**98.0**
EBITDA	104.8	59.4	142.8	170.6	125.1
EBIT	**100.4**	**62.8**	**154.6**	**162.0**	**137.5**
Finance cost	(1.0)	(2.8)	(21.2)	(2.0)	7.6
PBT	**99.9**	**62.1**	**163.7**	**161.6**	**147.4**
Tax	(15.5)	42.1	53.0	(26.3)	93.5
Net profit	**85.0**	**66.1**	**202.3**	**136.2**	**160.5**
Margins	%	+/- ppt	+/- ppt	%	+/- ppt
EBITDA	28.0	3.3	4.4	26.6	3.2
PBT	26.7	3.6	5.9	25.2	5.0
Net profit	22.7	3.5	7.3	21.2	5.1

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	552.3	843.1	1,206.7	1,532.2	1,867.2
EBITDA	120.2	196.5	312.5	427.5	520.9
Operating profit	107.4	181.2	298.2	413.1	506.8
Net profit (rep./act.)	90.4	133.2	243.4	338.8	416.5
Net profit (adj.)	90.4	133.2	243.4	338.8	416.5
EPS (sen)	4.8	7.0	12.8	17.9	22.0
PE (x)	167.9	113.9	62.3	44.8	36.4
P/B (x)	14.9	13.4	11.5	10.9	9.2
EV/EBITDA (x)	60.2	36.7	23.1	17.1	13.9
Dividend yield (%)	0.2	0.2	0.4	0.5	0.6
Net margin (%)	16.4	15.8	20.2	22.1	22.3
Net debt/(cash) to equity (%)	(28.6)	(28.0)	(23.6)	(15.7)	(18.3)
Interest cover (x)	34.5	43.4	52.4	71.6	87.3
ROE (%)	9.1	12.4	19.8	26.8	30.0
Consensus net profit			232.6	291.9	336.1
UOBKH/Consensus (x)			1.05	1.16	1.24

Source: Vitrox, Bloomberg, UOB Kay Hian

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Market Spotlight

Market News

The FBMKLCI remained in positive territory for most of the day, ending 4.84pt higher at 1,720.40 yesterday. Meanwhile, most Asian stock markets fell on Thursday, with South Korea surrendering early gains in a volatile session, as investor worries around artificial intelligence-related spending persisted despite strong earnings from Samsung Electronics and major US technology companies. The FBMKLCI's top gainers were Nestle (M) (+2.8%), Kuala Lumpur Kepong (+2.1%) and Petronas Chemicals Group (+1.75%), while the top losers were PPB Group (-1.7%), YTL Corporation (-1.0%) and Mr D.I.Y. Group (M) (-0.62%). In the broader market, losers outpaced gainers 581 to 412 with 612 counters unchanged. Turnover was 2.49b shares valued at RM2.26b.

US stocks were higher after the close on Thursday, as gains in the technology, basic materials and industrials sectors led shares higher. At the close in NYSE, the Dow Jones Industrial Average gained 1.19%, while the S&P 500 Index added 1.67%, and the NASDAQ Composite Index added 2.78%. Rising stocks outnumbered declining ones on the New York Stock Exchange by 1,523 to 1,194 and 88 ended unchanged; on the Nasdaq Stock Exchange, 2,045 rose and 1,349 declined, while 182 ended unchanged. *(Sources: Investing.com)*

FBMKLCI, FCPO & FKLI Index Outlook

FBMKLCI

Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI

Last close: 1,720.40

Expected moving range: 1,700– 1,730

Technical view:

From a technical viewpoint, nothing much has changed yesterday as we had expected the index to continue consolidating within our prescribed range of 1,700 to 1,630 and a breach at either end would lead to a follow-through. For now, investors remain cautious, given the uncertain sentiments globally. Moving forward, the index could stabilise if current sentiment persists. Support and resistance levels are still maintained as follows:

Support: 1,677, 1,650

Resistance: 1,750, 1,770

FCPO

Source: Tradingview

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

Technical SELL with 2.9% potential downside

Trading SELL range: RM4,600-4,700

Last price: RM4,671

Target price: RM4,571, RM4,538

Resistance: RM4,694

Stop-loss: RM4,695

SELL with a target price of RM4,538 and stop-loss at RM4,695. Based on the chart, FCPO continued the bearish movement and closed lower at RM4,671 on yesterday's movement. This bearish movement is supported by a downtick in the RSI and a bearish crossover in both the MACD and DMI indicators. We maintain our targets at RM4,571 and RM4,538 in the near term.

Expected timeframe: One day to three

FKLI

Source: Tradingview

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

Technical SELL with 1.7% potential downside

Trading SELL range: 1,700-1,730

Last price: 1,721

Target price: 1,689, 1,681

Resistance: 1,723

Stop-loss: 1,722

SELL with a target price of 1,681 and stop-loss at 1,722. Based on the chart, FKLI continued the bearish movement and closed lower at 1,721 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 maintained our targets at 1,689 and 1,681 in the near term.

Expected timeframe: One day to three days

Traders' Corner

Source: UOBKH ChartGenie

Autocount Dotcom (ADB MK)

Technical BUY on breakout with +19.0% potential return

Trading buy range: RM0.605-0.61

Last price: RM0.59

Target price: RM0.675, RM0.72

Support: RM0.575

Stop-loss: RM0.57

BUY on breakout with a target price of RM0.72 and stop-loss at RM0.57. The stock consolidated within the BBI line and yesterday's closing above the BBI sets a new tone for the short-term outlook. We expect ADB to continue moving up once it penetrates the breakout level of RM0.605. The bullish bias has been established following an uptick in the DMI. We peg our targets at RM0.675 and RM0.72.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Eupe Corporation (EUPE MK)

Technical BUY on breakout with +16.1% potential return

Trading buy range: RM0.715-0.72

Last price: RM0.69

Target price: RM0.795, RM0.83

Support: RM0.80

Stop-loss: RM0.795

BUY on breakout with a target price of RM0.83 and stop-loss at RM0.795. Based on the chart, EUPE has seen its share price recover gradually and move above the 7- and 21-day EMAs following the movement in the last few days, effectively reversing its sideways trend. This is supported by the rising RSI and DMI indicators, which indicate that positive momentum would strengthen in the near term. We peg our targets at RM0.795 and RM0.83 once it penetrates above the breakout level of RM0.715.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Hap Seng Consolidated (HAP MK)

Technical BUY on breakout with +7.9% potential return

Trading buy range: RM2.77-2.78

Last price: RM2.75

Target price: RM2.91, RM2.99

Support: RM2.65

Stop-loss: RM2.64

BUY on breakout with a target price of RM2.99 and stop-loss at RM2.64. Based on the daily chart, HAP formed higher highs and higher lows, which indicate an uptrend, supported by the EMA 7-day crossing above the EMA 21-day, which is a bullish signal. This is also consistent with the uptick in the RSI, which suggests stronger buying momentum ahead. Additionally, the bullish crossover in +DI and ADX line suggests strong upward movements. We peg our targets at RM2.91 and RM2.99 if the stock penetrates the breakout level of RM2.77.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

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