

Morning Toast

Idea of the Day

Pekat (PEKAT MK / BUY; TP: RM1.90)

Result Note: Results beat on margin surprise

- 6M25 core earnings rose 179% YoY to RM23m driven by improvement across all segments and margin expansion – results beat expectations
- Sequential earnings improvement to be driven by the power distribution segment, mitigating the lower solar contribution as the CGPP project nears completion
- Raise our 2025-27E EPS forecasts by 4-7%. Upgrade to BUY with a higher 12-month TP of RM1.90 (from RM1.57)

Greotech (GREATEC MK / BUY; TP: RM2.44)

Result Note: Expect a better 2H25

- 6M25 core net profit of RM76m (-11% YoY) deemed in line with our expectations in anticipation of stronger 2H25 momentum
- Management target additional RM700m new order wins in 2H25 (6M25: RM174m); adding on to current order book of RM607m
- Maintain BUY with a higher 12-month TP of RM2.44

D&O Green Technologies (DOGT MK / BUY; TP: RM1.20)

Result Note: Hit by forex in 2Q25

- 6M25 core earnings were down 50% YoY to RM15m, lagging behind our expectations on negative forex impact and prolonged weakness in the automotive market
- Focusing on operational efficiency improvement and reducing headcount to further lower the cost structure
- Trim our EPS forecasts by 7-26% with a lower TP of RM1.20, but upgrade to BUY on valuation grounds

Southern Score Builders (SSB8 MK / BUY; TP: RM0.75)

Result Note: Ending the year on a positive note

- Southern Score FY25 core net profit rose 31% YoY to RM39m driven by 5-month contributions from SJEE, meeting expectations
- We expect a stronger earnings momentum in FY26E (+105% YoY) underpinned by the full-year contribution of SJEE coupled with anticipated new wins
- Maintain BUY rating and RM0.75 target price

Kossan Rubber (KRI MK / BUY; TP: RM1.63)

Result Note: Topline dragged by lower sales volume

- Kossan's 6M25 core net profit of RM73m were below ours and consensus expectations
- Weaker sequential sales volume was reflected in the lower utilisation level during the quarter
- Maintain BUY rating with lower 12-month TP of RM1.63 (from RM1.94)

25 August 2025

Market Indices

| Indices | Last | Daily chg | YTD chg% |
|--------------|-----------|-----------|----------|
| <i>Local</i> | | | |
| FBMKLCI | 1,597.47 | 4.6 | -2.7 |
| FBMEmas | 11,834.56 | 33.6 | -6.0 |
| FBMSHA | 11,761.42 | 43.5 | -6.6 |
| FBMSCAP | 15,781.13 | 122.4 | -12.1 |
| FBMACE | 4,743.62 | 35.3 | -11.8 |
| F4GBM | 958.55 | 2.7 | -5.0 |
| F4GBMS | 972.43 | 3.6 | -5.5 |

Foreign

| | | | |
|--------------|-----------|--------|------|
| Dow Jones | 45,631.74 | 846.24 | 7.3 |
| S&P 500 | 6,466.91 | 96.74 | 10.0 |
| Nasdaq | 21,496.54 | 396.23 | 11.3 |
| FTSE | 9,321.40 | 12.20 | 14.1 |
| Hang Seng | 25,339.14 | 234.53 | 26.3 |
| Nikkei | 42,633.29 | 23.12 | 6.9 |
| Shanghai CI | 3,825.76 | 54.66 | 14.1 |
| Strait Times | 4,253.02 | 22.12 | 12.3 |

Currencies

| BNM Middle Rate | Last | Daily chg | YTD |
|-----------------|------|-----------|------|
| USD / MYR | 4.23 | 0.0165 | -5.5 |
| GBP / MYR | 5.67 | -0.0235 | 1.0 |
| JPY / MYR | 2.88 | 0.0291 | 1.1 |
| EUR/MYR | 4.90 | -0.0230 | 5.2 |
| SGD / MYR | 3.28 | -0.0055 | -0.2 |
| CNY / MYR | 0.59 | 0.0001 | -3.9 |
| AUD / MYR | 2.71 | -0.0006 | -2.4 |

Bond Yield Movements

| | | Yield | D. Chg (bps) |
|-----|----------|-------|--------------|
| MGS | 3- year | 2.98 | -17 |
| | 10- year | 3.39 | -13 |
| GII | 3- year | 3.02 | -16 |
| | 10- year | 3.40 | -12 |
| UST | 2- year | 3.70 | -2 |
| | 10- year | 4.25 | 3 |

Commodities

| | Last | Daily chg | D. chg % |
|-------------------|----------|-----------|----------|
| CPO (3rd month) | 4,546.00 | 558.0 | 14.0 |
| Brent (1st month) | 67.73 | 0.1 | 0.1 |
| Gold (spot) | 3,371.86 | 33.2 | 1.0 |

Source: Bloomberg

Phillip Research

research@phillipcapital.com.my

SkyWorld (SKYWLD MK / BUY; TP: RM0.68)

Result Note: A slow quarter before new launches contribute

- SkyWorld's 1QFY26 core net profit declined 62% YoY attributed to the lower number of ongoing projects; below expectations
- Upcoming project launches are expected to support the recovery in earnings momentum
- We trim our FY26-27E earnings by 10-31% to account for higher effective tax rate and slower billing recognition. Maintain our BUY rating with a lower RNAV-derived TP at RM0.68

Dayang Enterprise (DEHB MK / BUY; TP: RM2.21)

Company Update: Briefing takeaways

- Improving vessel utilisation and stronger maintenance activity to drive earnings momentum in 3Q25
- RM5bn sizeable order book to provide multi-year earnings visibility
- Maintain BUY rating with RM2.21 target price. Dayang remain our sector and country top pick

Traders Corner

Technical Report

- Stock highlight: KSL, GREATECH, WINSTAR

News of the Day

- M&A Equity ends FY2025 on weak note despite 4Q gain
- Sports Toto's 4Q net profit down 40% on weaker UK auto sales, higher investment costs
- Ideal Capital's 2Q profit slips as cost accelerates; Ooi Kee Liang steps down as chairman
- Zetrix AI posts record 2Q earnings on blockchain services, declares 0.25 sen dividend
- CPE Tech's 4Q profit up 20% on higher demand from semicon industry

Daily Trading Participations

| | Buy (RM'm) | Sell (RM'm) | Net Buy (RM'm) |
|--------------------|---------------|----------------|-------------------|
| Local Institutions | 1153.2 | 1316.9 | -163.7 |
| Local Retails | 451.1 | 464.7 | -13.6 |
| Foreign | 1099.9 | 922.7 | 177.2 |

Sources: Bloomberg

Market Pulse



Source: Trading View, Phillip Research

The FBMKLCI gained 4.6 points or 0.29% to close at 1,597.47 points. Daily gainers for FBMKLCI constituents at 18 counters outweigh the losers at 7 counters, while 5 remain unchanged. FBMKLCI gainers were led by Maxis Bhd, PPB Group Bhd and Press Metal Aluminium Holdings Bhd which gained 4.1%, 3.1% and 2.4%, respectively. On the broader market, daily gainers at 563 outweigh the losers at 430 counters, while 526 remain unchanged. The local market tracked the positive sentiment.

The top 3 sectorial daily gainers are Technology (+2.1%), Telco (+1.2), and Industrial (+1.0%) led by Key Asic Bhd (+14.3%), Green Packet Bhd (+12.5%) and Bsl Corp Bhd (+25%) respectively. The top 3 sectorial daily losers are Healthcare (-0.4%), Energy (-0.2%), and Property (-0.1%) led by Top Glove Corp Bhd (-2.4%), Petra Energy Bhd (-16.5%) and Parkwood Holdings Bhd (-11.8%) respectively.

Table 1: Our Picks

| Company | Ticker | Rating | Price (RM) | TP (RM) | Upside (%) |
|-------------------------|------------|--------|------------|---------|------------|
| Fundamental | | | | | |
| Banking | | | | | |
| Affin Bank | ABANK MK | Sell | 2.30 | 2.40 | 4.3 |
| Alliance Bank | ABMB MK | Hold | 4.50 | 5.00 | 11.1 |
| Ambank | AMM MK | Buy | 5.49 | 6.30 | 14.8 |
| CIMB Bank | CIMB MK | Buy | 7.46 | 9.30 | 24.7 |
| Hong Leong Bank | HLBK MK | Buy | 19.84 | 24.30 | 22.5 |
| Maybank | MAY MK | Buy | 9.80 | 11.90 | 21.4 |
| Public Bank | PBK MK | Buy | 4.47 | 5.30 | 18.6 |
| RHB Bank | RHBBANK MK | Buy | 6.54 | 7.90 | 20.8 |
| Construction | | | | | |
| AME Elite | AME MK | Buy | 1.52 | 2.00 | 31.6 |
| Gamuda | GAM MK | Buy | 5.70 | 5.33 | -6.5 |
| Kerjaya Prospek | KPG MK | Buy | 2.10 | 2.70 | 28.6 |
| Sunway Construction | SCGB MK | Hold | 6.09 | 5.50 | -9.7 |
| Binastra | BNASTRA MK | Buy | 1.78 | 2.60 | 46.1 |
| Southern Score Builders | SSB8 MK | Buy | 0.58 | 0.75 | 30.4 |
| EMS | | | | | |
| Nationgate | NATGATE MK | Buy | 1.20 | 1.80 | 50.0 |
| Gaming | | | | | |
| Genting Malaysia | GENM MK | Hold | 1.99 | 1.80 | -9.5 |
| Genting | GENT MK | Buy | 2.96 | 3.85 | 30.1 |
| RGB International | RGB MK | Buy | 0.29 | 0.73 | 156.1 |
| Healthcare | | | | | |
| Optimax | OPTIMAX MK | Buy | 0.59 | 0.70 | 19.7 |
| UMediC | UMC MK | Buy | 0.41 | 0.45 | 11.1 |
| Rubber Glove | | | | | |
| Hartalega | HART MK | Hold | 1.22 | 1.34 | 9.8 |
| Kossan | KRI MK | Buy | 1.23 | 1.63 | 32.5 |
| Top Glove | TOPG MK | Hold | 0.60 | 0.71 | 18.3 |
| Industrial | | | | | |
| Critical | CHB MK | Buy | 1.09 | 1.62 | 48.6 |
| HE Group | HEGROUP MK | Buy | 0.38 | 0.51 | 36.0 |
| MN Holdings | MNHLDG MK | Buy | 1.52 | 1.72 | 13.2 |
| Oil & Gas | | | | | |
| Bumi Armada | BAB MK | Buy | 0.38 | 0.79 | 107.9 |
| Dayang Enterprise | DEHB MK | Buy | 1.75 | 2.21 | 26.3 |
| Pantech | PGHB MK | Buy | 0.72 | 0.89 | 24.5 |
| Uzma | UZMA MK | Buy | 0.41 | 0.76 | 87.7 |
| T7 Global | T7G MK | Buy | 0.26 | 0.34 | 33.3 |
| Plantation | | | | | |

| | | | | | |
|----------------------|------------|------|-------|-------|-------|
| Genting Plantation | GENP MK | Hold | 5.02 | 5.27 | 5.0 |
| Hap Seng Plantation | HAPL MK | Hold | 2.04 | 1.84 | -9.8 |
| IOI Corporation | IOI MK | Hold | 3.86 | 3.84 | -0.5 |
| Kuala Lumpur Kepong | KLK MK | Hold | 19.86 | 19.60 | -1.3 |
| SD Guthrie | SDG MK | Hold | 5.04 | 5.21 | 3.4 |
| Sarawak Oil Palms | SOP MK | Hold | 3.52 | 3.01 | -14.5 |
| Sarawak Plantation | SPLB MK | Hold | 2.65 | 2.64 | -0.4 |
| Property | | | | | |
| Lagenda Properties | LAGENDA MK | Hold | 1.21 | 1.25 | 3.3 |
| SkyWorld Development | SKYWLD MK | Buy | 0.52 | 0.68 | 32.0 |
| Renewable | | | | | |
| Solarvest | SOLAR MK | Buy | 2.40 | 3.05 | 27.1 |
| Pekat | PEKAT MK | Hold | 1.66 | 1.90 | 15.2 |
| BM Greentech | BMGREEN MK | Buy | 1.74 | 2.70 | 55.2 |
| Technology | | | | | |
| D&O | DOGT MK | Buy | 1.00 | 1.20 | 20.6 |
| Frontken | FRCB MK | Buy | 4.24 | 5.20 | 22.6 |
| Greatech | GREATEC MK | Buy | 1.94 | 2.44 | 25.8 |
| Pentamaster | PENT MK | Hold | 3.53 | 3.57 | 1.1 |
| TT Vision | TTVHB MK | Buy | 0.51 | 0.78 | 52.9 |
| UWC | UWC MK | Buy | 2.71 | 2.60 | -4.1 |
| Telco | | | | | |
| OCK Group | OCK MK | Buy | 0.40 | 0.66 | 65.0 |
| Maxis | MAXIS MK | Hold | 3.58 | 3.64 | 1.7 |
| CelcomDigi | CDB MK | Hold | 3.70 | 3.95 | 6.8 |
| Telekom Malaysia | T MK | Buy | 7.06 | 8.05 | 14.0 |
| Axiata Group | AXIATA MK | Hold | 2.57 | 2.56 | -0.4 |
| Transport | | | | | |
| AGX Group | AGX MK | Buy | 0.50 | 0.96 | 92.0 |

Source: Bursa, Bloomberg, Phillip Research, price as of 22 August 2025

Malaysian news highlights

BeST 2.0 expansion to boost bioeconomy with AI, AR/VR and green technology

The BioAgrotech & BioPharmaceutical Career and Entrepreneurship Programme 2.0 (BeST 2.0) will be expanded into new biotechnology-related subsectors, including artificial intelligence (AI), augmented reality (AR), virtual reality (VR) and green energy technology, to ensure training modules remain aligned with industry needs. Bioeconomy Corp chairman Datuk Dr Lee Boon Chye said the move will be carried out alongside databases and monitor industry trends to deliver more focused training modules. (Source: [TheEdgeMarkets](#))

Miti updates manufacturing incentive framework to boost economic complexity — Tengku Zafrul

The Ministry of Investment, Trade and Industry (MITI) is updating its investment incentive framework for the manufacturing sector, to ensure it is aligned with intended outcomes. These outcomes include increasing economic complexity, creating high-value job opportunities and strengthening domestic linkages, said Miti Minister Tengku Datuk Seri Zafrul Abd Aziz. He said the ministry has also set key performance indicators (KPIs) for each outcome. (Source: [TheEdgeMarkets](#))

New e-commerce bill to define roles, include online affiliates for fairer rules — deputy domestic trade minister

A new bill to regulate e-commerce will include clearer definitions of all parties involved, including online marketing affiliates, to ensure fairer and more comprehensive rules. Deputy Domestic Trade and Cost of Living Minister Datuk Dr Fuziah Salleh said industry engagement sessions revealed the need to separate affiliates from sellers, as defined under existing laws. "Previously, affiliates were categorised as sellers, but discussions showed they are different because they don't own the products. Consumers shouldn't blame affiliates, as they only market on behalf of sellers. (Source: [TheEdgeMarkets](#))

Incentives for developers that adopt 'build and sell' approach — housing minister

The government will offer incentives to property developers that adopt the 'build and sell' policy, with the aim of eliminating abandoned projects by 2030. Housing and Local Government Minister Nga Kor Ming said the details of these incentives, which will be included in the 13th Malaysia Plan (13MP), will be revealed soon. "Under the 13MP, developers who successfully implement the 'build and sell' model will receive government incentives. (Source: [TheEdgeMarkets](#))

Melaka logs RM855m in investments in 1Q, says CM

Melaka recorded investments worth RM855.63 million in the first quarter of this year, covering strategic sectors such as manufacturing and services. Chief Minister Datuk Seri Ab Rauf Yusoh attributed this to foreign direct investment (FDI) and domestic direct investment (DDI), which reached RM8.18 billion last year, surpassing the initial target of RM5 billion and positioning Melaka as a premier investment destination in the country. (Source: [TheEdgeMarkets](#))

Global news highlights

US debt-to-GDP of 250% won't push up rates — Jackson Hole paper

US government debt could reach 250% of gross domestic product without putting upward pressure on interest rates, according to a paper presented at the Federal Reserve's Jackson Hole conference. "Until fiscal consolidation occurs, there will be a race between the rising asset demand of an older population and the rising debt issuance needed to finance the associated increase in government expenditures," said its authors — Adrien Auclert of Stanford University, Hannes Malmberg of the University of Minnesota, Matthew Rognlie of Northwestern University and Ludwig Straub of Harvard University. (Source: [TheEdgeMarkets](#))

ECB's Lagarde says labour market has weathered recent shocks well

Europe's labour market has proved surprisingly resilient in the face of a once-in-a-generation inflation shock and aggressive interest-rate hikes, according to European Central Bank president Christine Lagarde. Employment expanded by 4.1% between the end of 2021 and mid-2025, nearly as much as the economy and roughly twice as much as an established economic rule would suggest, Lagarde said Saturday in Jackson Hole, Wyoming, where she's attending the Federal Reserve's annual symposium. She added that both global tailwinds and domestic strengths helped deliver such an outcome. (Source: [TheEdgeMarkets](#))

US inflation to edge up as Powell shifts on job market

A key US inflation gauge probably ticked higher last month, underscoring the challenge Federal Reserve chair Jerome Powell and his colleagues face in balancing rising prices and mounting risks in a fragile job market. A report Friday is forecast to show the personal consumption expenditures price index excluding food and energy — the Fed's preferred measure of underlying inflation — rose 2.9% in July from a year ago. That would be fastest annual pace in five months. On a monthly basis, the so-called core measure is seen climbing 0.3% for a second month. (Source: [TheEdgeMarkets](#))

BOJ's Ueda expects tightening job market to push up wages

Bank of Japan governor Kazuo Ueda said wage hikes are spreading beyond large firms and likely to keep accelerating due to a tightening job market, signalling his optimism that conditions for another interest rate hike were falling into place. The remarks are likely to reinforce market expectations that the central bank will resume a rate hike cycle, which was put on pause due to concern over the fallout from US tariffs on the export-reliant economy, later this year. (Source: [TheEdgeMarkets](#))

Australia to speed up housing construction as crisis lingers

Australia's government is planning a series of measures to speed up the construction of homes as the country continues to grapple with a national housing crisis. Among measures enforced immediately are fast-tracking the assessment of more than 26,000 new homes and freezing further changes to construction laws to escalate housing approvals, according to a statement Saturday. It plans to use artificial intelligence to help implement the changes. (Source: [TheEdgeMarkets](#))

Corporate news

M&A Equity ends FY2025 on weak note despite 4Q gain

Stockbroker and corporate finance adviser M&A Equity Holdings Bhd (KL:M&A) reported a 22% year-on-year increase in net profit to RM7.66 million for the fourth financial quarter ended June 30, 2025 (4QFY2025), up from RM6.28 million a year earlier. The improved earnings were driven by higher contributions from its financial services division. Earnings per share rose to 0.38 sen in 4QFY2025, compared with 0.31 sen in 4QFY2024. Revenue for the quarter grew marginally by 1.5% to RM13.06 million, from RM12.87 million in 4QFY2024. (Source: [TheEdgeMarkets](#))

Sports Toto's 4Q net profit down 40% on weaker UK auto sales, higher investment costs

Number forecast operator (NFO) Sports Toto Bhd (KL:SPTOTO) reported a 40.3% year-on-year (y-o-y) decline in net profit for the fourth financial quarter ended June 30, 2025 (4QFY2025), amid weaker contributions from its UK automotive dealership and a sharp rise in investment-related expenses. Net profit for the quarter dropped to RM40.35 million, from RM67.59 million a year earlier, according to a filing with Bursa Malaysia on Friday. Earnings per share (EPS) fell to 3.03 sen from 5.01 sen a year ago. (Source: [TheEdgeMarkets](#))

Ideal Capital's 2Q profit slips as cost accelerates; Ooi Kee Liang steps down as chairman

Property group Ideal Capital Bhd (KL:IDEAL) saw its net profit for the second quarter fall 14%, dragged down by a jump in cost of sales despite higher revenue. Net profit for the three months ended June 30, 2025 (2QFY2025) declined to RM24.6 million, or 4.97 sen per share, from RM28.8 million, or 5.75 sen per share a year earlier, the group said in a Bursa Malaysia filing on Friday. Revenue rose 38% year-on-year (y-o-y) to RM235.1 million from RM170.5 million, but cost of sales rose 52% to RM171.62 million, from RM112.98 million previously. (Source: [TheEdgeMarkets](#))

Zetrix AI posts record 2Q earnings on blockchain services, declares 0.25 sen dividend

Zetrix AI Bhd (KL:ZETRIX), formerly known as MyEG Services Bhd, posted record earnings of RM199.15 million for the second quarter ended June 30, 2025 (2QFY2025), a 20% jump from RM165.42 million a year earlier. The company declared its first interim single-tier dividend of 0.25 sen per ordinary share, payable on Nov 18, 2025. Its revenue for the quarter increased by 27% to RM307.9 million from RM242.28 million previously, according to the company's filing with Bursa Malaysia on Friday. (Source: [TheEdgeMarkets](#))

CPE Tech's 4Q profit up 20% on higher demand from semicon industry

CPE Technology Bhd (KL:CPETECH) posted a 20% jump in net profit for the fourth quarter, underpinned by higher demand for its precision machining services from its semiconductor customers. Its net profit for the three months ended June 30, 2025 (4QFY2025) stood at RM3.08 million, up from RM2.57 million a year earlier, CPE Tech's bourse filing on Friday showed. The company provides precision machining and mechanical assembly services for various industries, including semiconductor, life sciences and medical devices, sport equipment, and aerospace. (Source: [TheEdgeMarkets](#))

Contact Information (Regional Member Companies)

SINGAPORE

Phillip Securities Pte Ltd
Raffles City Tower
250, North Bridge Road #06-00
Singapore 179101
Tel +65 6533 6001
Fax +65 6535 6631
Website: www.poems.com.sg

JAPAN

Phillip Securities Japan, Ltd.
4-2 Nihonbashi Kabuto-cho Chuo-ku,
Tokyo 103-0026
Tel +81-3 3666 2101
Fax +81-3 3666 6090
Website: www.phillip.co.jp

THAILAND

Phillip Securities (Thailand) Public Co. Ltd
15th Floor, Vorawat Building,
849 Silom Road, Silom, Bangrak,
Bangkok 10500 Thailand
Tel +66-2 6351700 / 22680999
Fax +66-2 22680921
Website: www.phillip.co.th

UNITED STATES

Phillip Capital Inc
141 W Jackson Blvd Ste 3050
The Chicago Board of Trade Building
Chicago, IL 60604 USA
Tel +1-312 356 9000
Fax +1-312 356 9005
Website: www.phillipusa.com

INDIA

PhillipCapital (India) Private Limited
No.1, 18th Floor, Urmi Estate
95, Ganpatrao Kadam Marg
Lower Parel West, Mumbai 400-013
Maharashtra, India
Tel:+91-22-2300 2999/Fax:+91-22-2300 2969
Website: www.phillipcapital.in

MALAYSIA

Phillip Capital Sdn Bhd
B-18-6 Block B Level 18 Unit 6 Megan Avenue II,
No .12, Jalan Yap Kwan Seng, 50450 Kuala
Lumpur
Tel +603 2783 0300
Fax +603 2166 5099
Website: www.phillip.com.my

INDONESIA

PT Phillip Securities Indonesia
ANZ Tower Level 23B,
Jl Jend Sudirman Kav 33A
Jakarta 10220 – Indonesia
Tel +62-21 5790 0800
Fax +62-21 5790 0809
Website: www.phillip.co.id

FRANCE

King & Shaxson Capital Limited
3rd Floor, 35 Rue de la Bienfaisance 75008
Paris France
Tel +33-1 45633100
Fax +33-1 45636017
Website: www.kingandshaxson.com

AUSTRALIA

Phillip Capital Limited
Level 10, 330 Collins Street
Melbourne, Victoria 3000, Australia
Tel +61-03 8633 9803
Fax +61-03 8633 9899
Website: www.phillipcapital.com.au

TURKEY

PhillipCapital Menkul Degerler
Dr. Cemil Bengü Cad. Hak Is Merkezi
No. 2 Kat. 6A Caglayan
34403 Istanbul, Turkey
Tel: 0212 296 84 84
Fax: 0212 233 69 29
Website: www.phillipcapital.com.tr

HONG KONG

Phillip Securities (HK) Ltd
11/F United Centre 95 Queensway
Hong Kong
Tel +852 2277 6600
Fax +852 2868 5307
Websites: www.phillip.com.hk

CHINA

Phillip Financial Advisory (Shanghai) Co Ltd
No 550 Yan An East Road,
Ocean Tower Unit 2318,
Postal code 200001
Tel +86-21 5169 9200
Fax +86-21 6351 2940
Website: www.phillip.com.cn

UNITED KINGDOM

King & Shaxson Capital Limited
6th Floor, Candlewick House,
120 Cannon Street,
London, EC4N 6AS
Tel +44-20 7426 5950
Fax +44-20 7626 1757
Website: www.kingandshaxson.com

CAMBODIA

Phillip Bank Plc
Ground Floor of B-Office Centre, #61-64,
Norodom Blvd Corner Street 306, Sangkat
Boeung Keng Kang 1, Khan Chamkamorn,
Phnom Penh, Cambodia
Tel: 855 (0) 7796 6151/855 (0) 1620 0769
Website: www.phillipbank.com.kh

DUBAI

Phillip Futures DMCC
Member of the Dubai Gold and
Commodities Exchange (DGCX)
Unit No 601, Plot No 58, White Crown Bldg,
Sheikh Zayed Road, P.O.Box 212291
Dubai-UAE
Tel: +971-4-3325052 / Fax: + 971-4-3328895

Contact Information (Phillip Malaysia Investor Centres)

MALAYSIA**Phillip Investor Centre – Alor Setar (Kedah)**

Lot T-30 2nd Floor,
Wisma PKNK, Jalan Sultan Badlisha,
05000 Alor Setar, Kedah
Tel: +604 731 7088 / Fax: 604 731 8428
Website: www.phillip.com.my

MALAYSIA**Phillip Investor Centre – Johor Bahru (Johor)**

15-01A, Jalan Molek 1/29,
Taman Molek, 81100 Johor Bahru,
Johor Darul Takzim, Malaysia
Tel: +607 352 1808 / Fax: 607 352 4808
Website: www.phillip.com.my

MALAYSIA**Phillip Investor Centre – Skudai (Johor)**

9A, Jalan Sutera Tanjung 8/2,
Taman Sutera Utama,
81300 Skudai, Johor, Malaysia.
Tel: +607 557 2188 / Fax: 607 557 8788
Website: www.phillip.com.my

MALAYSIA**Phillip Investor Centre – Kluang (Johor)**

No. 73, 1st Floor,
Jalan Rambutan, 86000 Kluang.
Tel: +607 771 7922 / Fax: 607 771 7909
Website: www.phillip.com.my

MALAYSIA**Phillip Investor Centre – Kota Damansara (Petaling Jaya)**

12A, Jalan PJU 5/8,
Dataran Sunway, Kota Damansara,
47810 Petaling Jaya, Selangor, Malaysia.
Tel: +603 9212 2818 / Fax: 603 6140 7133
Website: www.phillip.com.my

MALAYSIA**Phillip Investor Centre – Kota Kinabalu (Sabah)**

Lot No. G-4, Ground Floor,
Menara MAA, No 6, Lorong Api-API 1,
88000 Kota Kinabalu, Sabah.
Tel: +6088 335 346 / Fax: -
Website: www.phillip.com.my

MALAYSIA**Phillip Investor Centre – Kuantan (Pahang)**

1st Floor, B400,
Jalan Beserah, 25300 Kuantan.
Tel: +609 566 0800 / Fax: 609 566 0801
Website: www.phillip.com.my

MALAYSIA**Phillip Investor Centre – Melaka**

No. 542A, Jalan Merdeka,
Taman Melaka Raya,
75000 Melaka, Malaysia
Tel: +606 292 0018 / Fax: 606 292 4511
Website: www.phillip.com.my

MALAYSIA**Phillip Investor Centre – Penang**

No. 29A Ground Floor Suite 2, Beach Street,
10300 Penang, Malaysia.
Tel: +604 202 0039 / Fax: 607 261 3822
Website: www.phillip.com.my

MALAYSIA**Phillip Investor Centre – Kuching (Sarawak)**

Lot 2650 1st Floor, Suite A, Block 10 KCLD
Central Park Commercial Centre,
3rd Mile, Jalan Rock, 93200, Kuching,
Sarawak, Malaysia.
Tel: +6082 247 633 / Fax: 6082 245 644
Website: www.phillip.com.my

MALAYSIA**Phillip Investor Centre – Sibü (Sarawak)**

No. 6B Jalan Bako,
96000 Sibü, Sarawak.
Tel: +6084 377 933 / Fax: -
Website: www.phillip.com.my

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