

These big-cap stocks on Bursa pay more than 5% dividend yield

BY JOHN LAI
theedgemalaysia.com

KUALA LUMPUR (Feb 5): Amid heightened market uncertainty driven by the US exceptionalism and trade tariff policies, investors may be looking to seek shelter in dividend yield stocks.

The Edge compiled a list of big-cap stocks that have a forward dividend yield of more than 5% on Bloomberg.

Based on the data compiled, Genting Malaysia Bhd (KL:GENM), Sime Darby Bhd (KL:SIME) and RHB Bank Bhd (KL:RHHBANK) offer the highest dividend yield among super large-cap stocks with market capitalisation (cap) above RM10 billion.

Genting Malaysia's forward dividend yield is at 7.1% followed by Sime Darby 6.55% and RHB Bank Bhd 6.26%.

Genting Malaysia, which was removed from the FBM KLCI in December last year, has fallen 20% since then. That explains the high dividend yield.

However, Phillip Capital head of research Tan Jian Yuan sees the likelihood of Genting Malaysia paying a higher dividend in 2025 amid expectation that the casino operator's free cash flow will improve given its monopoly status.

Tan believes there could be potential re-rating catalysts for Genting Malaysia, should it be awarded the New York City casino licence, which is expected to be by year-end.

Banks also offer decent dividend yields.

Tan believes that RHB could afford to raise its dividend payout considering it is well-capitalised with a Tier-1 capital ratio of 16.6%. In fact, RHB's yield is already the highest among its banking peers.

Malacca Securities Sdn Bhd head of



LOW YEN YEING/THE EDGE

Based on the data compiled, Genting Malaysia Bhd (KL:GENM), Sime Darby Bhd (KL:SIME) and RHB Bank Bhd (KL:RHHBANK) offer the highest dividend yield among super large-cap stocks with market capitalisation (cap) above RM10 billion.

research Loui Low favoured Malayan Banking Bhd (KL:MAYBANK) due to its entrenched position in Malaysia. Tan concurs with the view noting that investors should take advantage of Maybank's recent share price weakness that provides opportunities to accumulate, and shelter amidst market volatility.

Meanwhile, Bloomberg data indicated that analysts anticipate Sime Darby's dividend per share to rise by 10.8% in 2025, the biggest increase among the super large-cap stocks. This was enabled by its expanded base after the completion of acquisition of UMW Holdings Bhd in March last year.

Among companies with a market capitalisation between RM1 billion and RM10 billion, Bermaz Auto Bhd (KL:BAUTO) leads the list in terms of dividend yield.

Bermaz's dividend yield is at 12.7% as its share price has been down 43% over the past 12 months amid concerns on the rising competition in the local automotive market, largely caused by the influx of Chinese electric vehicles.

Nevertheless, Apex Securities head of

research Kenneth Leong likes Bermaz Auto simply because of its strong balance sheet with a cash position of RM450 million and consistent earnings performance. He also noted that the company has been paying above its dividend policy of 60% payout ratio.

MBM Resources Bhd's (KL:MBMR) dividend yield is the second highest yield at 8.99%, even with its share price rising 37% in the past year. Malacca Securities's Low said MBM Resources is the proxy to Perodua car sales which tend to be resilient despite the intensifying competition among the non-national marques.

Apart from MBM Resources, other large-cap companies that offer high yields but not a result of share price drop, include Hong Leong Industries Bhd (KL:HLIND), Malakoff Corp Bhd (KL:MALAKOFF), Gas Malaysia Bhd (KL:GASMSIA), Kerjaya Prospek Group Bhd (KL:KERJAYA), IGB REIT's Bhd (KL:IGBREIT) and Sunway REIT's Bhd (KL:SUNREIT).

These stocks have climbed more than 20% in the past 12 months.

CONTINUES ON PAGE 7

High yielding stocks, more than 5% (market cap RM10 bil and above)

Company	Sector	Market cap (RM bil)	Last price (RM)	P/E	Forward dividend yield (%)	Share price change in 1-Year (%)
Genting Malaysia	Gaming	12.64	2.230	13.32	7.10	-20.2
Sime Darby	Automotive / Industrials	14.86	2.180	10.05	6.55	-10.2
RHB Bank	Banks	27.99	6.420	9.65	6.26	14.6
Malayan Banking	Banks	124.29	10.300	12.50	5.94	10.7
CIMB Group Holdings	Banks	85.86	8.000	11.18	5.69	32.1
KLCCP Stapled Group	REITs	14.77	8.180	33.75	5.13	10.5
United Plantations	Plantation	12.78	30.820	17.40	5.13	61.0

Data as of Feb 4, 2025 Source: Bloomberg

THE EDGE

Next

FROM PAGE 6

British American Tobacco Bhd (KL:BAT)'s dividend yield is at 8.16%. Despite the high yield, a structural decline from the shrinking combustible tobacco market in Malaysia and competition from electronic cigarettes may not make the tobacco player attractive to investors. Over the past ten years, the tobacco company's revenue has been on a downtrend while its profit margin has been shrinking.

There were seven real estate investment

trusts (REITs) that yielded more than 5% dividend with market cap of above RM1 billion.

According to Malacca Securities's Low most of the trusts have seen higher rental reversions especially footfall has recovered to post-pandemic level. IGB Commercial REITs (KL:IGBCR), Capitaland Malaysia Trust (KL:CLMT) and YTL Hospitality REITs (KL:YTLREIT) are the highest yielding large cap REITs at 7.41%, 7.01% and 6.92% respectively.

Apex's Leong also highlighted Kim Loong Resources Bhd (KL:KMLOONG) which holds a forward dividend yield of 5.98%. He noted that the plantation company was equipped with a strong cash position of RM488 million and has distributed 85-99% of their net profit as dividends over the past four financial years.



Click to **ASK EDGE**

12 Things You Must Know About A Stock

High yielding stocks, more than 5% (market cap between RM1 bil and RM10 bil)

Company	Sector	Market cap (RM bil)	Last price (RM)	P/E	Forward dividend yield (%)	Share price change in 1-Year (%)
Bermaz Auto	Automotive	1.52	1.300	5.60	12.67	-43.1
MBM Resources	Automotive	2.23	5.700	6.76	8.99	37.1
British American Tobacco	Tobacco	2.06	7.210	11.34	8.16	-19.6
Amway Malaysia Holdings	Consumer	1.12	6.840	9.17	7.73	4.3
Datasonic Group	Technology	1.10	0.395	11.10	7.59	-10.2
Ta Ann Holdings	Plantation	1.77	4.010	11.63	7.54	6.7
IGB Commercial REITs	REITs	1.30	0.540	20.53	7.41	6.9
Capitaland Malaysia Trust	REITs	1.96	0.680	10.30	7.01	12.3
YTL Hospitality REITs	REITs	2.03	1.190	11.21	6.92	2.6
DXN Holdings	Consumer	2.61	0.525	8.36	6.67	-19.8
Prolintas Infra Business Trust	Highway Trust	1.07	0.970	43.71	6.60	-
Sports Toto	Gaming	2.08	1.560	10.41	6.49	3.4
LPI Capital	Insurance	5.10	12.800	13.36	6.39	3.4
Uchi Technologies	Electronics Manufacturing	1.81	3.920	14.06	6.23	1.8
Kerjaya Prospek Group	Construction	2.70	2.140	17.72	6.16	26.4
Gas Malaysia	Utilities	5.38	4.190	12.43	5.99	29.7
Kim Loong Resources	Plantation	2.33	2.380	14.16	5.98	16.6
Bank Islam Malaysia	Banks	5.55	2.450	10.14	5.96	9.8
Hap Seng Consolidated	Industrials	8.27	3.320	15.37	5.95	-27.4
Heineken Malaysia	Brewers	7.26	24.040	17.09	5.77	-0.2
Oriental Holdings	Automotive	4.36	7.030	11.28	5.69	10.0
UOA Development	Property	4.43	1.690	15.24	5.65	-6.6
Pavilion REITs	REITs	5.53	1.510	11.78	5.62	16.8
Sunway REITs	REITs	6.40	1.870	10.81	5.62	22.8
Allianz Malaysia	Insurance	3.41	18.980	6.25	5.56	-0.7
Magnum	Gaming	1.85	1.290	13.51	5.54	18.2
Panasonic Manufacturing Malaysia	Manufacturing	1.06	17.500	17.86	5.49	-1.9
Hap Seng Plantations	Plantation	1.51	1.890	10.77	5.47	3.8
Hong Leong Industries	Industrials	4.22	13.200	9.42	5.30	49.0
IGB REITs	REITs	7.82	2.160	13.44	5.28	23.9
Axis REITs	REITs	3.62	1.800	15.25	5.25	1.7
Taliworks Corp	Utilities	1.55	0.770	24.76	5.19	-11.0
Malakoff Corp	Utilities	4.28	0.875	-	5.17	31.8
Time Dotcom	Telcos	8.52	4.610	24.49	5.12	-11.4
Carlsberg Brewery Malaysia	Brewers	6.05	19.800	17.68	5.02	3.1

Data as of Feb 4, 2025 Source: Bloomberg

THE EDGE
MALAYSIA