

BULLETIN TODAY

Wednesday | 19 February 2025

BURSA MALAYSIA

Index	Closing	Pts Chg	% Chg
FBM-KLCI	1,584.84	2.08	0.13
Volume: Total (mil):	3,618.72	630.06	21.08
Total Value (RM' mil):	2,647.21	690.02	35.26
Gainers	397		
Losers	643		
Unchanged	478		

TRADE STATISTICS

Participation		Bought	Sold	Net
40.85	Institution	1,063	1,100	(37)
21.75	Retail	631	521	110
37.40	Foreign	953	1,027	(74)
100.00		2,647	2,647	0

FTSE-BURSA MALAYSIA

Index	Closing	Pts Chg	% Chg
FBM 70	17,537.19	(254.48)	(1.43)
FBM 100	11,716.34	(35.62)	(0.30)
FBM Palm Oil - NC	12,192.49	21.60	0.18
FBM Smallcap	16,891.75	(119.13)	(0.70)
FBM Emas	12,004.22	(40.90)	(0.34)
FBM Fledgling	18,870.92	1.15	0.01

WORLD

Index	Closing	Pts Chg	% Chg
Dow Jones	44,556	10	0.02
Nasdaq	20,041	14	0.07
FTSE 100	8,767	(1)	(0.01)
Nikkei 225	39,270	96	0.25
Hang Seng	22,977	361	1.59
Korea Kospi	2,627	16	0.63
Singapore STI	3,926	21	0.53
Thailand SET	1,257	1	0.08
Jakarta	6,874	43	0.62
Shanghai	3,324	(31)	(0.93)
Shenzhen	2,007	(41)	(2.02)

KLCI FUTURES

Index	Closing	Pts Chg	% Chg	Volume
FBM-KLCI	1,584.84	2.08	0.13	134m
FKLI - Feb 25	1,582.50	(3.50)	(0.22)	4,816
FKLI - Mar 25	1,562.50	(3.00)	(0.19)	588
FKLI - Jun 25	1,567.00	(3.00)	(0.19)	33
FKLI - Sep 25	1,555.50	(3.50)	(0.22)	15

FOREX & COMMODITIES

	Closing	Pts Chg	% Chg
CPO Futures (May)	4,504.00	(38.00)	(0.84)
Brent (USD/b)	75.84	0.62	0.82
Gold (USD/Ounce)	2,936.02	39.46	1.36
USD/RM	4.4455	0.0117	0.26
SGD/RM	3.3125	0.0071	0.21
JPY/RM	2.9237	(0.0022)	(0.08)

HIGHLIGHTS

- The Dow crept up **10.26 points** or less than a tenth of a percent to **44,556.34**, while the Nasdaq inched up **14.49 points** or 0.1% to **20,041.26**
- **SASBADI HOLDINGS BHD – ENTERED INTO A MOA WITH AGMO TO DEVELOP AND COMMERCIALISE AN AI SOLUTION FOR THE EDUCATION SECTOR; NEUTRAL, TP: RM0.18**
- **HARALEGA HOLDINGS BHD – 3QFY25: NEUTRAL, TP: RM2.35**
- German investor sentiment rebounds in February ahead of federal election
- UK jobless rate remains stable in 4Q2024, wage growth accelerates
- **GDB** wins RM82.7m in new adjudication involving payments for 8 Conlay project
- **Sunzen** sells two animal health subsidiaries for RM17.3m
- **Deleum** bags five-year contract from Petronas Carigali
- **Perak Corp** plans share capital reduction, joint development project, RM89.6m land sales, preference shares issuance to regularise financial condition
- **Maxis** reports fivefold Y-o-Y jump in 4QCY24 net profit, declares 5.0 sen dividend
- **MyEG** makes record CY24 profit as 4QCY24 earnings jumped 20.6% Y-o-Y, plans 2.49 sen final dividend
- **Notion VTec's** 1QFY25 net profit up 58.4% Y-o-Y, boosted by forex gain
- **Greatech's** profit up 24.3% Y-o-Y on forex gain in 4QCY24

THE SLANT

- The FBM KLCI managed to recoup all of its intraday losses to end the day with minute gains yesterday, aided by buying support on selected index linked stocks to break its streak of losses and to find support at the 1,580 level. However, the buying was not broad-based as most lower liners still headed south to extend their losses, causing market breadth to remain decidedly negative. Meanwhile, glovemakers were among the big losers after Hartalega announced below-expectation results.
- There appears to be some mild support to keep the key index above the 1,580 level after it managed to end its downtrend yesterday. There could be further near-term recovery as the selective buying is likely to persist that will help the FBM KLCI to remain on a mild rebound as market players await for more corporate results to be released to gauge their prospects for the year. Under the prevailing environment, the upsides could still be relatively modest due to the continuing cautiousness over the market's direction and concerns over a trade war that could keep sentiments subdued for longer. On the upside, the key index could target the 1,590 level, before the 1,595 hurdle comes into play. The 1,580 level remains the immediate support, followed by the 1,575 level.
- The broader market shares are seeing little reprieve amid the persistent selling that has left the FBM Small Cap index at its year low closing yesterday. Interest among these stocks remain weak and their insipid trend is likely to remain a feature over the near term.

COMPANY UPDATE

- **SASBADI HOLDINGS BHD – ENTERED INTO A MOA WITH AGMO TO DEVELOP AND COMMERCIALISE AN AI SOLUTION FOR THE EDUCATION SECTOR; NEUTRAL, TP: RM0.18**

Sasbadi Holdings Bhd's 100%-owned subsidiary, Sasbadi Online Sdn Bhd had entered into a Memorandum of Agreement (MOA) with Agmo Studio Sdn Bhd, a 100%-owned subsidiary of **Agmo Holdings Bhd** to establish a Joint Venture company to undertake the development and commercialisation of an Artificial Intelligence (AI) solution in the form of a local Large Language Model (LLM) for the education sector. Sasbadi will own 55% stake in the JV company, while Agmo will own the remaining 45%. Both companies agreed to finalise and execute the Joint Venture Agreement within 3 months. The trained model is intended to align with Malaysia's national curriculum, with the group contributing its digital educational assets to train the model and granting IP licenses to the JV company for proprietary materials. Meanwhile, Agmo will develop and maintain the model, which will be fine-tuned on Deepseek.

We are keeping our forecasts unchanged for now as the commercialisation of this AI model will likely require a gestation period. Additionally, there is limited visibility on initial market adoption, which will depend on the success rate of the trained model's outcome. Therefore, we maintain our **NEUTRAL** recommendation on Sasbadi, with an unchanged **TP of RM0.18** ascribed from an unchanged target PER of 10.0x to our FY26F EPS.

RESULTS UPDATE

- **HARTEALEGA HOLDINGS BHD – 3QFY25: NEUTRAL, TP: RM2.35**

FYE May (RM m)	3QFY25	3QFY24	YoY	2QFY25	QoQ	9MFY25	9MFY24	YoY
			%		%			%
Revenue	738.2	415.6	77.6	652.1	13.2	1974.1	1307.8	51.0
PBT	36.6	29.0	26.1	(47.5)	NM	30.3	19.9	52.7
PATAMI	19.5	22.4	(12.8)	8.6	126.2	60.1	(2.4)	NM
EPS (sen)	0.6	0.7	(13.6)	0.3	128.0	1.8	(0.1)	NM

Y-o-Y. Revenue posted a jump of 77.6% to RM738.2m, from RM415.6m, due to higher sales volume arising from higher frontloading volume from U.S. customers. However, PATAMI declined by 12.8% to RM19.5m, from RM22.4 due to higher effective tax rate (c.47%) and FV losses on derivatives (RM40.2m). Core profit (excluding unrealised forex gain and FV movements on derivatives) improved to RM26.7m, from RM8.9m.

Q-o-Q. Revenue increased by 13.2% to RM738.2m, from RM652.1m due to higher sales volume (+12.0%). PATAMI more-than-doubled to RM19.5m, from RM8.6m, mostly attributable to lower unit operating cost Q-o-Q, supported by a spike in production volume this quarter. Utilisation rate stood at 86% - based on 37.0b capacity, from 90.0% in 2QFY25. Core earnings turned-in a profit of RM26.7m, from a loss of RM28.3m.

Earnings below expectations: Hartalega's 9MFY25 results fell short of our expectations with its revenue and PATAMI accounting for 78.4% and 50.3% of our FY25F forecasts respectively. While revenue and operating profit gained meaningfully on volume improvements supported by U.S. customers' frontloading, bottom line was hit by higher effective tax rate and fair value losses on derivatives (USD forward hedging). In view of the persistent margin compression with price competition likely to prolong due to the: i) outshifting of China's capacity to Southeast Asia, and ii) flattish ASP outlook in the non-U.S. market, we maintain our **NEUTRAL** recommendation but with a lower **TP of RM2.35 (-RM0.70)** after revising our FY25/26 forecasts lower. Our valuation is based on an unchanged FY26F EPS ascribed to an unchanged target PER of 36.0x (average 5 years forward P/E).

GLOBAL AND ECONOMIC UPDATE

- Stocks showed a lack of direction throughout much of the trading session on Tuesday, extending the lacklustre performance seen during last Friday's session. The Dow crept up 10.26 points or less-than-a tenth of a percent to 44,556.34, while the Nasdaq inched up 14.49 points or 0.1% to 20,041.26. [RTT News](#)
- **German investor sentiment rebounds in February ahead of federal election**
German economic confidence logged its strongest improvement in the past two years in February ahead of the federal election as financial experts expect fiscal stimulus from the new government and also foresee better outlook for construction on the back of interest rate cuts. The ZEW Indicator of Economic Sentiment surged 15.7 points to a seven-month high of 26.0 in February. The reading remained well above forecast of 19.9. [RTT News](#)
- **UK jobless rate remains stable in 4Q2024, wage growth accelerates**
The UK unemployment rate remained unchanged, but wage growth picked up in 4Q2024, supporting the Bank of England's cautious approach to further policy cuts. The jobless rate came in at 4.4% in the three months to December, the same as in the preceding period. Economists had forecast the rate to rise to 4.5%. Average earnings excluding bonus grew at a pace of 5.9% Y-o-Y, following a 5.6% Y-o-Y rise in the previous three-month period. The rate came in line with expectations and marked the strongest since the three months to April 2024. [RTT News](#)

CORPORATE NEWS

- **GDB wins RM82.7m in new adjudication involving payments for 8 Conlay project**
GDB Holdings Bhd has received a favourable adjudication decision in its dispute with KSK Land Sdn Bhd over payments to be paid following KSK Land's termination of GDB's unit as a main contractor for the 8 Conlay project. An adjudicator ruled that KSK Land has to pay GDB a total of RM82.7m, pursuant to GDB's notice of adjudication on 4 October, 2024. According to the adjudicator's decision dated 17 February, 2025, the sum comprises RM76.6m for outstanding certified sums and uncertified sums, plus retention sum and interests, RM5.9m in late payment interest and RM158.8k for the costs of adjudication proceedings. [The Edge Markets](#)
- **Sunzen sells two animal health subsidiaries for RM17.3m**
Sunzen Group Bhd is selling two 100%-owned subsidiaries involved in the animal health businesses for RM17.3m. The disposal of the two subsidiaries, namely Sunzen Corporation Sdn Bhd and Sunzen Lifesciences Sdn Bhd to Pure Nutritional Products Sdn Bhd is expected to result in a gain of RM2.3m to the group. It intends to use the RM16.7m net proceeds from the disposal for working capital. The disposal aligns with the group's business strategy transformation to cease operations in the animal health division. [The Edge Markets](#)
- **Deleum bags five-year contract from Petronas Carigali**
Deleum Bhd has won a five-year contract from Petronas Carigali Sdn Bhd for the provision of slickline equipment and services. The contract will take effect on 16 April, 2025. The scope of works includes the supply of manpower, equipment and materials. The contract is expected to be financed through a combination of internally generated funds and external borrowings. [The Edge Markets](#)

- **Perak Corp plans share capital reduction, joint development project, RM89.6m land sales, preference shares issuance to regularise financial condition**

Perak Corp Bhd has proposed a regularisation plan that consists of a capital reduction, joint development project, RM89.6m in land sales, RM40.4m entitlement from a joint development and preference share issuance to settle debt owed to creditors. The share capital reduction entails the cancellation of RM185.0m of its RM272.8m share capital to offset the group's RM177.4m in accumulated losses as at 9MCY24. Meanwhile, the group has inked a joint venture agreement with major shareholder Perak State Development Corp (PKNP) on 8 January, 2025, to jointly develop the Silver Valley Technology Park Industrial Hub in Hulu Kinta, Perak. On the same date, the group entered into a joint development agreement with **Advancecon Holdings Bhd** for the main infrastructure works for the Silver Valley Technology Park Industrial Hub. The project carries a gross development cost of RM717.0m and a gross development value of RM1.03b — of which the group is entitled to 35% of the net development value.

On the land sale segment of its regularisation plan, the group will sell 424.7-ac. of land in Bernam Timor, Perak, for RM89.6m under agreements inked in November 2024. As per a court-approved scheme of arrangement, the group plans to undertake the issuance of up to 39.7m redeemable preference shares series B (RPS-B) at RM1.00 apiece to settle debt owed to unsecured scheme creditors. The RPS-B shall carry a five-year tenure with a preferential dividend rate of 2.0% per annum and are non-convertible to ordinary shares. The group has the option to redeem the RPS-B at any time during its tenure. Upon the issuance of the RPS-B, any balance debts not settled to the scheme creditors will be fully waived. Against the group's total RM379.3m in verified debt, the scheme comprises creditors taking a RM357.6m haircut. The RM130.0m proceeds from the settlement entitlement and land sales will be used for the redemption of the RPS, fund construction work of a sewerage treatment plant for Bandar Meru Raya lands, and the group's general working capital. *The Edge Markets*

- **Maxis reports fivefold Y-o-Y jump in 4QCY24 net profit, declares 5.0 sen dividend**

Maxis Bhd reported a five-time net profit jump to RM321.0m in 4QCY24, compared with RM56.0m a year ago, thanks to a sharp decline in other operating expenses as well as lower depreciation and amortisation. Quarterly revenue rose 1.1% Y-o-Y to a record quarterly high of RM2.77b, from RM2.74b a year ago, thanks to growth across its consumer and enterprise businesses, which grew 1.2% and 6.2% Y-o-Y respectively. The group declared a fourth and one-time interim dividend of 5.0 sen per share for CY24, payable on 21 March, 2025. This brings its full-year dividend payout to 17.0 sen per share, up from 16.0 sen per share in CY23. *The Edge Markets*

- **MyEG makes record CY24 profit as 4QCY24 earnings jumped 20.6% Y-o-Y, plans 2.49 sen final dividend**

MyEG Services Bhd reported a 20.6% Y-o-Y increase in net profit to RM181.1m in 4QCY24, from RM150.2m a year earlier, as quarterly revenue jumped 32.2% Y-o-Y to RM293.5m, from RM222.0m, driven by contributions from its Web3 application service fees on the Zetrix blockchain platform, digital ID registration and transactions, and sale of Zetrix tokens. The group plans to pay a final dividend of 2.49 sen per share. *The Edge Markets*

- **Notion VTec's 1QFY25 net profit up 58.4% Y-o-Y boosted by forex gain**

Notion VTec Bhd's net profit increased 58.4% Y-o-Y to RM12.7m for 1QFY25, from RM8.0m a year ago, helped by foreign exchange gains of RM6.7m vs. RM1.8m a year ago. Quarterly revenue also rose 34.3% Y-o-Y to RM126.0m, from RM93.8m, boosted by higher contributions from the HDD and electronic manufacturing services (EMS) segments. *The Edge Markets*

- **Greatech's profit up 24.3% Y-o-Y on forex gain in 4QCY24**
Greatech Technology Bhd posted a 24.3% Y-o-Y rise in net profit to RM51.6m in 4QCY24, from RM41.5m a year ago, on the back of a foreign exchange gains. Quarterly revenue also increased 33.1% Y-o-Y to RM205.8m, from RM154.6m. [The Edge Markets](#)

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