

# 20 Jewels 2026 Edition



# **TOP SINGAPORE SMALL CAP COMPANIES**

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**20 JEWELS**

**2026 EDITION**

## SINGAPORE

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<See important disclaimer and disclosures at the end of this report>

# CONTENTS

## List Of Companies By Alphabetical Order

Alliance Healthcare Group	1
Attika Group	3
Centurion Corp	5
Civmec	7
Coliwoo Holdings	9
CSE Global	11
Dezign Format	13
Frencken Group	15
HRnetGroup	17
Info-Tech Systems	19
Marco Polo Marine	21
Micro-Mechanics	23
Nam Cheong	25
Skylink Holdings	27
Soon Hock Group	29
Tai Sin Electric	31
Tiong Woon Corporation	33
Toku	35
Valuetronics	37
Wee Hur Holdings	39

## List Of Companies By Industry Classification

### Construction

Attika Group	3
Tiong Woon Corporation	33
Wee Hur Holdings	39

### Healthcare

Alliance Healthcare Group	1
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### Industrials Products & Services

Civmec	7
CSE Global	11
Dezign Format	13
HRnetGroup	17
Skylink Holdings	27
Tai Sin Electric	31

### Oil & Gas

Marco Polo Marine	21
Nam Cheong	25

### Property

Centurion Corp	5
Coliwoo Holdings	9
Soon Hock Group	29

### Technology

Frencken Group	15
Info-Tech Systems	19
Micro-Mechanics	23
Toku	35
Valuetronics	37

## Foreword

The Singapore Small Cap Jewels turns 16 this year. What began as an initiative by our Malaysian team in 2004 has now grown into a pan-ASEAN institution with a dedicated following. The Singapore edition now sits alongside our colleagues' publications in Malaysia and Indonesia as part of a regional compendium spanning 60 companies, a breadth of small-cap coverage unmatched in this region.

60% of the names in this edition are companies that have not been featured in the previous two editions, reflecting a deliberate refresh of the stock selection. Our picks stem from both top-down thematic ideas and bottom-up fundamental analysis. This year, we have a good representation of stocks from the technology, industrial, construction, property, oil & gas, and healthcare sectors. The book is anchored around three broad pillars: International and regional growth, the technology value chain, and domestic structural trends. The themes include exposure to: i) International growth in the US and Australia, ii) regional growth, especially in Vietnam, iii) the growth of the semiconductor, artificial intelligence (AI) and data centre (DC) segments, iv) the current elevated oil and Certificate of Entitlement (COE) prices, v) robust property and construction sectors, and vi) Singapore's ageing population.

More than half of our picks stem from the industrial and technology sectors. Our industrial stock picks provide diversified exposure to multiple sub-sectors and international growth. We believe Civmec is positioned for potential order wins at Australia's multi-billion dollar Henderson Defence Precinct project; CSE Global and Tai Sin Electric stand to benefit from DC development in Singapore and the US; Deziign Format Group is pursuing regional expansion in the meetings, incentives, conferences and exhibitions (MICE) market across Malaysia and Thailand; HRnetGroup brings exposure to the high-GDP growth market of Vietnam and the scaling of its human resources software Octomate; and Skylink offers a commercial vehicle fleet expansion story, particularly in EVs amid rising Category C COE prices. We are OVERWEIGHT on the technology sector, riding the AI, DC, and semiconductor growth trend. Frencken and Micro-Mechanics are well exposed to the semiconductor value chain's growth, while Toku and Info-Tech Systems Integrators offer investors the opportunity to invest in the expansion of their cloud-based and AI-driven customer-experience (CX) and human resource platforms respectively. Valuetronics is our earnings turnaround pick, as earnings recover towards pre-COVID-19 levels, backed by a strong net cash balance sheet.

The remaining picks provide targeted exposure to property (15%), construction (15%), oil & gas (10%) and healthcare (5%) stocks. In property and construction, Soon Hock Enterprise is leveraged to healthy industrial property demand in Singapore, while Centurion Corp and Wee Hur are positioned to benefit from strong demand for foreign construction workers. Our oil & gas picks, Nam Cheong and Marco Polo Marine stand to gain from the current environment of elevated crude prices. Alliance Healthcare Group, our sole healthcare name, rides the long-term structural tailwind of Singapore's ageing population.

Every stock in the book exhibits at least one fundamental characteristic, whether from its compelling valuation, interesting growth story, strong balance sheet, cash-generation capability, or situational event-driven catalysts. While the companies may vary in terms of business, market capitalisation, and investor interest, they share common traits – they are fundamentally sound companies with a great probability of generating good returns for investors. We hope to eventually see these names graduate into larger-cap players in the not-too-distant future.

RHB Research wishes to express our gratitude to the management teams of the featured firms for their generosity with time and insights, and our dedicated team of analysts, who have invested countless hours into producing this year's edition.

The RHB Singapore Research team remains humbled and encouraged by the continued interest and support from all our institutional clients for our forte in small-cap coverage. Despite tough market conditions, our commitment and belief in this space have never wavered, and we believe this is reflected in our research products. We will continue to refresh and expand our coverage, to bring more excitement and returns to the market and your respective portfolios. I hope you will find this book useful for your investment needs.

Alfie Yeo  
Head of Singapore Small-Mid Cap Research  
RHB Bank  
Singapore, 13 May 2026

## 20 Jewels – at a glance

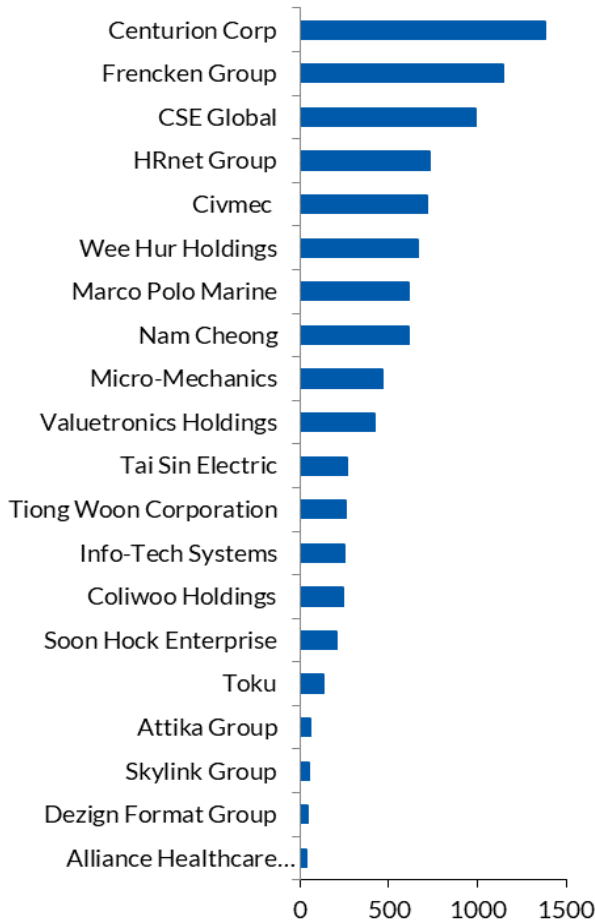
Company name	TP	M Cap	P/E (x)		P/BV (x)		Div Yield (%)		ROE (%)	
	SGD	SGDm	FY25	FY26F	FY25	FY26F	FY25	FY26F	FY25	FY26F
Alliance Healthcare Group	N/A	34	22.0	N/A	1.4	N/A	0.6	N/A	6.5	N/A
Attika Group	N/A	57	17.2	N/A	4.6	N/A	2.6	N/A	29.3	N/A
Centurion Corp	1.87	1,379	12.7	17.5	0.6	0.6	2.4	2.4	9.6	6.3
Civmec	N/A	719	14.3	N/A	1.1	N/A	5.0	N/A	8.0	N/A
Coliwoo Holdings	0.82	255	16.0	9.3	1.2	1.0	4.0	4.3	12.0	10.9
CSE Global	1.68	992	26.1	20.0	3.6	3.2	1.9	2.5	14.1	17.0
Dezign Format Group	N/A	40	34.7	N/A	3.6	N/A	1.3	N/A	10.1	N/A
Frencken Group	3.57	1,147	29.3	24.6	2.4	2.2	1.0	1.0	8.6	9.5
HRnetGroup	0.84	730	14.8	13.0	1.8	1.8	5.5	5.6	13.1	13.9
Info-Tech Systems	1.40	252	14.0	11.9	6.3	5.0	3.6	4.2	82.1	46.9
Marco Polo Marine	0.18	613	20.9	13.6	2.5	2.0	1.0	1.5	24.5	16.6
Micro-Mechanics	N/A	464	37.5	N/A	9.4	N/A	1.8	N/A	25.2	N/A
Nam Cheong	2.05	614	11.5	9.5	2.3	1.8	N/A	N/A	23.4	21.3
Skylink Group	N/A	53	16.4	N/A	6.5	N/A	N/A	N/A	39.6	N/A
Soon Hock Group	N/A	202	4.4	N/A	1.1	N/A	4.7	N/A	24.2	N/A
Tai Sin Electric	N/A	264	10.2	N/A	1.2	N/A	4.1	N/A	12.0	N/A
Tiong Woon Corporation	N/A	255	13.3	N/A	0.8	N/A	1.6	N/A	6.0	N/A
Toku	N/A	134	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Valuetronics	N/A	418	15.1	N/A	1.8	N/A	4.3	N/A	11.7	N/A
Wee Hur Holdings	N/A	666	9.7	N/A	1.0	N/A	2.1	N/A	10.5	N/A

Note: All prices as at 30 April 2026. N/A = not available

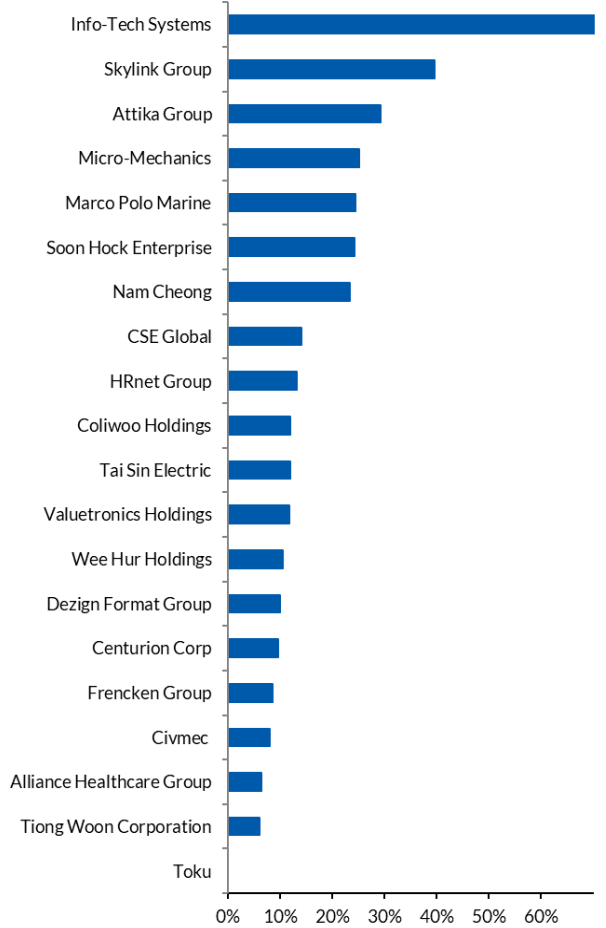
Source: Bloomberg, RHB

Market capitalisation of the Top 20 Jewels (SGDm)

FY25 ROEs of the Top 20 Jewels (%)

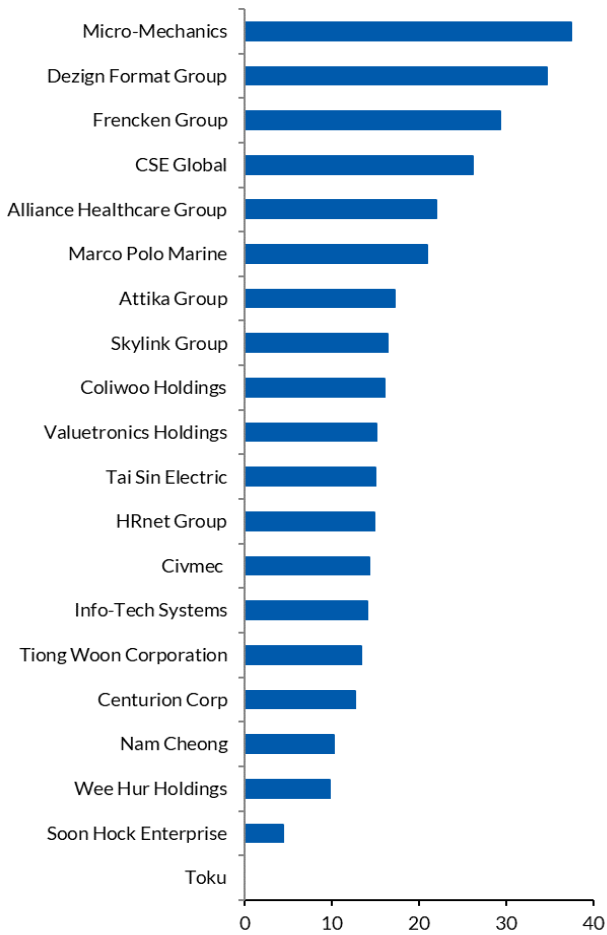


Source: Bloomberg, RHB

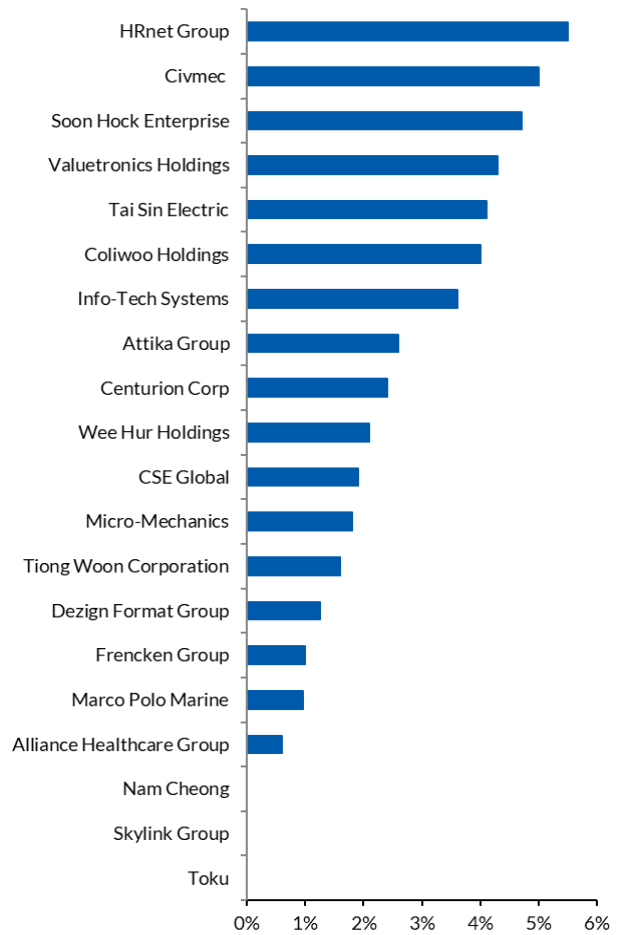


Source: Bloomberg, RHB

FY25 P/Es of the Top 20 Jewels (x)



FY25 dividend yield for the Top 20 Jewels (%)



Source: Bloomberg, RHB

Source: Bloomberg, RHB



## Platform Play Hiding In Plain Sight

Alliance Healthcare Group Ltd (AHG SP)



Source: Bloomberg

### Stock Profile

	AHG SP
Bloomberg Ticker	AHG SP
Avg Turnover (SGD/USD)	0.01m/0.01m
Net Gearing (%)	Net cash
Market Cap (SGDm)	34
Beta (x)	0.54
BVPS (SGD)	0.12
52-wk Price low/high (SGD)	0.09 - 0.16
Free float (%)	28

### Major Shareholders (%)

Alpine Investment	64.4
Mong Thng Lip	4.1
Hwei Mok Kan	3.4

### Share Performance (%)

	1m	3m	6m	12m
Absolute	7.9	55.2	41.7	75.3
Relative	9.3	59.0	43.3	63.3

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## Investment Merits

- Physician-led, digitally enabled healthcare ecosystem spanning general practitioner (GP) clinics, specialist care, managed healthcare solutions, distribution of pharmaceuticals, and digital health services across Singapore
- Managed care platform is an asset-light model, with an expanding corporate client base and AI-driven claims automation providing further margin upside
- Beneficiary of Mobile Inpatient Care at Home (MIC@Home) programme riding Singapore's shift towards community-based care
- Pivot from revenue growth to profitability should boost margins
- Trading at a discount to peers

## Company Profile

Alliance Healthcare Group (AHG) is a Singapore-based, physician-led integrated healthcare platform listed on the SGX Catalist board since 2019. The group operates across six segments: i) 16 GP clinics under the "My Family Clinic" brand, ii) one medical centre (Alliance Medical Centre at Dhoby Ghaut), iii) nine specialist clinic locations across six disciplines, iv) a managed healthcare solutions arm serving corporate employers and insurers through a network of over 1,900 partner facilities, v) a pharmaceutical wholesaling subsidiary, and vi) a mobile and digital health services business operated primarily through Jaga-Me, its subsidiary.

## Highlights

**Managed care is the ecosystem's engine room, and the engine is accelerating.** Managed healthcare solutions is AHG's most strategically important segment. It serves as the entry point into the wider ecosystem – corporate clients entering through managed care are subsequently channelled towards AHG's health screening services, GP clinics, specialist facilities, and home recovery programmes. The segment grew revenue by 23.8% YoY in 1HFY26 (Jun) to SGD10.4m, delivering a pre-tax profit of SGD1.4m – the highest absolute PBT contribution among all segments. Growth has been driven by an expanding base of corporate clients and the establishment of new programmes with business partners, while all existing major clients, which include SMRT Corp, Marina Bay Sands, and major insurance providers, have been retained. We see further upside from AHG's AI-driven claims automation initiative, where management expects the programme to yield meaningful margin expansion as adoption scales from simpler to more complex claim types.

**MIC@Home positions Jaga-Me at the centre of a national policy priority.** Singapore's Ministry of Health has made hospital-to-home care transition a strategic priority to manage rising inpatient costs and an ageing population. Jaga-Me currently supports government restructured

hospitals under individual MIC@Home contracts, providing hospital-level care (intravenous therapy, wound management, physiotherapy) in patients' homes. The programme transitioned from a pilot to a mainstream funded service in Apr 2024. Management noted, during its FY25 AGM, that AHG will bid for the upcoming national inpatient care-at-home programme, which could allow it to expand its home care services across all existing government restructured hospitals. Jaga-Me has also expanded into the private sector through a partnership with Farrer Park Hospital on a Hospital Recovery Programme. The segment's losses have narrowed consistently, and we believe the unit is approaching breakeven.

**Profitability inflection is underway.** Based on our conversation with management, we assess that the group is pursuing a clear strategic shift from revenue growth to strengthening the bottomline. We see three areas of focus. First, management is actively reviewing the portfolio to rationalise business units that are not delivering adequate returns, which should reduce the drag on group-level margins. Second, the health screening business housed under the GP segment – which has weighed on segment profitability owing to high equipment and rental costs relative to current volumes – is being progressively ramped up by migrating managed care corporate clients to the screening centre. Third, the emphasis across the GP clinic network has shifted from expansion to optimising profitability of its existing footprint. These actions, combined with other points mentioned earlier, should provide multiple levers for earnings improvement over the next 12-24 months.

## Company Report Card

**1HFY26 results.** Revenue rose 11.6% YoY to SGD42.3m, led by managed healthcare solutions (+23.8% to SGD10.4m), mobile and digital health (+32.1% to SGD3.7m), specialist care (+13.3% to SGD9.4m), and GP clinics (+10.9% to SGD10.2m). Net profit surged fivefold to SGD1.5m, matching the entire FY25 full-year figure.

**Balance sheet, cash flow and dividend.** As at 31 Dec 2025, the group held a net cash position of c.SGD2.6m (c.8% of market capitalisation). Net cash from operations was SGD6.8m in 1HFY26, nearly double the SGD3.7m in 1HFY25. AHG does not have a fixed dividend policy, but it paid a dividend of 0.1 SG cents per share in FY25.

**Management.** Founded and led by Dr Barry Thng (Executive Chairman and CEO), a medical doctor who built AHG from a single GP clinic over more than two decades. The management team has demonstrated strategic discipline in pivoting from revenue-driven expansion towards profitability.

## Investment Case

AHG trades at c.3.7x trailing EV/EBITDA, a steep discount to SGX healthcare peers such as Raffles Medical (RFMD SP, BUY, TP: SGD1.30) (11.9x), Asiamedic (AMAT SP, NR) (7.3x), and ISEC Healthcare (ISEC SP, NR)(8.3x). While micro-cap liquidity constraints explain part of this gap, we believe the discount does not reflect the quality of the underlying platform franchise. As earnings normalise and liquidity improves, there is meaningful scope for re-rating towards mid-cycle peer multiples.

<b>Profit &amp; Loss</b>	<b>Jun-23</b>	<b>Jun-24</b>	<b>Jun-25</b>
Total turnover (SGDm)	58	68	77
Reported net profit (SGDm)	2.1	0.7	1.5
Recurring net profit (SGDm)	2.1	0.7	1.5
Recurring net profit growth (%)	(32.8)	(65.6)	111.7
Recurring EPS (SGD)	0.01	0.00	0.01
DPS (SGD)	0.01	0.00	0.00
Dividend Yield (%)	2.8	1.8	0.6
Recurring P/E (x)	16.0	46.6	22.0
Return on average equity (%)	9.3	3.2	6.5
P/B (x)	1.5	1.5	1.4
P/CF (x)	6.1	6.6	4.9

Source: Company data, RHB

<b>Balance Sheet (SGDm)</b>	<b>Jun-23</b>	<b>Jun-24</b>	<b>Jun-25</b>
Total current assets	46	57	67
Total assets	65	83	91
Total current liabilities	31	54	57
Total non-current liabilities	10	6	10
Total liabilities	41	60	67
Shareholder's equity	23	23	24
Minority interest	1	0	(0)
Other equity	(0)	0	0
Total liabilities & equity	65	83	91
Total debt	14	21	18
Net debt	(6)	2	1

Source: Company data, RHB

<b>Cash Flow (SGDm)</b>	<b>Jun-23</b>	<b>Jun-24</b>	<b>Jun-25</b>
Cash flow from operations	2	4	6
Cash flow from investing activities	(3)	(5)	(2)
Cash flow from financing activities	(0)	(1)	(6)
Cash at beginning of period	21	20	19
Net change in cash	(1)	(1)	(2)
Ending balance cash	20	19	16

Source: Company data, RHB



Attika Group (Attika SP)



Source: Bloomberg

Stock Profile

Table with 2 columns: Metric and Value. Metrics include Bloomberg Ticker, Avg Turnover, Net Gearing, Market Cap, Beta, BVPS, 52-wk Price low/high, and Free float.

Major Shareholders (%)

Table with 2 columns: Shareholder Name and Percentage. Entry: Tan Buan Joo, 73.7%

Share Performance (%)

Table with 5 columns: Metric, 1m, 3m, 6m, 12m. Metrics include Absolute and Relative performance.

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Investment Merits

- Proxy to Singapore's interior fit-out upcycle
• Strong margin recovery due to strict cost discipline
• Growing orderbook and improving dividends

Company Profile

Attika Group (Attika) is a Singapore-based integrated interior fit-out and mechanical, electrical and plumbing (MEP) engineering company incorporated in 2014 and listed on the SGX in Nov 2024.

Highlights

Well-positioned in a growing market, moving into higher-margin work. Singapore's construction upcycle continues to drive downstream interior fit-out demand, and Attika's L6 grading, being the highest tier for interior decoration works, allows it to tender for public sector projects without value limits.

Growing orderbook with more diversified wins. Attika began FY26 with strong revenue visibility as it secured two interior fit-out contracts worth c.SGD38m in January, including a SGD36m award for a 20-storey, 371k sq ft commercial office building due by Jun 2027.

Expanding into property. In FY25, Attika expanded into property development and investment through Attika Properties. It recently



purchased an industrial unit at 186 Tagore Lane, which is intended for potential own-business use, leasing, or sale. While still at an early stage, this diversification provides an additional avenue for capital deployment and potential valuation upside outside the group's core fit-out business.

## Company Report Card

**Results highlights.** FY25 revenue declined 32.4% YoY to SGD37.5m, largely due to the completion of a major corporate office project that contributed materially to FY24 revenue, partially offset by projects secured in FY24 that reached substantial completion in FY25. Despite the lower topline, net profit rose by 19.3% YoY to SGD3.4m, partly due to the listing expenses of SGD1.1m recorded in FY24. However, gross profit margin expanded to 20.5% from 15.1% in FY24, driven by improved cost management and a better project mix, such as the higher-margin DC and cleanroom projects.

**Balance sheet/cash flow.** Due to the nature of its project-based business, Attika's working capital requirements fluctuate with project timing. The group had a cash balance of SGD6.8m end-FY25, and a net debt-to-equity ratio of 0.57x, higher than 0.19x in FY24, largely due to the property segment's expansion and associated financing. The current ratio stands at 1.4x, and the group has historically generated positive operating cash flows, demonstrating the underlying cash-generative nature of its business. ROE remained robust at 29.3%.

**Dividend.** Attika has no fixed dividend policy, but has recommended a FY25 DPS of 1.1029 SG cents, a 50% rise from the prior year's 0.735 SG cents. This translates to a payout ratio of 45%. Attika has guided to distribute at least 35% of net profit as dividends for FY26 and FY27, providing investors with greater predictability on future distributions. At the current price, this translates to a FY25 dividend yield of c.2.7%.

**Management team.** Attika was founded by Steven Tan Buan Joo, who serves as Managing Director and Executive Chairman and has led the business since its establishment in 2014, overseeing overall strategy and business development. He is supported by Executive Director Tang Kim Foo, who joined in 2016 and brings over 40 years of industry experience, overseeing contract administration, compliance, and IT. Attika's financial controller Yap Yoke Peng oversees the overall financial and management accounting and reporting of the group.

## Investment Case

**A proxy for Singapore's interior fit-out upcycle with margin recovery underway.** Attika offers downstream exposure to Singapore's multi-year construction pipeline, supported by its L6 grading, in-house MEP capabilities, and growing presence in high-specification segments such as DCs and clean rooms. Despite the roll-off of a large one-off project, FY25 results showed resilient core earnings, pointing to improving earnings quality. A recently secured order of over SGD70m underpins revenue visibility through 2027.

**Key risks:** Earnings volatility from lumpy project timing, execution risk stemming from reliance on a small senior management team, and margin pressure from labour shortages and rising subcontractor costs.

<b>Profit &amp; Loss</b>	<b>Dec-23</b>	<b>Dec-24</b>	<b>Dec-25</b>
Total turnover (SGDm)	27	56	38
Reported net profit (SGDm)	2	3	3
Recurring net profit (SGDm)	2	3	3
Recurring net profit growth (%)	10.1	23.7	19.3
Recurring EPS (SGD)	0.02	0.02	0.02
DPS (SGD)	0.00	0.01	0.01
Dividend Yield (%)	0.0	1.7	2.6
Recurring P/E (x)	25.4	20.5	17.2
Return on average equity (%)	111.2	39.1	29.3
P/B (x)	14.1	5.6	4.6
P/CF (x)	10.2	6.1	17.3

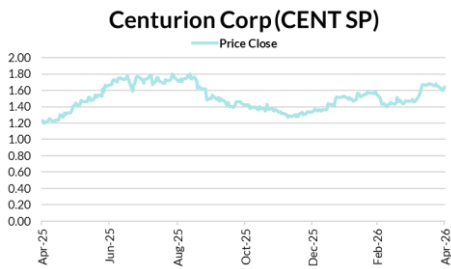
Source: Company data, RHB

<b>Balance Sheet (SGDm)</b>	<b>Dec-23</b>	<b>Dec-24</b>	<b>Dec-25</b>
Total current assets	13	22	25
Total assets	21	35	44
Total current liabilities	12	15	18
Total non-current liabilities	5	10	14
Total liabilities	17	25	32
Shareholder's equity	4	10	13
Minority interest	0	0	0
Other equity	0	0	0
Total liabilities & equity	21	35	44
Total debt	12	11	14
Net debt	9	2	7

Source: Company data, RHB

<b>Cash Flow (SGDm)</b>	<b>Dec-23</b>	<b>Dec-24</b>	<b>Dec-25</b>
Cash flow from operations	6	9	3
Cash flow from investing activities	(7)	(1)	(1)
Cash flow from financing activities	3	(2)	(4)
Cash at beginning of period	1	3	9
Net change in cash	2	6	(2)
Ending balance cash	3	9	7

Source: Company data, RHB



Source: Bloomberg

### Stock Profile

Bloomberg Ticker	CENT SP
Avg Turnover (SGD/USD)	2.62m/2.04m
Net Gearing (%)	22.9
Market Cap (SGDm)	1,379
Beta (x)	0.98
BVPS (SGD)	1.47
52-wk Price low/high (SGD)	1.24 - 1.89
Free float (%)	28

### Major Shareholders (%)

Centurion Properties	49.5
Loh Kim Kang	9.4
Teo Peng Kwang	7.6

### Share Performance (%)

	1m	3m	6m	12m
Absolute	(3.6)	5.2	18.4	29.8
Relative	(2.5)	8.7	19.7	17.5

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## Investment Merits

- Largest purpose-built workers' accommodation (PBWA) provider in Singapore with upside to rental rates, as demand currently outstrips supply
- Growth to be driven by better capacity, occupancy, and rental rates, with dividend in specie in the works
- Maintain BUY, trades at 18x FY26F P/E, and offers a c.2% yield

## Company Profile

Centurion Corp (CENT) provides purpose-built worker and student accommodation services. The group owns, develops, and manages quality PBWA assets.

## Highlights

**Growth strategy has shifted towards property development.** CENT's growth focus will be on property development, REIT management for Centurion Accommodation REIT (CAREIT SP, NR), and acquisitions. The remaining assets (which have not been spun off to CAREIT) will continue to drive growth, with improved occupancy rates, bed capacity expansion (especially in Malaysia), and asset enhancement initiatives (AEI). It will make strategic acquisitions in various areas, including the Middle East, and receive new REIT management fees from third-party asset owners and CAREIT to supplement growth. The group has already acquired purpose-built students' accommodation (PBSA) development projects in Perth and London. Other markets that are being evaluated include Saudi Arabia and the United Arab Emirates for workers' accommodation development projects. Management is progressing cautiously due to the higher risks involved. We, therefore, should not expect a hasty entry into the Middle East, for now. It is also looking at the possibility of providing other accommodation types with the exception of hotels, such as built-to-rent properties in China for tenant profiles other than students, for growth purposes.

**Dividend in specie in the works.** CENT announced that it will distribute a dividend in specie to shareholders of 1 CAREIT unit for every 10 shares held. The date of the dividend in specie will be announced in due course. CENT will ultimately hold 37.9% in CAREIT after the dividend exercise. Based on the current CAREIT market price, this will theoretically reduce our TP by c.6% (including a 2% ESG discount), as part of its 42.8% stake in CAREIT is converted into direct shareholding for shareholders. Based on CENT's current market cap of SGD1.4bn and the SGD93m value of its 4.9% CAREIT shares which it is distributing to shareholders, we estimate the current dividend in specie works out to c.6.7% yield. However, as with any dividend distribution, this could be compensated by an almost equal percentage adjustment in the future market price of CENT.

## Company Report Card

**Results highlights.** CENT reported FY25 core earnings of SGD109m (+9% YoY) – within estimates – on the back of a 17% YoY revenue growth to SGD296m. Revenue growth was driven by Singapore (+21% YoY, SGD212m), Malaysia (+8% YoY, SGD21m), and the UK (+6% YoY, SGD43m), dragged by Australia (-7% YoY, SGD16m). Revenue growth was also led by higher bed capacity and rates, offset by lower occupancy. FY25 saw bed increase from new China, Hong Kong, and Malaysia's PBWA. Bed rates have increased largely from Singapore's PBWA and UK's PBSA. Australia was a slight drag on lower occupancy and rates amid stricter student visa requirement and later student arrivals. GPM and EBIT margins declined slightly by -0.4ppts (76.7%) and -2.3ppts (59.5%) on lower occupancy and higher opex. EBIT growth (+12% YoY) was due to better revenue.

**Balance sheet/cash flow.** As a property company, CENT uses debt to fund its property development. Net gearing was 0.3x in FY25. However, the business is cash-generative, and has produced operating cash flow in excess of SGD75m annually over the past six years.

**Dividend.** CENT typically pays a sustainable DPS. Before the COVID-19 pandemic, it paid 1.5-2 SG cents, along with the occasional special dividend. From FY23 to FY25, DPS steadily increased from 2.5 SG cents to 4 SG cents. FY25's DPS represented a payout ratio of c.34% on core earnings – in line with expectations. We expect an over 40% dividend payout ratio to be sustainable going forward, post unlocking of its assets into CAREIT. There is also a dividend in specie expected in FY26 to shareholders.

**Professional management team.** CENT is managed by professional executives. Its CEO Kong Chee Min was formerly the group's Regional CEO and Finance Director. He is supported by CFO Foo Ai Huey. Management is further divided into business unit heads: Teo Peng Kwang Kelvin (Executive Director and COO, Accommodation Business), Ho Lip Chin (CIO, Accommodation Business), and Leong Siew Fatt (Head, Student Accommodation Business). Key shareholders are Executive Director and Joint Chairman David Loh and Non-Executive Director and Joint Chairman Han Seng Juan, who collectively own more than half of CENT.

## Investment Case

**Leading dormitory play in Singapore.** We remain positive on CENT's prospects, as the group focuses on property development, acquisitions, and being CAREIT's manager post spin-off of its assets to the latter. Shareholders will receive another dividend in specie this year. The stock is trading at 18x FY26F P/E. Its share price is supported by a 2% dividend yield as well.

**Key risks.** Our earnings forecasts are premised on better occupancy rates at the group's PBSA assets, and bed rates. Failure to achieve these revenue drivers would pose downside risks to our estimates.

Profit & Loss	Dec-25	Dec-26F	Dec-27F
Total turnover (SGDm)	296	323	342
Reported net profit (SGDm)	115	79	90
Recurring net profit (SGDm)	109	79	90
Recurring net profit growth (%)	9.8	(27.6)	13.5
Recurring EPS (SGD)	0.13	0.09	0.11
DPS (SGD)	0.04	0.04	0.05
Dividend Yield (%)	2.4	2.4	2.7
Recurring P/E (x)	12.7	17.5	15.4
Return on average equity (%)	9.6	6.3	6.9
P/B (x)	0.6	0.6	0.6
P/CF (x)	7.8	7.7	7.1

Source: Company data, RHB

Balance Sheet (SGDm)	Dec-25	Dec-26F	Dec-27F
Total current assets	407	506	602
Total assets	3,291	3,406	3,519
Total current liabilities	253	270	270
Total non-current liabilities	865	865	865
Total liabilities	1,119	1,135	1,136
Shareholder's equity	1,233	1,278	1,330
Minority interest	940	993	1,053
Other equity	0	0	0
Total liabilities & equity	3,291	3,406	3,519
Total debt	705	705	705
Net debt	332	237	143

Source: Company data, RHB

Cash Flow (SGDm)	Dec-25	Dec-26F	Dec-27F
Cash flow from operations	195	179	178
Cash flow from investing activities	(634)	(11)	(7)
Cash flow from financing activities	725	(72)	(77)
Cash at beginning of period	85	372	467
Net change in cash	286	96	94
Ending balance cash	373	469	563

Source: Company data, RHB



Civmec

Fair Value: N/A

Price: SGD1.41

## An Australian Multi-Sector Engineering And Construction Play

Civmec (CIVMEC SP Equity)



Source: Bloomberg

### Stock Profile

Bloomberg Ticker	CIVMEC SP
Avg Turnover (SGD/USD)	0.22m/0.17m
Net Gearing (%)	3.3
Market Cap (SGDm)	719
Beta (x)	0.74
BVPS (AUD)	1.04
52-wk Price low/high (SGD)	0.785 - 1.55
Free float (%)	N/A

### Major Shareholders (%)

Central Depository	39.9
Fitzgerald James Finbarr	16.5
Tallon Patrick John	16.5

### Share Performance (%)

	1m	3m	6m	12m
Absolute	8.3	5.1	26.5	75.5
Relative	9.4	8.7	27.9	63.1

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## Investment Merits

- Buoyant high orderbook of AUD1.35bn on the back of stronger near-term GDP outlook to support growth
- Multi-billion AUD development of the Henderson Defence Precinct offers up to AUD10-15bn in potential long-term opportunity
- Trades at a valuation of 14x FY25 (Jun) P/E

## Company Profile

Civmec is an integrated, multi-disciplinary construction and engineering services provider to the energy, resources, infrastructure, and marine & defence sectors. Focused on establishing long-term partnerships and working collaboratively with clients and delivery partners, the company has played a significant role in the delivery of some of Australia's most complex projects, including in remote and logistically-challenging environments.

## Highlights

**Strong and growing orderbook to fuel growth.** Civmec's orderbook stood at AUD1.35bn as at 1HFY26, up from FY23's AUD1.15bn (+17%) and 1HFY25's AUD1.25bn (+8% YoY), amid more tenders won during the first half of this year. The strong orderbook comprises a diverse range of contracts across its operating sectors, including several significant contract wins. Ongoing projects include BHP Port debottlenecking Project 2 and Car Dumper 4 project, Fortescue contracts, Green Iron project, inland rail footbridges, and Dalrymple Bay shiploader project. It continues to engage customers in several early contractor involvement (ECI) processes for medium- to large-scale projects, to drive growth.

**Henderson Defence Precinct project offers up to AUD10-15bn of opportunity.** Civmec is a potential beneficiary of the Australia Government's proposed multi-billion AUD investment at Henderson and Fleet Base West, including future naval shipbuilding opportunities. Civmec is well positioned to win large scale defence and naval shipbuilding contracts there, given its proven capabilities in the defence and infrastructure sectors as well as being strategically located within the project's precinct in Perth.

**Positive near-term economic indicators.** Based on the latest Reserve Bank of Australia's (RBA) monetary policy report, GDP growth for 2026 has been raised from 1.9% to 2.1%, coming off 2025's stronger-than-expected global growth and driven by private demand. There is currently stable domestic unemployment, increased capacity utilisation in 2H25 on strong demand and stronger-than-expected household consumption. More importantly, business investment increased sharply last year, with material uptick in businesses' near-term investment intentions. These factors bode well for Civmec in the coming quarters.

## Company Report Card

**Results highlights.** 1HFY26 revenue declined 24% YoY to AUD380m while net profit after tax (NPAT) shrank 19% YoY to AUD21m, mainly due to reduced activity levels affected by the completion of several major contracts, and timing of newer contracts which were secured towards the end of reporting period. While the Energy and Infra-Marine and Defence segments grew 112% (AUD60m) and 45% YoY (AUD98m), the overall revenue decline was dragged by the resources segment, which fell 45% YoY (AUD223m). GPM gained 0.7ppt to 11.8% on the back of higher project work rendered for customers. EBIT was AUD45m (-20% YoY), with EBIT margin at 11.8% (+0.7ppts) on higher mix of stronger margin businesses in Energy and Infra-Marine & Defence segments. Net margin improved by 0.4ppt to 5.6%. Orderbook was AUD1.35bn, which includes contracts across its operating sectors, and several significant awards secured during the period.

**Balance sheet/cash flow.** Civmec has a strong balance sheet with net cash as at 1HFY26. As of 1HFY26, the company has a net cash of c.AUD28m. In the past four years, Civmec has generated positive cash flow averaging AUD57m per year between FY22-25. The operating cash flow generated has far outstripped capex for the past three years.

**Dividend.** Civmec declared an interim dividend of 2.5 AU cents for 1HFY26, implying a dividend payout ratio of c.60%. We expect dividends to increase as the company reports better profitability.

**Management team.** Patrick John Tallon is the CEO and was appointed to the board on 27 Mar 2012. Over the past 30 years, Tallon has developed his knowledge in the oil & gas, metals & minerals, infrastructure, and marine & defence sectors, building an understanding of key stakeholder requirements at all levels. He has been a key driver in company innovation, productivity improvement, and the waste elimination programmes within the business.

## Investment Case

**Beneficiary development projects in Australia.** As an integrated multi-disciplinary solutions company, Civmec provides exposure and is a good proxy to Australia's energy, resources, infrastructure, marine, and defence sectors for shareholders. Growth is driven by a strong and growing orderbook of AUD1.35bn, while the Henderson Defence Precinct project potentially offers up to AUD10-15bn of opportunity going forward.

**Key risks.** Key downside risks to growth going forward include slowdown in pace of project development due to factors such as contract awards, execution, and delivery, which can affect revenue growth and recognition.

<b>Profit &amp; Loss</b>	<b>Jun-23</b>	<b>Jun-24</b>	<b>Jun-25</b>
Total turnover (AUDm)	831	1,033	811
Reported net profit (AUDm)	58	64	43
Recurring net profit (AUDm)	58	64	43
Recurring net profit growth (%)	13.7	11.7	(34.0)
Recurring EPS (AUD)	0.11	0.13	0.08
DPS (AUD)	0.05	0.06	0.06
Dividend Yield (%)	3.9	4.7	5.0
Recurring P/E (x)	11.6	10.2	14.3
Return on average equity (%)	13.7	13.2	8.0
P/B (x)	1.6	1.3	1.1
P/CF (x)	6.8	9.1	9.9

Source: Company data, RHB

<b>Balance Sheet (AUDm)</b>	<b>Jun-23</b>	<b>Jun-24</b>	<b>Jun-25</b>
Total current assets	281	358	323
Total assets	775	910	912
Total current liabilities	197	242	177
Total non-current liabilities	157	180	204
Total liabilities	354	422	381
Shareholder's equity	421	488	531
Minority interest	(0)	(0)	(0)
Other equity	0	0	0
Total liabilities & equity	775	910	912
Total debt	114	121	121
Net debt	(14)	(24)	(43)

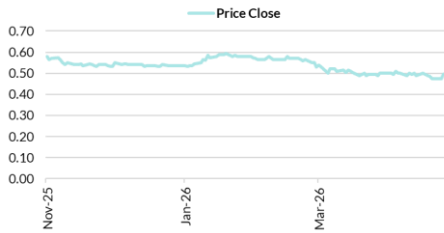
Source: Company data, RHB

<b>Cash Flow (AUDm)</b>	<b>Jun-23</b>	<b>Jun-24</b>	<b>Jun-25</b>
Cash flow from operations	95	71	61
Cash flow from investing activities	(19)	(25)	(5)
Cash flow from financing activities	(46)	(28)	(42)
Cash at beginning of period	41	70	88
Net change in cash	30	18	14
Ending balance cash	70	88	103

Source: Company data, RHB



### Coliwoo Holdings (COLIWOO SP)



Source: Bloomberg

#### Stock Profile

Bloomberg Ticker	COLIWOO SP
Avg Turnover (SGD/USD)	0.81m/0.63m
Net Gearing (%)	130.6
Market Cap (SGDm)	255
Beta (x)	1.22
BVPS (SGD)	0.4
52-wk Price low/high (SGD)	0.47 - 0.635
Free float (%)	35

#### Major Shareholders (%)

LHN Group Pte Ltd	65.0
Oversea-Chinese Banking Corporation	0.5
Yeo Swee Cheng	0.1

#### Share Performance (%)

	1m	3m	6m	12m
Absolute	5.0	(7.9)	(7.9)	N/A
Relative	6.1	(4.4)	(6.6)	N/A

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### Investment Merits

- Market-leading co-living operator in Singapore
- Positive market fundamentals with strong demand growth visibility
- Family-led founder with a good track record in space optimisation
- Expect a net profit CAGR (FY26F-28F) of c.30%, along with a dividend yield of ~4%

### Company Profile

Coliwoo's co-living business segment was established in 2018 under the Coliwoo brand, by its indirect controlling shareholder, LHN. Co-living is a modern housing concept where individuals or groups share communal living spaces such as kitchens, lounges and gyms – while having their own fully furnished, self-sufficient private units. This is designed to foster community spirit and social networking. The company currently owns, leases and manages a total of 28 assets and 3,568 rooms.

### Highlights

**Co-living is a fast-growing niche segment in Singapore that blends the best of alternate living options.** Key advantages of co-living over the traditional rental market are lease flexibility and the provision of full services (Wi-Fi, cleaning, utilities, gyms etc). While hotels and serviced apartments do offer flexibility, it usually comes at a higher cost. Co-living also offers curated events, wellness programmes and cultural workshops, boosting the community living experience. Demand tailwinds: A growing number of international students, expatriates, and tourist arrivals, as well as high home ownership costs for foreigners.

**Differentiating from co-living peers.** Coliwoo's key strength lies in identifying and revitalising old, unused, and underutilised assets into co-living spaces. Its co-living assets are operated mainly under hotels and serviced apartments, co-living residential units, and student hostels, allowing it to offer flexible stay durations. Its compact size and design ability from its long track-record in space optimisation also sets it apart, resulting in its ability to charge higher rental per sq ft and superior margins.

**Likely beneficiary of Middle East conflict** with the potential increase in the influx of expatriates and students into Singapore, pushing up rental demand. Urban Redevelopment Authority's (URA) official rental statistics, too, show that private properties rents turned around in 1Q26, rising 0.3% QoQ. We are also positive on Coliwoo's recent plan to divest its mature assets as well as engage in strategic acquisitions, which boosts its inorganic growth potential.

**Strategic acquisition of Park Avenue Changi Hotel for SGD101m.** The property comprises 250 hotel rooms and retail space at the ground floor, and is currently vacant. Coliwoo plans to inject capex of ~SGD 10m to

refurbish it into a co-living asset with ~368 rooms, with completion targeted by the end of the year. The asset is well-connected to the Expo MRT station, and surrounded by a number of business parks – with this, Coliwoo is likely targeting expatriates working on short-term projects. We expect healthy demand for co-living at the location, and Coliwoo expects the project's IRR to be at ~20%.

## Company Report Card

**1HFY26 (Sep) core net profit of SGD8.6m (+14% YoY)**, and overall net profit including fair value gains of SGD13.4m(+44% YoY). This came on a 17% YoY increase in revenue, with growth mainly driven by a rise in leased properties and management services. We expect a stronger 2HFY26 on the back of contributions from the newly launched Coliwoo Midtown (141 rooms) that commenced operations in March, partial contributions from Coliwoo Jalan Loyang Besar (380 rooms, opening by June), and higher organic income growth.

**Expecting net profit CAGR (FY25-28F) of ~30%**, backed by organic and inorganic growth. Coliwoo commands superior gross and net margins of c.70% and c.39%, due to its ability to identify unique opportunities, and its space optimisation track record. PATMI, as a result, is set to double by FY28F.

**Interim DPS of 1 SG cent** was a slight positive surprise, and we believe full-year DPS may surpass our current expectation of 2 SG cents by +20%, from stronger 2HFY26 numbers and a higher payout. This translates to a healthy c.5% yield.

## Investment Case

**Our TP (which includes a 2% ESG premium) is pegged to 15x FY26F P/E**, which is at a 15% discount to the average of its comparable Asia-Pacific peers. This is due to Coliwoo's relatively small size. However, we believe that – in view of Singapore's market stability – with the growing rental demand from expatriates and students, there is room for this discount to narrow over the next few years, with Coliwoo delivering its growth milestones.

**Key downside risks:** The ability to secure new sites and lease extensions, government policy interventions, and increasing competition in the sector.

<b>Profit &amp; Loss</b>	Sep-25	Sep-26F	Sep-27F
Total turnover (SGDm)	47	65	71
Reported net profit (SGDm)	15	26	28
Recurring net profit (SGDm)	15	26	28
Recurring net profit growth (%)	4.4	71.1	8.7
Recurring EPS (SGD)	0.03	0.05	0.06
DPS (SGD)	0.02	0.02	0.02
Dividend Yield (%)	4.0	4.3	4.7
Recurring P/E (x)	16.0	9.3	8.6
Return on average equity (%)	12.0	10.9	11.0
P/B (x)	1.2	1.0	0.9
P/CF (x)	9.7	4.3	7.2

Source: Company data, RHB

<b>Balance Sheet (SGDm)</b>	Sep-25	Sep-26F	Sep-27F
Total current assets	87	69	74
Total assets	405	401	445
Total current liabilities	70	47	54
Total non-current liabilities	206	114	134
Total liabilities	277	161	188
Shareholder's equity	126	237	254
Minority interest	2	3	3
Other equity	0	0	0
Total liabilities & equity	405	401	445
Total debt	171	66	78
Net debt	152	32	42

Source: Company data, RHB

<b>Cash Flow (SGDm)</b>	Sep-25	Sep-26F	Sep-27F
Cash flow from operations	25	56	34
Cash flow from investing activities	3	(7)	(34)
Cash flow from financing activities	(12)	(43)	3
Cash at beginning of period	12	28	33
Net change in cash	16	5	3
Ending balance cash	28	33	36

Source: Company data, RHB

## Growth Backed By Amazon Orders



Source: Bloomberg

### Stock Profile

	CSE SP
Bloomberg Ticker	CSE SP
Avg Turnover (SGD/USD)	6.73m/5.25m
Net Gearing (%)	79.4
Market Cap (SGDm)	992
Beta (x)	1.02
BVPS (SGD)	0.39
52-wk Price low/high (SGD)	0.415 - 1.65
Free float (%)	82

### Major Shareholders (%)

Temasek Holdings	14.0
Lim Boon Kheng	3.5
Overseas-Chinese Banking Corporation	1.7

### Share Performance (%)

	1m	3m	6m	12m
Absolute	30.2	27.1	64.0	272.7
Relative	31.3	30.6	65.3	260.4

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## Investment Merits

- USD1.5bn orders from Amazon over the next five years, a key revenue and earnings driver over the next few years
- Growth to be supplemented by the electrification and communications segments, and M&A
- The stock is trading at 20x FY26F P/E and offers a c.2.5% yield; maintain BUY and SGD1.68 TP, based on 25x FY26F P/E

## Company Profile

CSE Global is a global systems integrator providing customised integrated systems, automation, and communications & security solutions. Key segments include automation, communications, and electrification, which serves the energy, infrastructure, and mining & materials sectors. CSE has a presence in 16 countries with 45 offices, and employs more than 1,800 staff across North America, the Asia-Pacific, and Europe, the Middle East, and Africa (EMEA).

## Highlights

**Strong outlook with Amazon orders on the cards.** CSE, at end FY25, announced the issuance of c.63m warrants to its customer Amazon in a commercial agreement, including USD1.5bn worth of orders for the group over the next five years. We see strong earnings outlook for CSE with Amazon's USD1.5bn in orders coming in for projects. This includes DCs, which support CSE's electrification and communications-focused initiatives. Valued at an average of c.SGD400m a year, Amazon's order quantum is significant, representing about 42% of FY25's total revenue of SGD969m.

**Well-placed in the decarbonisation trend.** CSE is riding on the urbanisation and decarbonisation trend, contributing to electrification services as cities transit from fossil fuel to renewable energy sources. According to Precedence Research, the global electrification market size in 2024 was estimated at USD88.29bn and is expected to grow to USD209.01bn by 2034 at a 9.2% CAGR. CSE is, hence, well-placed to tap into electrification project opportunities as cities continue to build new power grids and energy stations to tap on renewable sources.

**Robust orderbook of SGD673m.** CSE's orderbook as of FY25 stood at SGD710m – 59% from the electrification segment (SGD395m), followed by automation (SGD178m) and communications (SGD100m).

**Growing through acquisitions.** CSE continues to target inorganic growth through bolt-on acquisitions to expand new market opportunities by strengthening its engineering capabilities and technology solutions, especially in automation, electrification, and critical communications.

## Company Report Card

**Results highlights.** FY25 earnings within expectations. CSE reported FY25 core earnings of SGD36m (+5% YoY), in line with our expectations. Revenue grew 13% YoY to SGD967m, slightly ahead of our expectations – driven by broad-based growth across the electrification (SGD507m; +17% YoY) and communication (SGD262m; +13% YoY) segments. Growth in electrification was driven by DC contracts and the LNG market in the US, while growth in the communications segment resulted from newly acquired subsidiaries. The automation segment grew by a marginal 3% YoY to SGD200m. Overall revenue growth came from the Americas, as Asia-Pacific and EMEA revenues fell slightly. Orderbook stood at SGD710m (+5.5% YoY, +52% QoQ), led by strong order intake from the electrification and communication segments. EBIT margin was below our estimate at 5.2% due to a lower GPM (27%; -1ppt YoY) and a lower mix of communication segment's revenue.

**Balance sheet/cash flow.** CSE has a net debt of SGD163m. It was in a net cash position until FY19 when it acquired the Houston-based electrical integration and solutions company Volta. The group turned cash flow-positive in FY23 when it improved cash collection on outstanding projects and receivables. Net gearing is currently at 0.6x – in line with its strategy to add on earnings-accretive acquisitions.

**Dividend.** CSE declared a final dividend of 1.46 SG cents per share, which brings total dividends for the year to 2.6 SG cents, implying a 50% dividend payout ratio – in line with our assumption. This was higher than the reduced 2.4 SG cents DPS (c.61% payout ratio) declared in FY24. CSE has paid out 2.75 SG cents in DPS annually from FY19 to FY23 despite its earnings volatility. We believe CSE now has a need to conserve and deploy cash for acquisitions and larger projects, and regards the lower DPS as a shift from being a dividend-focused stock to a growth one. We forecast DPS to be at 50% payout ratio going forward.

**Professional management team.** CSE is led by Chairman Eugene Paul Lai Chin Look and Group Managing Director Lim Boon Kheng. They are supported by CFO Eddie Foo, Roy Rowe (CEO of CSE Global Australia and New Zealand), and Donnie Smith (CEO of CSE Americas). The management team is professional, as CSE's largest shareholder is Temasek-owned Heliconia Capital, which holds a c.24% stake.

## Investment Case

**Exposure to global growth across diversified segments.** We continue to like CSE for its growth driven by USD1.5bn orders from Amazon over the next five years. FY25 earnings were in line, with better revenue traction. The group recently announced a strategic review, which we think may yield further upside for shareholder.

**Key risks.** We see project cost overruns in existing projects – due to unexpected cost increases – as dampeners to profitability and margins. Poor management of tenders, ie the weak ability to anticipate and cover project cost increases, can also pressure earnings and margins.

Profit & Loss	Dec-25	Dec-26F	Dec-27F
Total turnover (SGDm)	969	1,211	1,453
Reported net profit (SGDm)	37	50	61
Recurring net profit (SGDm)	35	50	61
Recurring net profit growth (%)	(3.9)	40.4	22.1
Recurring EPS (SGD)	0.05	0.07	0.08
DPS (SGD)	0.03	0.03	0.04
Dividend Yield (%)	1.9	2.5	3.1
Recurring P/E (x)	26.1	20.0	16.4
Return on average equity (%)	14.1	17.0	18.7
P/B (x)	3.6	3.2	2.9
P/CF (x)	(14.8)	17.4	14.5

Source: Company data, RHB

Balance Sheet (SGDm)	Dec-25	Dec-26F	Dec-27F
Total current assets	505	579	659
Total assets	758	831	911
Total current liabilities	426	469	513
Total non-current liabilities	56	56	56
Total liabilities	482	525	568
Shareholder's equity	275	306	342
Minority interest	0	0	0
Other equity	0	0	0
Total liabilities & equity	758	831	911
Total debt	209	209	209
Net debt	163	153	138

Source: Company data, RHB

Cash Flow (SGDm)	Dec-25	Dec-26F	Dec-27F
Cash flow from operations	(47)	78	93
Cash flow from investing activities	(0)	(28)	(28)
Cash flow from financing activities	57	(19)	(25)
Cash at beginning of period	57	46	56
Net change in cash	(10)	10	16
Ending balance cash	46	56	72

Source: Company data, RHB

## Riding On The MICE Industry's Growth

### Dezign Format Group Ltd (DFG SP)



Source: Bloomberg

#### Stock Profile

Bloomberg Ticker	DFG SP
Avg Turnover (SGD/USD)	0.14m/0.11m
Net Gearing (%)	Net cash
Market Cap (SGDm)	40
Beta (x)	0.82
BVPS (SGD)	0.06
52-wk Price low/high (SGD)	0.183 - 0.37
Free float (%)	17

#### Major Shareholders (%)

Chong Nen Sing	33.7
Chong Yuen Hwa	32.1
Chong Ngian Thiam	8.3

#### Share Performance (%)

	1m	3m	6m	12m
Absolute	(2.6)	(11.6)	(19.1)	N/A
Relative	(1.5)	(8.1)	(17.8)	N/A

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### Investment Merits

- A key events, exhibitions and décor service provider in Singapore
- Regional expansion taking shape in Thailand, Malaysia and Vietnam
- Optimising long-term cost efficiency, with its new Johor site facilitating relatively lower production costs and stronger margins

### Company Profile

Dezign Format (DFG) provides events, exhibitions and décor services to corporate customers, especially those in the MICE industry. Services range from conceptual design and narrative storytelling to fabrication, installation and turnkey project delivery. It also sets up and operates immersive location-based entertainment and experiences (LBE). Its commercial and retail fit-out segment constructs fit-out pop-up stores, retail outlets and promotional event spaces for international and luxury brands.

### Highlights

**Robust growth in South-East Asia's MICE market.** According to Deep Market Insights, South-East Asia's MICE market was valued at USD17.5bn in 2024, and is expected to expand to USD37.7bn by 2033. Meetings formed the bulk of the MICE market in 2024. Over 2026-2033, the South-East Asia MICE market's CAGR is forecasted at 8.95%, driven by more conferences being held. DFG's events, exhibitions and décor segment is expected to benefit from more projects, while its LBE division should benefit from higher footfall as a result in an increase in travel and tourism activities.

**Growing regionally.** DFG is pursuing regional growth. Its commercial and retail fit-out business is expanding with existing customers into Thailand, while the LBE segment is offering more experiential immersive virtual reality (VR) attractions regionally by venturing further into the Kuala Lumpur and Ho Chi Minh City markets. Growth is expected to come from more VR titles, and more cities in South East-Asia via partnerships.

**Lower production costs from facility expansion into Johor.** DFG commenced operating a new production facility in Johor, in 2025. The facility helps to expand its production capacity, as well as defray costs from Singapore. Labour, materials, and supply chain costs should become more efficient, thereby helping project margins to expand going forward.

**Improving Singapore's revenue stream by deepening partnerships.** DFG has signed an MoU with homegrown edutainment leader Hustle & Bustle Group for equity investment and preferred partner status, to secure the right of first refusal (ROFR) as its preferred design and build provider. The MoU also involves cooperation with H&B-owned IMBA Theatre at Gardens by the Bay, to provide digital immersive experiences.

## Company Report Card

**Results highlights.** FY25 revenue and core earnings came in at SGD33m (-1% YoY) and SGD2.2m (-56% YoY). While revenue was relatively flat, gross and core net margins declined to 35.5% (-3.3ppt) and 6.8% (-7.2ppt). The margin decline was led by front-loading expenses for future growth initiatives, higher staff costs, setup costs for its new Malaysia manufacturing facility, and investment outlays to scale its LBE business. In FY25, DFG made intentional strategic investments in its future growth, including for its LBE segment and to develop its intellectual property.

**Balance sheet/cash flow.** DFG generally requires funding for its projects. Receivable days are at around 80-100 days, vs 40-60 payable days for its suppliers. DFG would, therefore, require working capital to fund projects. Its core events, exhibitions and décor segment requires space to accommodate production and storage facilities for fabricated fit-outs and props. As such, it will require funding to increase its capex, eg for the recently acquired premises for its production facility in Johor. For FY25, it recorded net debt of SGD2m, implying a net gearing of c.25%.

**Dividend.** DFG does not have a fixed dividend policy. For FY25, it declared a final DPS of 0.25 SG cents to shareholders, representing a payout ratio of c.43%. We believe that the company should continue to pay dividends as long as it remains profitable.

**Management team.** DFG was founded, and is largely owned and managed, by the Chong family. The founders, Chong Yuen Hwa and Chong Nen Sing, are brothers – the former now leads the group as executive chairman and CEO, while the latter (the former executive director and CEO) has transitioned into an external consultant position. Four second-generation members of the Chong family are currently working in the company, too, including Executive Director Chong Neng Jie. The Chong family has an 74% stake (at the least) in DFG.

## Investment Case

**Riding on the growth of the MICE industry.** The stock offers investors exposure to the growth of the MICE industry in Singapore. Growth should stem from geographical expansion and better margins. Its LBE segment should see more sites opening up, while the commercial and retail fit-out unit should benefit from its expansion into Thailand. In the meantime, its new Johor production facility will make for lower costs and greater capacity to take on more projects.

**Key downside risks** include slower-than-expected demand for its LBE services, and a slowdown in MICE events – especially from a major negative catalyst such as global pandemic. A decline in tourist arrivals as well as a reduction of events held in key markets would also dampen earnings growth.

Profit & Loss	Dec-23	Dec-24	Dec-25
Total turnover (SGDm)	26	33	33
Reported net profit (SGDm)	3	5	1
Recurring net profit (SGDm)	3	5	1
Recurring net profit growth (%)	199.1	153.9	22.9
Recurring EPS (SGD)	0.02	0.03	0.01
DPS (SGD)	0.00	0.00	0.00
Dividend Yield (%)	1.3	1.3	1.3
Recurring P/E (x)	12.2	8.0	34.7
Return on average equity (%)	37.5	48.4	10.1
P/B (x)	4.5	3.4	3.6
P/CF (x)	6.9	6.6	N/A

Source: Company data, RHB

Balance Sheet (SGDm)	Dec-23	Dec-24	Dec-25
Total current assets	20	22	19
Total assets	25	30	25
Total current liabilities	13	18	12
Total non-current liabilities	2	0	2
Total liabilities	16	18	14
Shareholder's equity	9	12	11
Minority interest	0	(0)	(0)
Other equity	0	0	0
Total liabilities & equity	25	30	25
Total debt	4	2	2
Net debt	(1)	(5)	(2)

Source: Company data, RHB

Cash Flow (SGDm)	Dec-23	Dec-24	Dec-25
Cash flow from operations	6	6	(3)
Cash flow from investing activities	0	1	(4)
Cash flow from financing activities	(4)	(5)	4
Cash at beginning of period	3	6	8
Net change in cash	3	2	(3)
Ending balance cash	6	8	5

Source: Company data, RHB



### Frencken (FRKN SP)



Source: Bloomberg

### Stock Profile

Bloomberg Ticker	FRKN SP
Avg Turnover (SGD/USD)	8.76m/6.84m
Net Gearing (%)	Net cash
Market Cap (SGDm)	1,147
Beta (x)	1.24
BVPS (SGD)	1.11
52-wk Price low/high (SGD)	1.07 - 3.09
Free float (%)	75

### Major Shareholders (%)

Precico Singapore	9.8
Sinn Hin	4.9
Cayman Resources	3.4

### Share Performance (%)

	1m	3m	6m	12m
Absolute	28.6	61.1	93.7	194.2
Relative	29.7	64.6	95.0	181.9

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## Investment Merits

- Positive outlook for the semiconductor industry with growth driven by AI, while Malaysia's robust macro outlook supports earnings growth
- Expect earnings to ramp up from 2H26 as its key semiconductor customer restocks after clearing up excess inventory
- A strong proxy with good growth exposure to the semiconductor industry

## Company Profile

Frencken Group (FRKN) is a global integrated technology solutions company that serves world-class multinational companies in the automotive, healthcare, industrial, life sciences, and semiconductor industries.

## Highlights

**Global semiconductor sales are expected to continue growing.** Global semiconductor sales grew 46.1% YoY to USD82.5bn in January. According to Semiconductor Equipment and Materials International (SEMI), global semiconductor sales are projected to approach USD1trn in 2026, from 2025's record high of nearly USD800bn. Based on SEMI's forecast, global sales of total semiconductor equipment by OEMs are expected to grow at an 8% CAGR over the next two years, reaching USD156bn in 2027 from c.USD133bn in 2025 (+13.7% YoY).

**Firm external macroeconomic outlook for Malaysia.** Our RHB Economics team sees Malaysia's 2026 export growth at 9.3% YoY this year (+6.5% YoY in 2025), underpinned by robust global and regional growth in demand, as well as continued strength in electrical & electronics (E&E) exports. Malaysia's 2026 GDP growth forecast remains strong at 4.7% YoY, with an accelerating 2026 Industrial Production Index (IPI) at 4.1%, contributed by global E&E demand, including the technology upcycle.

**Expect earnings to ramp up from 2H26.** The semiconductor segment previously slowed in 3Q25 due to excess inventory in its customers' channels. 4Q25 saw a recovery in customer orders and FRKN has guided for higher semiconductor revenue in 1H26 vs 2H25. We expect customer inventory to clear up by 1H26, followed by restocking orders that will see earnings accelerate into 2H26.

**Longer-term growth drivers intact.** FRKN continues to support its key customer in Europe, as well as customers that have moved production to Asia. The group has also opened a larger facility in the US to support semiconductor customers, and is expanding its production capacity in Singapore to drive wallet share expansion with key customers in the semiconductor equipment sector.

## Company Report Card

**Results highlights.** FRKN reported earnings of SGD39m (+5% YoY) on the back of SGD865m revenue (+9% YoY). Revenue growth was driven by the mechatronics division, which grew 10% YoY to SGD778m, dragged by a 3% YoY decline in the advanced plastics solutions services (APS) division to SGD83m. Revenue growth in the mechatronics division was mainly supported by the semiconductor (+17% YoY, SGD427m), medical (+5% YoY, SGD129m) and industrial automation (+49% YoY, SGD43m) segments, offset by the analytical life sciences segment (-8% YoY, SGD167m), which saw slower customer orders from Europe. The semiconductor segment saw a recovery in Asia, while in Europe, FRKN is preparing for customer ramp up in 2H26. Growth in the medical and industrial automation segments were driven by higher customer orders. The drag in the APS division was led by lower sales to automotive, consumer, and electronics customers. GPM was largely stable at 14.3% from 14.5% previously.

**Balance sheet/cash flow.** FRKN traditionally generates positive operating cash flow with strong EBITDA that exceeds working capital requirements. Operating cash flow generated over the past six years has ranged between SGD38m and SGD95m, while capex levels have been between SGD13 and SGD40m per year. As such, its balance sheet is in a net cash position.

**Consistent dividend payout.** FRKN has maintained a dividend payout ratio of 30% for the past few years. We do not expect this ratio to change for as long as the group remains profitable. FY25's first and final DPS were 2.75 cents (30% payout ratio).

**Non-independent chairman with a professional management team.** FRKN is led by Non-Executive and Non-Independent Chairman Dato' Gooi Soon Chai, who is also deemed to own c.22% of the group through his family, shares held by Prime Logic (M), Sinn Hin Company, Precico Holdings, and Cayman Resources. President and Executive Director Dennis Au is responsible for charting FRKN's strategic direction, setting goals, overseeing global operations, and driving the overall performance of the group. He is assisted by CFO Brian Tan Chuen Yeang and Vice President of Human Resources Theo van de Pol.

## Investment Case

**Proxy to semiconductor sector's growth.** The stock offers exposure to key customer ASML's (ASML NA, NR) capex in the semiconductor value chain. We are positive on FRKN, as we see it as a beneficiary of the semiconductor sector's earnings recovery on the back of improving customer order momentum.

**Key risks.** Key downside risks to our forecasts include later-than-expected demand recovery, which will pose downside risks to our forecasts and TP.

Profit & Loss	Dec-25	Dec-26F	Dec-27F
Total turnover (SGDm)	865	908	953
Reported net profit (SGDm)	39	47	51
Recurring net profit (SGDm)	39	47	51
Recurring net profit growth (%)	5.3	19.1	9.1
Recurring EPS (SGD)	0.09	0.11	0.12
DPS (SGD)	0.03	0.03	0.03
Dividend Yield (%)	1.0	1.0	1.2
Recurring P/E (x)	29.3	24.6	22.5
Return on average equity (%)	8.6	9.5	9.6
P/B (x)	2.4	2.2	2.1
P/CF (x)	11.1	17.0	15.9

Source: Company data, RHB

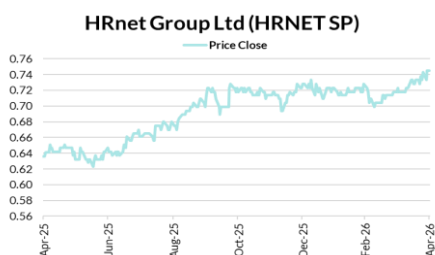
Balance Sheet (SGDm)	Dec-25	Dec-26F	Dec-27F
Total current assets	524	577	634
Total assets	740	780	822
Total current liabilities	195	200	205
Total non-current liabilities	66	66	66
Total liabilities	261	266	271
Shareholder's equity	475	510	547
Minority interest	4	4	4
Other equity	0	0	0
Total liabilities & equity	740	780	822
Total debt	22	22	22
Net debt	(140)	(176)	(216)

Source: Company data, RHB

Cash Flow (SGDm)	Dec-25	Dec-26F	Dec-27F
Cash flow from operations	120	84	90
Cash flow from investing activities	(17)	(19)	(18)
Cash flow from financing activities	(17)	(19)	(18)
Cash at beginning of period	116	161	198
Net change in cash	44	37	40
Ending balance cash	162	199	238

Source: Company data, RHB

## Regional Markets Supporting Growth



Source: Bloomberg

### Stock Profile

Bloomberg Ticker	HRNET SP
Avg Turnover (SGD/USD)	0.14m/0.11m
Net Gearing (%)	Net cash
Market Cap (SGDm)	730
Beta (x)	0.55
BVPS (SGD)	0.41
52-wk Price low/high (SGD)	0.655 - 0.77
Free float (%)	21

### Major Shareholders (%)

Simco Global Ltd	79.0
FMR LLC	7.9
FIL Ltd	0.4

### Share Performance (%)

	1m	3m	6m	12m
Absolute	(0.7)	(0.7)	0.0	8.8
Relative	0.4	2.8	1.3	(3.5)

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## Investment Merits

- Expect a steady outlook for job placements, as Singapore's job situation remains stable and the regional GDP growth outlook continues to be firm
- Longer-term growth drivers include its new Vietnam market and human resources technology brand, Octomate
- Maintain BUY, with a SGD0.84 TP

## Company Profile

HRnetGroup (HRNET) is the largest Asia-based recruitment agency in the Asia-Pacific (ex-Japan). The group manages more than 11 brands in about 15 Asian growth cities – Singapore (where the headquarters are located), Kuala Lumpur, Bangkok, Hong Kong, Taipei, Guangzhou, Shanghai, Beijing, Tokyo and Seoul. Currently, it provides professional recruitment, flexible staffing and other human resource services (payroll, training) to over 2,000 clients from 30 diversified sectors such as financial institutions, retail & consumer, IT and telecommunications.

## Highlights

**Expect a steady growth ahead.** We expect more job placements supporting growth, especially from regional markets. RHB Economics sees firm economic growth for China, forecasting 4.3% YoY GDP growth for the country in 2026. For HRNET's smaller markets, Indonesia's and Malaysia's 2026 GDP growth rates are expected to be 5% YoY and 4.7% YoY. Singapore's job outlook remains stable. According to the Ministry of Manpower's Feb 2026 Monthly Unemployment Situation Report, the overall unemployment rate remained stable at 2% (2.9% citizen unemployment and 2.8% resident unemployment), which is slightly lower than the figure in Jan 2026.

**Building up complementary services.** HRnet started Octomate in 2023 to build up a complementary revenue stream. The software facilitates all human resources functions including employee profiles, claims, leave, timesheet, training, payroll, rostering, hiring etc – helping companies to streamline operations and improve human resources efficiency. It has over 15,000 daily active users, and is used by companies in the logistics, fast-moving consumer goods or FMCG, oil & gas, staffing and manufacturing sectors. While in its early days, Octomate has the potential to service its regional client base and grow from there. It has already secured at least two contracts with Outward Bound Singapore and Sentosa Development Corp.

**Octomate and Vietnam are longer-term growth drivers.** We believe Vietnam will supplement HRNET's growth over the longer term, with more placements – the International Monetary Fund has forecasted it to chalk 7.1% YoY GDP growth in 2026 – having entered this market in

2H25. We also see Octomate penetrating the HRNET's markets further with new and existing clients, supporting growth ahead.

## Company Report Card

**Results highlights.** HRNET booked FY25 earnings of SGD49m (+8% YoY) on the back of SGD584m in revenue (+3% YoY), ie within expectations. Revenue was driven by flexible staffing (+3% YoY, SGD524m) from Taiwan, Indonesia, and China, offset by Singapore's reduction, as monthly contractors increased 5.6% YoY to 16,421. Permanent placement revenue grew by 2% YoY to SGD56m, as volume increased 5% YoY to 4,766. GPM expanded 0.9ppts to 21.9% from higher-margin senior executive search services in Taiwan, China, South Korea, Thailand, and Malaysia. EBIT margin was 9.3% (+1.6ppts) on more efficient opex.

**Balance sheet/cash flow.** HRNET is a service-based business providing companies with staffing solutions, with its sales staff being the key revenue resource. It has an asset-light balance sheet, while the business has minimal working capital requirements. As such, the group has strong cash flow generating ability. Historically, operating cash flow generated averaged around 120% of net profit each year. Its balance sheet has no debt, while its cash equivalent of SGD263m in FY25 amounted to 27 SG cents per share. Uses of cash include share buybacks, taking stakes in regional staffing companies, and investing in shares of other publicly-listed staffing companies.

**Dividend.** HRNET historically pays about 50-85% of earnings as dividends. Since FY17, the dividend payout ratio has grown from 50% to 81% in FY25, reaching a high of 86% in FY24. DPS has also increased consistently from 2.3 SG cents to 4.2 SG cents over this period. Going forward, we see HRNET declaring a DPS that is minimally equivalent to its latest payout, where any increase will be sustainably maintained.

**Owned and managed by the Sim family members.** HRNET is led and founded by Peter Sim, who is its Executive Director and founding Chairman. Two other executive directors – Sim Joo Siang (CEO of Recruit Express) and Adeline Sim (Chief Corporate Officer) – are family members. Close to 80% of HRNET is owned by the Sim family. They are supported by five key management personnel namely, the CFO, Chief People Officer, and three business leaders/Managing Directors of Greater China and Japan, Peoplesearch, and RecruitFirst Singapore.

## Investment Case

**Exposure to the labour market recovery at a compelling valuation.** HRNET offers exposure to the regional staffing market. The firm is cash-generative and is backed by net cash of 27 SG cents per share. The operating model of co-owners ensures that the business remains profitable, even when revenue declines. Its growth outlook is decent, with near-term expansion driven by more permanent and flexible staffing placements on firm GDP growth regionally.

**Downside risks to our forecasts** include a slower-than-expected labour market recovery in the key operating markets of Singapore, China and Taiwan.

<b>Profit &amp; Loss</b>	<b>Dec-25</b>	<b>Dec-26F</b>	<b>Dec-27F</b>
Total turnover (SGDm)	584	633	719
Reported net profit (SGDm)	51	57	65
Recurring net profit (SGDm)	49	57	65
Recurring net profit growth (%)	8.1	15.1	14.7
Recurring EPS (SGD)	0.05	0.06	0.07
DPS (SGD)	0.04	0.04	0.04
Dividend Yield (%)	5.5	5.6	5.6
Recurring P/E (x)	14.8	13.0	11.3
Return on average equity (%)	13.1	13.9	15.2
P/B (x)	1.8	1.8	1.7
P/CF (x)	11.7	10.6	9.3

Source: Company data, RHB

<b>Balance Sheet (SGDm)</b>	<b>Dec-25</b>	<b>Dec-26F</b>	<b>Dec-27F</b>
Total current assets	446	471	509
Total assets	504	526	561
Total current liabilities	79	84	93
Total non-current liabilities	10	10	10
Total liabilities	90	94	103
Shareholder's equity	402	417	441
Minority interest	12	14	16
Other equity	0	0	0
Total liabilities & equity	504	526	561
Total debt	0	0	0
Net debt	(263)	(273)	(296)

Source: Company data, RHB

<b>Cash Flow (SGDm)</b>	<b>Dec-25</b>	<b>Dec-26F</b>	<b>Dec-27F</b>
Cash flow from operations	56	55	68
Cash flow from investing activities	(8)	(3)	(3)
Cash flow from financing activities	(44)	(42)	(42)
Cash at beginning of period	258	263	273
Net change in cash	5	10	23
Ending balance cash	263	273	296

Source: Company data, RHB

## Powering The SME Digital Shift

Info-Tech Systems (ITSL SP)



Source: Bloomberg

### Stock Profile

Bloomberg Ticker	ITSL SP
Avg Turnover (SGD/USD)	0.78m/0.61m
Net Gearing (%)	Net Cash
Market Cap (SGDm)	252
Beta (x)	1.15
BVPS (SGD)	0.15
52-wk Price low/high (SGD)	0.76 - 1.16
Free float (%)	36

### Major Shareholders (%)

Dilip Babu Setin Subramanian	41.4
Peter Lee Kim Heng	19.2
Yee Yeoh Sin	3.7

### Share Performance (%)

	1m	3m	6m	12m
Absolute	(2.5)	3.1	17.3	N/A
Relative	(1.4)	6.7	18.6	N/A

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## Investment Merits

- Policy-driven SME Software-as-a-Service (SaaS) growth proxy
- Proven growth track record across various markets
- Favourable industry tailwinds and policy support

## Company Profile

Info-Tech Systems (ITSL) is a Singapore-headquartered technology company incorporated on 27 Jun 2007. It was listed on the Singapore Exchange in Jul 2025. The group is a SaaS solutions provider that sells cloud-based business software primarily to SMEs. Its key products are a human resources management system (HRMS) platform, accounting software, and the recently launched customer relationship management (CRM) software. ITSL also provides training courses and payroll outsourcing services. The group currently operates across four offices in Singapore, Malaysia, Hong Kong, and India, supported by a workforce of more than 500 employees.

## Highlights

**Proven growth track record.** ITSL's key strength lies in its ability to build and maintain a locally compliant, integrated payroll engine across four markets (Singapore, Malaysia, Hong Kong, and India), which represents a significant barrier to entry. While the addressable market in these countries is expected to grow from USD3.69bn in 2025 to USD4.65bn in 2028 (8.0% CAGR), ITSL is forecasted to outperform, delivering a higher revenue CAGR of 10.5% - driven by its scalable platform architecture and attractive pricing.

**SME-centric, modular platform driving high retention.** ITSL purpose-built its HRMS and accounting software to cater to the needs of SMEs. With SMEs facing resource constraints such as HR manpower, IT budget, and technical knowledge, ITSL sees these pain points as an opportunity to provide solutions. This is evidenced by the HRMS modules which ITSL offer under a single app - covering services from basic time attendance and leave management to AI-driven performance appraisal and applicant tracking systems that are accessible through web browsers and mobile applications at an affordable price. While Singapore-based customers are offered an all-in-one HRMS software with attractive pricing, clients in overseas markets with relatively lower purchasing power can select only the modules relevant to their needs.

**Affordable product offerings.** Affordability is another ITSL's key competitive strength, directly addressing SMEs' primary concern regarding cost. ITSL offers competitive pricing, particularly for subscription renewals. ITSL's monthly subscription fee from the second year onwards is approximately SGD4 per employee, which is c.21% lower than the average pricing of local peers. While it is not the cheapest

solution in the market, we view this pricing as highly competitive, given the breadth of its full HRMS and payroll suite.

**Favourable policy support.** A highly supportive policy environment in Singapore has significantly lowered adoption barriers for SMEs and accelerated HRMS uptake, directly benefiting SaaS HRMS providers, ie ITSL. Beyond Singapore, frequent regulatory changes across the group's operating markets create a recurring compliance burden that encourages SMEs to adopt continuously updated SaaS platforms. We believe ITSL is well positioned to capture sustained growth – given its localisation expertise, compliance-first platform, and established regional presence.

## Company Report Card

**Results highlights.** ITSL delivered a strong FY25 performance, with revenue surging by 29% YoY to SGD56.5m, reflecting a clear upward trajectory. This was driven by broad-based growth across all segments, particularly a tripling in services revenue from strong demand for academy training, alongside steady growth in its core subscription business. This resulted in solid earnings growth, with core profit rising 44% YoY to SGD18.0m, on improving underlying profitability and operating leverage. Both FY25 revenue and earnings trended decisively upwards, underpinned by strong demand, scalable SaaS revenues and expanding margins.

**Balance sheet.** ITSL is in a net cash position, with SGD67.3m worth of cash sitting on its balance sheet with zero debt. This strong cash position is made possible due to its subscription business model, where customers pay for the software subscription for 12 months upfront. This virtually eliminates its need for short-term borrowings to finance working capital.

**Dividend.** ITSL does not have a fixed dividend policy. However, the group previously mentioned that it intends to pay at least 50% of net profit after tax for FY25 and FY26. Note: In FY25, ITSL paid a total DPS of 3.5 SG cents. This marks its first dividend payment after its listing in 2025, which translates to a core payout ratio of 50.2%. We forecast a fixed payout ratio of 50% over the forecast horizon.

**Management team.** The management team is spearheaded by CEO Babu Dilip and Peter Lee, the executive chairman. Both are co-founders of the group. Lee is responsible for providing strategic leadership and overseeing executive management while Babu oversees the group's core business functions. COO Yeoh Sin Yee oversees cross-functional teams spanning marketing, sales, support, and product development. Juan Chow Yee is the CFO, while Dinesh Kamal Somanchi is the CTO.

## Investment Case

**SME SaaS growth play.** ITSL well-positioned to benefit from accelerating SME digitalisation across Singapore and the region, underpinned by its locally compliant, SME-centric HRMS and payroll platforms spanning four markets, which create meaningful barriers to entry. Our valuation represents a 15% discount to regional peers, and we forecast a 3-year core earnings CAGR of 12.3%.

**Key risks:** Dependence on government grants for market penetration, SME-specific vulnerabilities, and intense competition caused by low barriers of entry.

<b>Profit &amp; Loss</b>	<b>Dec-25</b>	<b>Dec-26F</b>	<b>Dec-27F</b>
Total turnover (SGDm)	56	66	71
Reported net profit (SGDm)	15	21	23
Recurring net profit (SGDm)	18	21	23
Recurring net profit growth (%)	43.6	17.8	10.0
Recurring EPS (SGD)	0.07	0.08	0.09
DPS (SGD)	0.04	0.04	0.05
Dividend Yield (%)	3.6	4.2	4.6
Recurring P/E (x)	14.0	11.9	10.8
Return on average equity (%)	82.1	46.9	41.4
P/B (x)	6.3	5.0	4.0
P/CF (x)	14.9	7.7	8.8

Source: Company data, RHB

<b>Balance Sheet (SGDm)</b>	<b>Dec-25</b>	<b>Dec-26F</b>	<b>Dec-27F</b>
Total current assets	77	97	112
Total assets	84	105	120
Total current liabilities	38	49	52
Total non-current liabilities	6	6	6
Total liabilities	44	55	58
Shareholder's equity	40	50	62
Minority interest	0	0	0
Other equity	0	0	0
Total liabilities & equity	84	105	120
Total debt	4	4	4
Net debt	Net cash	Net cash	Net cash

Source: Company data, RHB

<b>Cash Flow (SGDm)</b>	<b>Dec-25</b>	<b>Dec-26F</b>	<b>Dec-27F</b>
Cash flow from operations	17	33	29
Cash flow from investing activities	0	(3)	(3)
Cash flow from financing activities	20	(11)	(12)
Cash at beginning of period	30	67	86
Net change in cash	37	19	14
Ending balance cash	67	86	100

Source: Company data, RHB

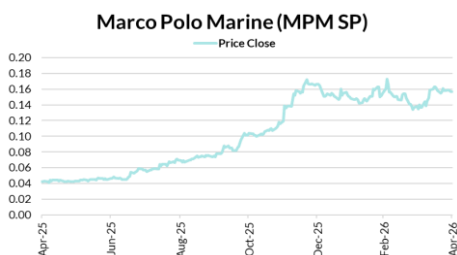


# Marco Polo Marine

## Steady As She Goes

Target Price: SGD0.18

Price: SGD0.157



## Investment Merits

- Growth well supported by expanded fleet size, new dry dock, strong orderbook, better utilisation and charter rates
- Strong oil price and tight vessel supply in the market should drive robust charter rates and utilisation
- Stock trades at a compelling PEG of <1

## Company Profile

Marco Polo Marine (MPM) is an integrated marine logistics company engaged in shipyard, shipbuilding, repair, conversion and maintenance services, oil & gas fabrications and ship chartering. Its recently expanded its shipyard in Batam, which has a throughput of c.100 ships annually. In ship chartering, it owns a fleet of offshore vessels, tugboats, and barges.

## Highlights

**Robust demand for offshore wind farms in Asia.** We continue to be positive on MPM due to its accelerating growth outlook. 1QFY26 (Sep) revenue and gross profit remain on track to meet our estimates. Growth is driven by higher capacity from an increasing fleet size, its new fourth dry dock, and a strong orderbook. We believe strong oil prices will drive more oil & gas activities, which will shore up utilisation and charter rates. MPM will also have an expanded fleet size of 21 vessels this year that will contribute to earnings growth. Stock trades at a compelling PEG of <1.

**Outlook remains positive.** 1QFY26 revenue and gross profit are tracking our estimates. Growth in FY26F will be driven by a full 12-month contribution of both its newly deployed vessels, while its new fourth dry dock, which turned operational since August last year will enable it to receive more ship repair jobs. We remain buoyant on MPM's revenue and margin outlook as we anticipate more revenue to be recognised from its SGD198m advanced oceanographic research vessel ship building order for Taiwan's National Academy of Marine Research. Its four newly deployed vessels continue to rake in attractive charter rates and have strong utilisation visibility. The higher charter rates will help to support firm gross margin going forward.

**Taiwan listing remains on track.** MPM announced its intention to list its 49%-owned indirect Taiwan subsidiary, PKR Offshore, in Taiwan last year. It now remains on track to submit its listing application by 3QCY26. The listing will enable MPM to raise funds for vessel development including Commissioning Service Operation Vessels (CSOVs), to better serve the high-growth offshore wind markets.

Source: Bloomberg

### Stock Profile

Bloomberg Ticker	MPM SP
Avg Turnover (SGD/USD)	3.58m/2.79m
Net Gearing (%)	Net cash
Market Cap (SGDm)	613
Beta (x)	1.23
BVPS (SGD)	0.06
52-wk Price low/high (SGD)	0.042 - 0.176
Free float (%)	58

### Major Shareholders (%)

Nautical International	12.4
Apricot Capital Pte	11.7
Halom Investments	5.8

### Share Performance (%)

	1m	3m	6m	12m
Absolute	5.7	14.3	63.1	281.8
Relative	6.8	17.8	64.4	269.5

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## Company Report Card

**Results highlights.** 1QFY26 revenue and gross profit were in line. MPM's 1QFY26 gross profit of SGD14m (+32% YoY) was in line with our forecast. Revenue of SGD33m (+27% YoY) was driven by ship chartering (SGD23m, +53% YoY), while the shipbuilding and repair segment registered a slight decline in revenue to SGD10m (-9% YoY), dragged by lower shipbuilding activities, but mitigated by more ship repair projects. Growth from the ship chartering segment mainly stemmed from a larger fleet size, where it deployed its CSOVs and three Crew Transfer Vessels (CTVs) in 2HFY25. Vessel utilisation also improved from 71% in 1QFY25 to 76% 1QFY26. GPM rose by 1.6ppts from 41.1% to 42.7%. This was due to better rates received by the new vessels, which led to a more favourable sales mix.

**May require funding for newbuilds in the future.** MPM had a net debt of SGD61m as at FY24. However, based on its need to grow its fleet with vessels like the CSOVs, capex requirements are high. As such, financial resources are crucial to facilitate growth. Management will re-evaluate its options on newbuilds after the deployment of the CSOV and, depending on its plans for newbuilds, it may require further funding to carry out its newbuild plans. Capex will include growing its fleet by three new vessels – including two CTVs to its fleet for Siemens Gamesa offshore wind projects in Taiwan and South Korea from 2024 to 2026. More capex and funding would be required, should there be demand for more newbuilds. Operating cash flow has generally been positive over the last few years.

**Dividends.** MPM has started paying dividends from FY23, paying 0.1, 0.1, and 0.15 SG cents per share annually at 17-20% of earnings until FY25. We anticipate that cash resources generated by MPM will generally be reinvested for newbuild vessels or shipyard expansion. We expect dividend payout ratios to be at 20%, going forward.

**Management.** MPM is led by Sean Lee, who is the CEO and son of MPM's former Executive Chairman Lee Wan Tang. He is supported by four key independent professional executives – Director of the Offshore Division, Senior GM of Shipyard Division, MD of PKR Offshore and the Group Financial Controller. The shareholding of MPM is sporadic. Apricot Capital, an investment fund partially owned by the former SGX-listed Super Group's founder, David Teo Kee Bock, holds a c.12% stake. Lee Wan Tang is estimated to own a c.12% stake via Nautical International Holdings. MPM's recent substantial shareholder is Halom Investments controlled by marine industry veteran Michael Kum, at a c.6% stake.

## Investment Case

**More vessels, higher charter rates and shipyard capacity should drive growth.** Strong oil prices fuelling more oil & gas activities and a shortage of offshore vessels should support charter rates. Furthermore, expanded shipyard capacity and robust shipbuilding contracts will also help to drive growth going forward.

**Key risks.** Our forecasts and TP are premised on better charter rates, and the utilisation (including the successful deployment) of its CSOV over the next two years. Failing these, any disappointment would be a risk to our earnings estimates and TP.

Profit & Loss	Sep-25	Sep-26F	Sep-27F
Total turnover (SGDm)	123	222	236
Reported net profit (SGDm)	59	43	48
Recurring net profit (SGDm)	28	43	48
Recurring net profit growth (%)	29.8	53.1	11.4
Recurring EPS (SGD)	0.01	0.01	0.01
DPS (SGD)	0.00	0.00	0.00
Dividend Yield (%)	1.0	1.5	1.6
Recurring P/E (x)	20.9	13.6	12.1
Return on average equity (%)	24.5	16.6	16.0
P/B (x)	2.5	2.0	1.7
P/CF (x)	14.2	9.5	7.3

Source: Company data, RHB

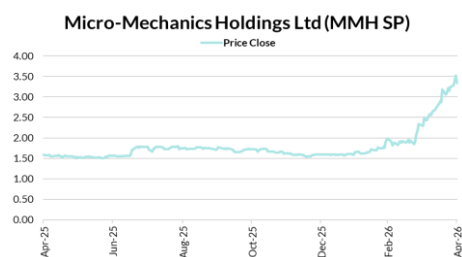
Balance Sheet (SGDm)	Sep-25	Sep-26F	Sep-27F
Total current assets	112	110	184
Total assets	274	349	440
Total current liabilities	57	44	73
Total non-current liabilities	16	41	41
Total liabilities	73	85	113
Shareholder's equity	185	239	276
Minority interest	16	25	30
Other equity	0	0	0
Total liabilities & equity	274	349	419
Total debt	33	42	42
Net debt	(36)	(10)	(43)

Source: Company data, RHB

Cash Flow (SGDm)	Sep-25	Sep-26F	Sep-27F
Cash flow from operations	39	42	62
Cash flow from investing activities	(56)	(58)	(44)
Cash flow from financing activities	24	(0)	15
Cash at beginning of period	61	66	49
Net change in cash	7	(17)	33
Ending balance cash	66	49	83

Source: Company data, RHB

## Riding On The Semiconductor Industry's Growth



### Investment Merits

- Riding on the growth of the semiconductor industry's production across both front- and back-end
- Growth driven by strong customer outlook, growing production, capabilities, customer base, and operating efficiency
- Net cash balance sheet, strong margins and ROE

### Company Profile

Micro-Mechanics (MMH) is a global integrated mechanics solutions company with more than 600 customers globally. It operates facilities in the US, Singapore, Malaysia, China and Philippines. Its wafer fabrication equipment (WFE) segment manufactures high-precision metal parts for the front-end wafer fabrication process, while its consumable tools segment manufactures high-precision micro-machined parts and tools for the back-end assembly and test equipment customers.

### Highlights

**Global semiconductor sales are expected to continue growing.** According to the Semiconductor Industry Association (SIA), sales of the global semiconductor industry surged by 61.8% YoY in Feb 2026 to reach an all-time high of USD89bn on strong global chip sales. Demand for AI, computing and memory chips remain strong. According to the Semiconductor Equipment and Materials International (SEMI), global semiconductor sales are projected to approach USD1trn in 2026, from 2025's record high of nearly USD800bn. Based on SEMI's forecast, global sales of total semiconductor equipment by original equipment manufacturers should chalk an 8% CAGR over the next two years, reaching USD156bn in 2027 vs c.USD133bn in 2025 (+13.7% YoY).

**Growth driven by strong customer outlook.** MMH's growth outlook is positive, as most of its memory and chipmaker customers have orders up until next year. It is increasing support for Taiwan and Arizona customers, while ramping up WFE production in the US, amid ongoing NPIs with new and existing customers. It is also capturing localised production trends such as China's growth into leading edge tools and back-end packaging by transferring technology there, apart from acquiring more customers.

**Improving efficiency and delivery.** MMH aims to be among the few next-generation suppliers of fast and flawless precision machining, for complex manufacturing. Execution has to be efficient, especially in targeting fast and compressed lead time for its back-end customers' packaging processes. It is adopting new machinery to improve production quality and efficiency including material removal rates. Improving its process would ensure long-term sustainable growth. MMH recorded a high GPM of 51% and operating margin of 28% in 9MFY26 (Jun). We believe achieving operating efficiency and further scale could improve margins further.

Source: Bloomberg

#### Stock Profile

	MMH SP
Bloomberg Ticker	MMH SP
Avg Turnover (SGD/USD)	0.37m/0.29m
Net Gearing (%)	Net cash
Market Cap (SGDm)	464
Beta (x)	0.84
BVPS (SGD)	0.35
52-wk Price low/high (SGD)	1.54 - 3.56
Free float (%)	45

#### Major Shareholders (%)

Sarcadia LLC	30.1
Borch Christopher Reid	13.1
Low Ming Wah	5.0

#### Share Performance (%)

	1m	3m	6m	12m
Absolute	22.5	97.0	85.8	101.9
Relative	23.6	100.5	87.1	89.5

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## Company Report Card

**Results highlights.** 3QFY26 revenue grew 16% YoY to SGD19m, while earnings expanded by 19% YoY to SGD3.8m. Revenue growth was driven by the consumable tools segment, where turnover increased by 21% YoY to SGD14m, supplemented by a 3% YoY spike to SGD4m by wafer fabrication equipment parts, on higher bookings and a continued recovery from material delays and shortages from 1QFY26. Its GPM of 51.6% (+1.1ppts) was driven by the group's initiative to strengthen customer engagement and enhance manufacturing processes. Operating profit was SGD5m (+25% YoY) on more efficient opex, especially administrative expenses, which drove the operating margin expansion of 2.3ppt to 28%. Revenue also grew across all key markets including the US, China, Malaysia, Singapore and the Philippines in 9MFY26.

**Balance sheet/cash flow.** MMH has net cash of SGD26m, with no borrowings as at 3QFY26. It has plans to invest in product development for advanced packaging and equipment for wafer fabrication equipment manufacturing. It has generated positive operating cash flow to the tune of SGD14-23m over the past nine years, outstripping cash flow for capex. Over the past three years, operating cash generated has exceeded net profits.

**Dividends.** MMH has a policy of paying at least 40% of profit as dividends. Due to its consistent cash-generation ability, it has been able to pay a DPS exceeding its EPS. Over FY21-24, the dividend payout ratio has ranged 98% to 128% of earnings, with FY25's dividends reflecting a 67% payout ratio. In 1H26, MMH declared an interim DPS of 3 SG cents, representing a payout ratio of 61%. We expect the attractive dividend payout ratio to be sustained, due to its ability to generate cash flow for shareholders.

**Founded, controlled and managed by the Borch family.** MMH is led by its founder and executive chairman Christopher Reid Borch, who handed the reins of the company to Kyle Borch at the start of FY26. Christopher Borch has more than 40 years of engineering, manufacturing and management experience in the semiconductor industry. The Borch family owns c.49.8% of MMH, through direct individual stakes and through Sarcadia.

## Investment Case

**Proxy to semiconductor sector's growth.** As a parts manufacturer in the semiconductor supply chain, higher global production would lead to greater overall demand for parts and consumables – which should benefit MMH as a whole. Its diversified customer base of more than 600 ensures low customer concentration risk. We like MMH for its strong gross and net margins, as well as its cash-generating ability, zero debt, and attractive ROE. We see the stock as a beneficiary to the growth of the semiconductor industry.

**Key risks.** Key downside risks include a later-than-expected demand recovery, which will pose downside risks to its earnings growth. Raw materials such as aluminium for the WFE segment could see some price increases, but MMH is able to pass through some of the price increase to customers. Rubber remains a very small part of its overall value-add and sales.

Profit & Loss	Jun-23	Jun-24	Jun-25
Total turnover (SGDm)	67	58	65
Reported net profit (SGDm)	10	8	12
Recurring net profit (SGDm)	10	8	12
Recurring net profit growth (%)	(50.5)	(18.4)	55.0
Recurring EPS (SGD)	0.07	0.06	0.09
DPS (SGD)	0.09	0.06	0.06
Dividend Yield (%)	2.7	1.8	1.8
Recurring P/E (x)	47.5	57.8	37.5
Return on average equity (%)	18.7	17.4	25.2
P/B (x)	10.0	10.1	9.4
P/CF (x)	26.1	31.8	25.2

Source: Company data, RHB

Balance Sheet (SGDm)	Jun-23	Jun-24	Jun-25
Total current assets	30	32	40
Total assets	58	57	61
Total current liabilities	8	8	8
Total non-current liabilities	4	3	3
Total liabilities	12	11	12
Shareholder's equity	46	46	49
Minority interest	0	0	0
Other equity	0	0	0
Total liabilities & equity	58	57	61
Total debt	2	2	2
Net debt	(12)	(15)	(21)

Source: Company data, RHB

Cash Flow (SGDm)	Jun-23	Jun-24	Jun-25
Cash flow from operations	18	15	18
Cash flow from investing activities	(3)	(2)	(1)
Cash flow from financing activities	(21)	(10)	(10)
Cash at beginning of period	20	14	17
Net change in cash	(6)	2	7
Ending balance cash	14	17	23

Source: Company data, RHB



### Nam Cheong (NCL SP)



Source: Bloomberg

#### Stock Profile

	NCL SP
Bloomberg Ticker	NCL SP
Avg Turnover (SGD/USD)	2.91m/2.27m
Net Gearing (%)	26.6
Market Cap (SGDm)	614
Beta (x)	1.60
BVPS (MYR)	2.06
52-wk Price low/high (SGD)	0.45 - 1.65
Free float (%)	62

#### Major Shareholders (%)

Tiong Su Kouk	17.3
Ginko-AGT Global Growth Fund	5.0
Saw Wei Jie	4.8

#### Share Performance (%)

	1m	3m	6m	12m
Absolute	(4.0)	12.4	84.7	163.6
Relative	(2.9)	15.9	86.0	151.3

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### Investment Merits

- Young OSV fleet with long-term chartering contracts
- Revival of its shipbuilding segment, thanks to recent newbuild orders
- Inexpensive valuation, trading below the peer average

### Company Profile

Established in 1968, Nam Cheong (NCL) is a leading OSV provider in Sarawak, Malaysia. After starting as a builder of barges and shipping vessels, the group expanded its operations by offering OSV chartering in 2007, which has now become its main revenue contributor. NCL was listed on the SGX in May 2011. Its main business segments are shipbuilding and OSV chartering.

### Highlights

**Young fleet with multi-year chartering contracts.** NCL's competitive advantage in vessel chartering lies with its young fleet (average: nine years) – significantly lower than the industry average range of 14-16 years. Its long-term charter contracts also provide earnings visibility, while the remaining vessels on spot charters allow the group to capture any upside during periods of rising charter rates.

**Restoration of interest in newbuilds.** In the midst of tight supply, an ageing global OSV fleet, and years of underinvestment in the sector, rising demand for younger vessels is likely to spur a more active resale market and drive renewed interest in newbuild vessels. This trend is reflected in the recent sale of multiple young vessels across the industry, on top of new contract wins recently secured by NCL to deliver four newbuild OSVs. It also just delivered one multi-purpose support vessel (MPSV), ie its first newbuild sale in over a decade. We believe that the growing appetite for younger builds could further revitalise activity at NCL's Miri shipyard.

**Accelerated debt repayment.** NCL's borrowings fell 33% to MYR285.0m as of mid-Apr 2026, from MYR425.4m at end-FY25, driven by stable chartering cash flow and proceeds from vessel disposals completed late last year and early this year. The pace of repayment exceeded our FY26F of MYR90m, and is well above the group's annual repayment of c.MYR60-65m under its seven-year debt plan.

**Strategic Sarawak play amidst PETRONAS-Petroleum Sarawak (Petros) dispute.** Regardless of the PETRONAS-Petros dispute outcome, we believe NCL is unlikely to face material disruption. Sarawak's offshore activity is expanding moderately as the State works to open more offshore areas for exploration, supporting sustained OSV demand. As a Sarawak-based operator, NCL is naturally aligned with this growth and well-positioned for state-led offshore developments. It also maintains established commercial ties with PETRONAS, with its

subsidiary SKOSV holding a valid PETRONAS licence covering upstream and downstream operations. With Sarawak's rising strategic importance and NCL's deep regional roots, the group remains well-buffered against regulatory uncertainty.

## Company Report Card

**Results highlights.** NCL recorded a 9.5% decline in revenue to MYR619.7m in FY25, mainly contributed by a lower vessel utilisation rate of 65% during the period vs 80% in FY24. This was due to vessel maintenance undertaken in 1H25 to support the deployment of the vessels under long-term agreements commencing in 3Q25. Evidently, vessel utilisation rose to c.70% in 2H25. This resulted in FY25 gross profit falling by 17% YoY to MYR301.4m, which translated to a gross profit margin of 49%, ie below FY24's 53% and management's target of 50%. However, FY25 core net profit fell by a larger 37% YoY to MYR164.9m, largely due to higher staff and maintenance costs. Note that in FY24, NCL recognised a gain on waiver of debt amounting to MYR398.6m.

**Balance sheet.** As of end-FY25, its net gearing ratio stood at 0.27x, with MYR425.4m in borrowings on the balance sheet. This decreased to MYR285.0m as of mid-Apr 2026. Although cash balances were not disclosed, we assess that it has dropped to c.0.2x from 0.27x at end-FY25 based on our conversation with management, which is also broadly in line with our target of 0.15x by the year-end. We expect the group to be in a net cash position in FY28.

**Dividend.** NCL does not have a formal dividend policy. After the oil price crash in 2014, the group stopped paying dividends from FY15 onwards to conserve its cash amidst a volatile market. We believe that it is currently prioritising balance sheet deleveraging and fleet expansion. Hence, we do not expect it to resume its dividend payout plan throughout our forecast horizon.

**Management team.** NCL is helmed by CEO Leong Seng Keat, who sets the leadership tone and oversees the strategic direction of the group. CFO Chong Chun Fen oversees corporate finance, financial planning and risk management, treasury, statutory reporting, taxation as well as investor relations.

## Investment Case

**Sarawak-centric OSV recovery play with a strengthening balance sheet.** NCL offers exposure to the tightening OSV cycle through one of the youngest fleets in the region, supported by multi-year charters that provide earnings visibility while retaining spot exposure for rate upside. An ageing global OSV fleet and renewed interest in younger vessels are reviving resale and newbuild activities, benefiting NCL both as an owner-operator and through its Miri shipyard, which has seen its first newbuild sale in over a decade. Strong charter cash flow and vessel disposals have driven faster-than-expected debt reduction, materially strengthening its balance sheet. This counter is undervalued – it is trading at 9.5x, cheaper than its peer average of 11x.

**Key risks:** Non-renewal of contracts, over-reliance on the oil & gas sector, and steeper-than-estimated capital expenditure.

<b>Profit &amp; Loss</b>	<b>Dec-25</b>	<b>Dec-26F</b>	<b>Dec-27F</b>
Total turnover (MYRm)	620	735	910
Reported net profit (MYRm)	269	202	228
Recurring net profit (MYRm)	165	202	228
Recurring net profit growth (%)	(36.7)	22.2	13.1
Recurring EPS (MYR)	0.42	0.50	0.57
DPS (MYR)	0.00	0.00	0.00
Dividend Yield (%)	0.0	0.0	0.0
Recurring P/E (x)	11.5	9.5	8.4
Return on average equity (%)	23.4	21.3	19.4
P/B (x)	2.3	1.8	1.5
P/CF (x)	16.8	8.9	8.4

Source: Company data, RHB

<b>Balance Sheet (MYRm)</b>	<b>Dec-25</b>	<b>Dec-26F</b>	<b>Dec-27F</b>
Total current assets	627	753	925
Total assets	1420	1637	1875
Total current liabilities	223	294	334
Total non-current liabilities	360	291	245
Total liabilities	583	586	580
Shareholder's equity	817	1,019	1,246
Minority interest	20	33	48
Other equity	0	0	0
Total liabilities & equity	1420	1637	1875
Total debt	425	335	275
Net debt	223	159	63

Source: Company data, RHB

<b>Cash Flow (MYRm)</b>	<b>Dec-25</b>	<b>Dec-26F</b>	<b>Dec-27F</b>
Cash flow from operations	113	214	227
Cash flow from investing activities	28	(150)	(130)
Cash flow from financing activities	(77)	(90)	(60)
Cash at beginning of period	120	193	167
Net change in cash	64	(26)	37
Ending balance cash	187	167	204

Source: Company data, RHB

## Multi-Pronged Growth



Source: Bloomberg

### Stock Profile

Bloomberg Ticker	SCG SP
Avg Turnover (SGD/USD)	0.37m/0.29m
Net Gearing (%)	1,261
Market Cap (SGDm)	53
Beta (x)	1.07
BVPS (SGD)	0.04
52-wk Price low/high (SGD)	0.225 - 0.445
Free float (%)	33

### Major Shareholders (%)

Regal Partners RE	54.2
Teh Wing Kwan	12.5
Oversea-Chinese Banking Corporation	0.4

### Share Performance (%)

	1m	3m	6m	12m
Absolute	0.0	(13.6)	(13.6)	N/A
Relative	1.1	(10.0)	(12.2)	N/A

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## Investment Merits

- One of the largest commercial vehicle leasing companies in Singapore with a fleet size of more than 1,300 vehicles
- Growth via fleet expansion, more engineering contracts, and M&A
- Trades at c.16x FY25 P/E

## Company Profile

Skylink Holdings is a one-stop customer-centric commercial vehicle leasing specialist with other complementary businesses such as hire-purchase financing and engineering services. The business was injected and listed via a reverse takeover of SGX-listed Sincap Group in Sep 2025.

## Highlights

**Integrated business model.** SCG operates an integrated commercial vehicle platform that offers commercial vehicle leasing, engineering, and hire purchasing financing that has a complementary eco-system for customers to buy, use, and maintain vehicles – these provide stable recurring revenue streams. The company captures both ends of the vehicle users spectrum, with leasing serving the pro-asset light customers and vehicle financing supporting customers who choose to own their vehicles. The engineering segment services the customers in the maintenance and repair of their vehicles as well.

**Strong demand growth for fleet rental.** According to research firm Converging Knowledge, Singapore's commercial vehicle leasing market size was valued at SGD830-950m in 2024 and is projected to grow at a CAGR of 9-11% to SGD1.2-1.4bn by 2028. This is being driven by high vehicle prices, demand from construction activities, and growth in tourism and ecommerce sectors. SCG targets to have more than 1,500 vehicles in its fleet by FY28.

**Multi-pronged growing strategy.** Growth for SCG will be driven by fleet increase including EVs, more service contract wins for the engineering segment, and M&A. The Government is promoting EV adoption with its Commercial Vehicle Emissions Scheme or CVES and Early Turnover Scheme or ETS where SCG can obtain these incentives and grants to bolster its EV fleet. This can allow it to yield better rental margins and ROAs. The company has secured 18 new contracts and transitioned 16 existing customers to EVs with a total deployment of 43 new EV units in 4Q26 amid high oil prices. It recently won new contracts with a leading transport operator in Singapore and some corporations to service and repair their respective fleets in the engineering segment. Management meanwhile also sees opportunities to consolidate its position in the industry by acquiring commercial vehicles and vehicle MRO companies, as well as more existing vehicle loans from competitors and peers.

## Company Report Card

**Results highlights.** 1H26 revenue grew 34% YoY to SGD16m while core earnings grew by 33% YoY to SGD2m. Revenue growth was driven by the commercial leasing segment, which grew 53% YoY to SGD12m. SCG's engineering segment grew by 12% YoY to SGD2m on new maiden MRO services contracts with a major bus operator in Singapore. The credit business segment declined by 20% YoY to SGD2m due to early full settlement by hirers and lower recognition of interest income towards end of the loan book's hire purchase term. GPM narrowed by 4.5ppts to 23.9% on sales mix, as the higher-margin credit segment's contributions fell in place of the lower-margin leasing business. EBIT margin declined by 1.8ppts as a result to 12.4%.

**Balance sheet/cash flow.** The business has generated positive operating cash in 1H25 and 1H26 due to its high profit margin of over 10%. SCG is mainly a vehicle asset leasing business, where commercial vehicles are carried on its balance sheet. As such, its balance sheet is asset heavy with commercial vehicle assets in property plant and equipment comprising more than 60% of total assets. Capital is also required to acquire the vehicles and, therefore, its balance sheet has a net debt of SGD80m. We estimate interest spread on vehicle rental to financing cost to be at c.2% or more.

**Dividend.** Since its reverse takeover listing in Sep 2025, no dividends have been declared. The proposed dividend for FY26F is a 30% dividend payout. While there is no formal dividend policy, we expect dividends to be sustainably paid going forward.

**Management team.** SCG is led by CEO Wesley Shen, who founded the company in 2016, and Non-Executive Chairman Teh Wing Kwan. They are supported by COO Johnson Shen and CFO Leonard Teh. Its chairman, CEO, and CFO collectively control c.71% of the company.

## Investment Case

**Stable recurring earnings play.** We see SCG as a key beneficiary to the growth of commercial vehicle leading market, with exposure to vehicle engineering and financing in Singapore as it seeks to morph into a more dominant market player. Already one of the largest commercial vehicle fleet owners in the country, we expect SCG's dominance to grow as it increases its fleet size. The stock offers entry into a stable, recurring revenue model backed by lease, repair, and maintenance contracts, and finance income. SCG currently trades at a mid-teens historical P/E.

**Key risks.** Key downside risks include a slowdown in commercial vehicle rental demand, a decline in certificate of entitlement or COE prices, which could see: i) Customers buying over leasing vehicles, ii) a low vehicle price environment where customers purchase vehicles without financing, and iii) a decline in the commercial vehicle population that would affect its maintenance business.

Profit & Loss	Mar-23	Mar-24	Mar-25
Total turnover (SGDm)	8	15	26
Reported net profit (SGDm)	1	2	3
Recurring net profit (SGDm)	1	2	3
Recurring net profit growth (%)	N/A	206.2	29.9
Recurring EPS (SGD)	0.00	0.01	0.01
DPS (SGD)	N/A	N/A	N/A
Dividend Yield (%)	N/A	N/A	N/A
Recurring P/E (x)	65.1	21.3	16.4
Return on average equity (%)	23.9	52.0	39.6
P/B (x)	15.5	11.0	6.5
P/CF (x)	31.9	5.9	2.7

Source: Company data, RHB

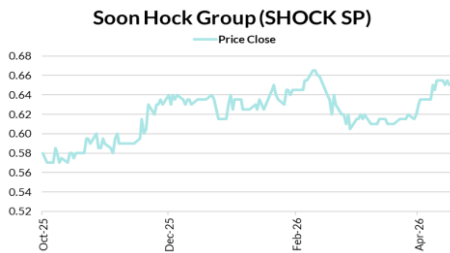
Balance Sheet (SGDm)	Mar-23	Mar-24	Mar-25
Total current assets	10	16	18
Total assets	42	84	111
Total current liabilities	15	29	42
Total non-current liabilities	25	51	63
Total liabilities	40	80	104
Shareholder's equity	3	4	7
Minority interest	0	0	0
Other equity	0	0	0
Total liabilities & equity	42	84	111
Total debt	35	72	89
Net debt	34	70	86

Source: Company data, RHB

Cash Flow (SGDm)	Mar-23	Mar-24	Mar-25
Cash flow from operations	1	7	16
Cash flow from investing activities	15	4	1
Cash flow from financing activities	(16)	(10)	(16)
Cash at beginning of period	1	1	3
Net change in cash	0	1	1
Ending balance cash	1	3	4

Source: Company data, RHB

## Riding The Rising Industrial Demand



Source: Bloomberg

### Stock Profile

	SHOCK SP
Bloomberg Ticker	SHOCK SP
Avg Turnover (SGD/USD)	0.56m/0.43m
Net Gearing (%)	34.6
Market Cap (SGDm)	202
Beta (x)	0.55
BVPS (SGD)	0.61
52-wk Price low/high (SGD)	0.565 - 0.685
Free float (%)	23

### Major Shareholders (%)

Tan Yeow Khoon	73.9
Tan Min Loon	3.1
Oversea-Chinese Banking Corporation	0.6

### Share Performance (%)

	1m	3m	6m	12m
Absolute	4.8	1.6	11.1	N/A
Relative	5.9	5.1	12.4	N/A

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## Investment Merits

- Established developer in the niche industrial property development and investment space in Singapore
- Strong management team and track record in delivering quality strata-titled industrial properties across Singapore
- Strong sales at ongoing project launches present good earnings visibility coupled with a trailing dividend yield of c.5%

## Company Profile

Soon Hock is a real estate developer, undertaking both industrial property development and industrial property investment in Singapore. Aside from property development, the group undertakes property investment for recurring income. Soon Hock has a strong track record of successful execution and monetisation of development projects, deploying a user-centric development strategy, forward-thinking design philosophy, and a multi-factor site selection framework that aims to preserve the long-term capital value of its development properties while positioning them for stronger tenant retention, reduced vacancy risk, and greater potential for capital appreciation. Soon Hock was listed on the SGX Mainboard on 16 Oct 2025.

## Highlights

**Leveraging on its strong Singapore expertise.** Soon Hock is among the few leading niche industrial property developers in the Singapore strata industrial space with a launch track record of more than 1,200 strata industrial units and delivering total GDV exceeding SGD1.3bn since 2012. Its competitive edge lies in its deep understanding of end-user requirements in terms of operational needs, ceiling heights, and flexible configurations leaning on its logistics-related heritage in order to deliver products that cater to market demand. Beyond greenfield acquisitions, it also develops underutilised or ageing industrial properties with redevelopment or enhancement potential.

**A robust development pipeline.** For FY26F, earnings will be driven by remaining revenue recognition from Stellar@Tampines (estimated c.SGD100-150m), which achieved its full Temporary Occupation Permit (TOP) in Feb 2026. The group will also be launching the 313-unit Skye@Tuas with an estimated GDV of SGD354m in 2Q26. The project is strategically located in close proximity to the Tuas Mega Port and Tuas Customs Checkpoint. Looking further ahead, completion of 56, 58, 60, and 62 Senang Crescent, a freehold B1 development, is targeted by end-2027, while 20 Shaw Road is expected to obtain partial TOP by end-2028 and final TOP in 1Q29.

**Singapore industrial property prices have been increasing steadily** with latest official data showing that the price index for multi-user factory

spaces rose 1.7% QoQ in 1Q26, extending a 22-quarter uptrend. Demand is mainly driven by end-users with flight to quality for newer, well-located industrial assets as well as investors looking for long-term growth potential. Key sectors driving demand are SMEs and new-economy sectors such as logistics, e-commerce, media, and technology.

## Company Report Card

**FY25 net profit jumped c.11x to SGD37.9m** driven mainly by the property development segment from the partial recognition of revenue at Stellar@Tampines. Gross profit margin declined 15.5ppts in FY25 due to changes in the earnings mix, but remained commendable at 32.6%. Earnings growth will be driven by the remaining recognition of Stellar@Tampines and Skye@Tuas. Margin is expected to remain relatively stable at around the current levels.

**Dividends.** For FY25, Soon Hock paid a total of 3.05 SG cents, translating to a 25% payout ratio and c.5% dividend yield. It intends to pay out at least 25% of earnings as dividends in FY26F.

**Management.** Tan Yeow Hoon is the executive chairman of the group and has over 50 years of experience in the logistics and transportation management services industry. He was previously the Chairman of Cogent from 2010 to 2018, during which he completed major projects such as the development of The Grandstand at Turf Club Road which was a lifestyle and leisure destination, as well as Cogent 1 Logistics Hub in 2014, which became Singapore's largest integrated logistics hub and introduced the world's first rooftop container depot.

## Investment Case

**Proxy to healthy industrial demand and strong Singapore fund flows.** Soon Hock currently trades at 4.4x FY25 P/E and 1.1x P/BV. While earnings tend to be lumpy, depending on project completions, its strong project pipeline, management track record, and healthy Singapore market fundamentals present good earnings visibility for the next 3-4 years. Recent geopolitical tensions could also increase the appeal of Singapore industrial property for investment. Soon Hock also offers an attractive c.5% dividend yield (FY25).

**Key risks:** Implementation of cooling measures targeting the Singapore industrial market, and the risk of tariff and supply chain impact on the industrial sector. Another risk is rising business costs, resulting in industrial tenants moving to cost-competitive markets such as the Johor-Singapore Special Economic Zone.

<b>Profit &amp; Loss</b>	<b>Dec-23</b>	<b>Dec-24</b>	<b>Dec-25</b>
Total turnover (SGDm)	265	8	228
Reported net profit (SGDm)	29	4	38
Recurring net profit (SGDm)	29	4	38
Recurring net profit growth (%)	1012	(88)	975
Recurring EPS (SGD)	0.12	0.01	0.15
DPS (SGD)	0.00	0.00	0.03
Dividend Yield (%)	0.00	0.0	4.7
Recurring P/E (x)	5.4	48.9	4.4
Return on average equity (%)	87.6	9.6	24.2
P/B (x)	N/A	4.3	1.1
P/CF (x)	N/A	N/A	1.9

Source: Company data, RHB

<b>Balance Sheet (SGDm)</b>	<b>Dec-23</b>	<b>Dec-24</b>	<b>Dec-25</b>
Total current assets	235	317	678
Total assets	273	361	716
Total current liabilities	127	131	367
Total non-current liabilities	112	193	192
Total liabilities	240	324	559
Shareholder's equity	34	37	157
Minority interest	0	0	0
Other equity	0	0	0
Total liabilities & equity	273	361	716
Total debt	133	300	410
Net debt	117	282	250

Source: Company data, RHB

<b>Cash Flow (SGDm)</b>	<b>Dec-23</b>	<b>Dec-24</b>	<b>Dec-25</b>
Cash flow from operations	(53)	(84)	106
Cash flow from investing activities	(26)	3	20
Cash flow from financing activities	86	83	16
Cash at beginning of period	10	16	19
Net change in cash	6	2	141
Ending balance cash	16	19	160

Source: Company data, RHB

Note: Soon Hock got listed on Oct 2025



# Tai Sin Electric

## Wired For Growth

Fair Value: N/A

Price: SGD0.57

### Tai Sin Electric (TSE SP)



Source: Bloomberg

#### Stock Profile

Bloomberg Ticker	TSE SP
Avg Turnover (SGD/USD)	0.17m/0.13m
Net Gearing (%)	42.0
Market Cap (SGDm)	264
Beta (x)	0.81
BVPS (SGD)	0.49
52-wk Price low/high (SGD)	0.395 - 0.69
Free float (%)	56

#### Major Shareholders (%)

Lim Boon Hock	18.2
Benjamin Lim Boon Chin	9.3
Lim Chye Huat	6.8

#### Share Performance (%)

	1m	3m	6m	12m
Absolute	(0.9)	7.7	(15.8)	38.3
Relative	0.2	11.2	(14.5)	25.9

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### Investment Merits

- Beneficiary of Singapore's sustained construction activity
- Strong track record in DC infrastructure
- Inexpensive valuation, trading below regional peer average

### Company Profile

Tai Sin Electric (TSE) is a Singapore-based electrical manufacturing and solutions group specialising in cable and wire manufacturing, electrical material distribution (EMD), testing and inspection services, and renewable energy (RE). Founded in 1980, the group has grown into a leading regional power distribution solutions provider across South-East Asia. Its core cable and wire manufacturing segment supplies power, control and specialised cables for infrastructure, building construction, utilities and industrial projects, while the EMD arm offers cable accessories, switchgear and related products, enabling end-to-end solutions. The testing and inspection segment supports quality assurance and regulatory compliance, and the RE business reflects the group's strategic participation in the energy transition.

### Highlights

**Beneficiary of domestic construction demand.** The Building and Construction Authority projects Singapore's 2026 construction demand to remain strong (projects valued at SGD47-53bn), with approximately 60% driven by the public sector. This growth is supported by the expected awarding of additional construction packages for the Changi Terminal 5 development, the Marina Bay Sands Integrated Resort expansion, the new Tengah General & Community Hospital, and the Downtown Line 2 and Thomson-East Coast Line extensions. As a long-established cable manufacturing player in Singapore, TSE has benefited from various mega projects in the past such as the Thomson-East Coast MRT Line, Tuas Mega Port, and Changi Airport Terminal 4 and remains well-positioned to capitalise on this ongoing construction boom.

**Leveraging on regional presence amidst DC wave.** Singapore recently announced plans to allocate at least 200MW of new capacity under its latest initiative to support DC development. As a dominant cable supplier having served 70% of DCs in the country, TSE is well-positioned to benefit from this expansion. Furthermore, the advent and rapid adoption of AI is driving more DC investments across South-East Asia, with regional capacity projected to triple from 2025 levels by 2030, reaching a range of 5.2-6.5GW, according to KPMG. Given its strong regional footprint and proven track record, this structural shift offers significant earnings uplift potential for the group.

**Expanding footprint in RE.** Beyond its core cable manufacturing and electrical distribution businesses, the group is expanding into new energy

segments through the acquisition of solar equipment distributors BayWare Solar System in Thailand and the Philippines, as well as a 25% stake in EV Mobility, a licensed EV charging operator in Singapore. These initiatives underscore TSE's commitment to diversifying its revenue base in line with the long-term energy transition.

## Company Report Card

**Results highlights.** 1HFY26 (Jun) revenue grew by 20% YoY to SGD282.2m, largely due to higher delivery of cables and wires as well as electrical components under the EMD segment. However, gross profit dropped 17% YoY to SGD34.2m, which led to its GPM shrinking to 12.1% in 1HFY26 from 17.6% in 1HFY25. The reduction in gross profit was mainly due to an SGD11.8m provision for onerous contracts, as long-term contracts entered into at lower copper prices were expected to be loss-making, following a sharp upsurge in copper prices. As a result, net profit plunged by 53% YoY to SGD7.4m. Excluding the onerous contract provision, net profit would have increased 53% YoY.

**Balance sheet/cash flow.** As of end-1HFY26, TSE had a net debt of SGD105.7m, with cash holdings of SGD42.3m. Its net gearing increased to 0.4x from 0.2x in FY25 due to a SGD21.3m rise in borrowings. This was largely attributable to loan drawdowns to fund the acquisition of new subsidiaries, as well as the consolidation of bank loans from the acquired entities. The higher gearing was further compounded by increased working capital requirements, particularly a SGD11m rise in inventories reflecting higher copper purchases. The group's ROE has improved from 7% in FY24 to 12% in FY25.

**Dividend.** TSE does not have a formal dividend policy, but has paid dividends for at least the past five years. It pays dividends on an interim basis too. In FY25, TSE paid a final DPS of 1.6 SG cents, on top of an interim DPS of 0.75 SG cents. This brings the total DPS to 2.35 SG cents for FY25, representing a payout ratio of 42%. The dividend payout ratio over the past three years is in the 42-75% range.

**Management team.** TSE is led by CEO Bernard Lim, who has more than 30 years of experience in cable and wire manufacturing. He became an executive director of TSE since 1997, and was appointed as the CEO in 2013. CFO Tan Yong Hwa has been with TSE since 2006, overseeing, financial reporting, accounting and treasury functions for the group.

## Investment Case

**Structural growth across infrastructure, DCs and RE.** TSE stands to benefit from sustained public sector construction activity in Singapore, the rapid expansion of DCs in Singapore and South-East Asia, and long-term energy transition trends. Its strong domestic track record, dominant position in DC cable supply, and growing exposure to RE and EV infrastructure provide diversified and multi-year growth drivers beyond traditional construction demand. It only trades at 10x P/E, below the regional peer average of 25x.

**Key risks:** Sharp increase in copper prices, cyclicality and delays in construction/ infrastructure spending, and execution risks from regional expansion and new-energy ventures.

<b>Profit &amp; Loss</b>	<b>Jun-23</b>	<b>Jun-24</b>	<b>Jun-25</b>
Total turnover (SGDm)	422	401	481
Reported net profit (SGDm)	17	15	26
Recurring net profit (SGDm)	17	15	26
Recurring net profit growth (%)	(24.2)	(12.5)	77.7
Recurring EPS (SGD)	0.04	0.03	0.06
DPS (SGD)	0.02	0.02	0.02
Dividend Yield (%)	4.1	4.1	4.1
Recurring P/E (x)	15.8	18.1	10.2
Return on average equity (%)	8.1	7.0	12.0
P/B (x)	1.3	1.3	1.2
P/CF (x)	14.5	100.7	(50.5)

Source: Company data, RHB

<b>Balance Sheet (SGDm)</b>	<b>Jun-23</b>	<b>Jun-24</b>	<b>Jun-25</b>
Total current assets	236	251	312
Total assets	302	316	376
Total current liabilities	83	94	139
Total non-current liabilities	12	13	11
Total liabilities	95	107	150
Shareholder's equity	205	207	222
Minority interest	2	2	3
Other equity	0	0	0
Total liabilities & equity	302	316	376
Total debt	34	47	84
Net debt	2	20	46

Source: Company data, RHB

<b>Cash Flow (SGDm)</b>	<b>Jun-23</b>	<b>Jun-24</b>	<b>Jun-25</b>
Cash flow from operations	18	3	(5)
Cash flow from investing activities	(5)	(7)	(4)
Cash flow from financing activities	(10)	(1)	20
Cash at beginning of period	29	32	27
Net change in cash	3	(5)	11
Ending balance cash	32	27	38

Source: Company data, RHB

## Supported By Firm Macroeconomic Environment

### Tiong Woon Corp (TWC SP)



Source: Bloomberg

### Stock Profile

	TWC SP
Bloomberg Ticker	TWC SP
Avg Turnover (SGD/USD)	0.25m/0.20m
Net Gearing (%)	14.6
Market Cap (SGDm)	255
Beta (x)	0.73
BVPS (SGD)	1.39
52-wk Price low/high (SGD)	0.57 - 1.13
Free float (%)	59

### Major Shareholders (%)

Ang Choo Kim & Sons	39.0
Dimensional Fund Advisors	1.3
Ang Kah Hong	1.0

### Share Performance (%)

	1m	3m	6m	12m
Absolute	12.0	12.6	40.0	91.5
Relative	13.1	16.1	41.3	79.1

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## Investment Merits

- One of the top 15 leading global lifting and crane companies in 2025, ranked by International Cranes and Specialized Transport magazine
- Orders supported by firm Singapore construction outlook and current oil price environment, beneficiary of regional construction growth
- Trades at <1 PEG, with consensus' earnings growth at c.20% CAGR for FY25-28F vs c.10x FY26F consensus P/E

## Company Profile

Tiong Woon Corp (TWC) is a leading heavy lift specialist and service provider, supporting mainly the oil & gas, petrochemical, infrastructure, and construction sectors. As at FY25, it owned 579 cranes and tower cranes, and 359 heavy haulage and transportation assets. It also provides tug and barge services for sea transportation projects and trades equipment and spare parts.

## Highlights

**Firm construction demand and high oil prices support outlook.** Singapore's construction outlook remains robust. We see firm construction demand ahead, as the Building and Construction Authority (BCA) is forecasting 2026 annual construction demand to be at SGD47-53bn (2025: c.SGD50bn), and SGD39-46bn in 2027-2030, supported by projects including Changi Terminal 5, the Marina Bay Sands (MBS) Integrated Resort expansion, Tengah General & Community Hospital, Downtown Line 2, and the Thomson-East Coast Line extension. Projects including the Housing & Development Board's (HDB) Build-To-Order (BTO) construction, the National University Hospital (NUH), Singapore University of Social Sciences (SUSS) and Junior Colleges' redevelopment will facilitate the continued deployment of construction cranes, which bodes well for TWC.

**High oil price supports order outlook.** The current high oil price is encouraging more oil & gas projects and extraction activities globally, as a higher oil price enhances margins and encourages producers to increase supply. We hence expect TWC's orders for equipment deployment into the sector to be buoyant going forward.

**Regional construction and infrastructure projects to drive growth.** TWC continues to secure participation in regional projects. It has announced SGD40m of project wins in the semiconductor, public infrastructure, and biopharmaceutical sectors to date. It is a beneficiary of infrastructure development in its key overseas markets in Thailand, India, and the Middle East. It is exposed to the growth in petrochemical and DC capex in India, investments into mega construction projects in the Middle East, and oil & gas and infrastructure projects as well as the development of industrial projects in Thailand.

## Company Report Card

**Results highlights.** 1HFY26 (Jun) revenue was SGD90m (+14% YoY) while earnings came in at SGD14m (+13% YoY). Revenue growth was driven by the heavy lift and haulage segment, which grew +15% YoY to SGD88m, on more heavy lift, transportation, and installation projects in Singapore, Thailand, and Brunei. The marine and transportation segment contributed SGD1.5m to revenue, growing +56% YoY on more chartering orders from external parties. The trading segment declined by 86% to SGD0.1m amid fewer equipment sold. GPM gained 4.4ppts to 32.9%. Due to more efficient opex, core net margin expanded by 1ppt to 16.3%. Singapore contributed c.75% of total revenue, India and Thailand at 7% each, while the Middle East market accounted for 4%.

**Balance sheet/cash flow.** TWC is a cash-generative business with a low net debt balance sheet. The business has had positive operating cash flow for at least the past three years. As capex is mainly used to increase assets and fleet size, financing is normally required. The balance sheet is in a net debt with a low net gearing at 0.1x.

**Dividend.** For the past five years since FY21, TWC has paid final and special dividends. DPS, including special dividends, was at 0.4 SG cents per share in FY21 and has steadily risen to 1.75 SG cents in FY25. Dividend payout ratio has climbed consistently as well, from 9.4% in FY21 to 21.1% in FY25. TWC has not paid interim dividends over this period, but has paid special dividends from FY21 to FY24. We expect the dividend payout ratio to be sustained going forward.

**Management team.** TWC is led by the Ang family. The board comprises four Ang family members who hold the positions of Executive Chairman, Executive Director, and CEO, as well as two other executive director positions. Its Chief People Officer and General Manager for Logistics are also second-generation family members. The Ang family controls at least c.40% of TWC.

## Investment Case

**Supported by high oil prices and firm Singapore construction outlook.** TWC offers investors exposure to the high oil price environment and strong construction outlook in Singapore. As a crane rental company, it is not exposed to tender price and labour cost pressures unlike the main contractors. Its operating model is largely based on a return on its assets leased, which is more stable than pure-play construction companies. For now, TWC is riding on the robust Singapore construction and high oil price environment, which are beneficial to its fleet utilisation and rates.

**Key risks.** Key downside risks include a slowdown in construction activities especially in Singapore, and a slowdown in oil & gas activities regionally that will affect fleet utilisation and rates. However, due to the strong outlook for Singapore construction and firm oil price environment, we do not expect its asset deployment to slow at this juncture. While TWC is exposed to the Middle East, exposure is minimal, as 1HFY26 and FY25 revenue contribution were at below 5%.

Profit & Loss	Jun-23	Jun-24	Jun-25
Total turnover (SGDm)	136	143	164
Reported net profit (SGDm)	16	18	19
Recurring net profit (SGDm)	16	18	19
Recurring net profit growth (%)	37.7	16.0	5.5
Recurring EPS (SGD)	0.07	0.08	0.08
DPS (SGD)	0.01	0.02	0.02
Dividend Yield (%)	0.9	1.4	1.6
Recurring P/E (x)	16.2	14.0	13.3
Return on average equity (%)	5.3	5.9	6.0
P/B (x)	0.9	0.8	0.8
P/CF (x)	5.9	6.5	5.0

Source: Company data, RHB

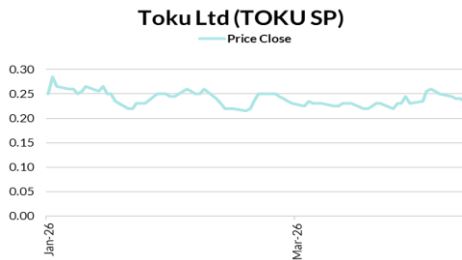
Balance Sheet (SGDm)	Jun-23	Jun-24	Jun-25
Total current assets	132	139	130
Total assets	492	519	532
Total current liabilities	67	107	88
Total non-current liabilities	131	103	122
Total liabilities	198	210	210
Shareholder's equity	293	309	322
Minority interest	(0)	0	0
Other equity	0	0	0
Total liabilities & equity	492	519	532
Total debt	99	93	112
Net debt	24	12	47

Source: Company data, RHB

Cash Flow (SGDm)	Jun-23	Jun-24	Jun-25
Cash flow from operations	41	38	49
Cash flow from investing activities	4	(12)	(36)
Cash flow from financing activities	(25)	(21)	(29)
Cash at beginning of period	56	76	81
Net change in cash	20	5	(17)
Ending balance cash	76	81	65

Source: Company data, RHB

## CX Solutions Powered By AI



Source: Bloomberg

### Stock Profile

Bloomberg Ticker	TOKU SP
Avg Turnover (SGD/USD)	0.67m/0.53m
Net Gearing (%)	N/A
Market Cap (SGDm)	134
Beta (x)	0.76
BVPS (USD)	N/A
52-wk Price low/high (SGD)	0.21 - 0.305
Free float (%)	49

### Major Shareholders (%)

Delivery Hero Venture	13.4
Neptune Invest Asia	10.0
Tembusu Growth Fund	7.3

### Share Performance (%)

	1m	3m	6m	12m
Absolute	10.9	10.9	N/A	N/A
Relative	12.0	14.4	N/A	N/A

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## Investment Merits

- Leading cloud-native AI-powered customer experience (CX) platform in Asia-Pacific
- Niche positioning that offers customised solutions that global players typically do not provide
- Breakeven, monetisation of the CX platform, or a takeover would be a stock catalyst

## Company Profile

Toku is a technology software company that offers seamless and secure customer experiences through its proprietary cloud-native AI-powered end-to-end 360° CX platform. This platform can facilitate seamless customer conversations across voice, chat, email and other digital channels while fulfilling complex regulatory, linguistic, and infrastructure requirements. Toku's CX platform is trusted by companies such as FoodPanda, Gojek, Lenskart and Zenyum.

## Highlights

**Robust growth driven by higher enterprise adoption.** Based on research by Frost & Sullivan, the value of the global contact centre solutions market was at USD11.8bn in 2025, and is projected to reach USD22bn by 2030, growing at a CAGR of 12.8%. Growth should be driven by enterprise digital transformation initiatives, widespread adoption of AI in customer service, and the ongoing migration from on-premises to cloud-based solutions. 44% and 39% of global and Asia-Pacific organisations plan to migrate applications to the cloud within two years. Enterprises are increasingly seeking integrated platforms, amid the convergence of contact centre solutions, unified communications, and communications platform services. This bodes well for Toku, as its AI-powered CX platform has the capability to integrate the different customer service channels and services.

**Toku is positioned uniquely** between the global and local players in the Asia-Pacific. Most global players offer a one-size-fits-all solution adapted from western markets, while local players lack capabilities. Toku can deliver enterprise-level solutions for clients across the entire customer experience ecosystem, while allowing them to adopt specific capabilities progressively. It can deploy across public, government clouds, and private data centres while maintaining data sovereignty.

**Global growth on the cards.** It has plans to grow beyond the Asia-Pacific into markets across the world. It entered the Latin America and Middle East markets in 2025, and into four European countries in early 2026. Europe is now Toku's fourth largest operating region. It will provide clients' customer-facing sales operations across Italy, Portugal, Romania, and Spain, with plans to extend coverage to 18 more markets. Growth

into the North America market is also being evaluated.

## Company Report Card

**Results highlights.** FY25 revenue and net losses amounted to USD35m (+9% YoY) and USD9m (-70% YoY). Toku booked a core loss of USD4m (+8.5% YoY). Revenue growth was led by Hong Kong, where turnover surged by 228% YoY to USD6.5m – albeit offset by its performance in Singapore (-5% YoY, USD20m) and other countries (-7% YoY, USD8m). Revenue growth was also driven by usage revenue, which grew by 21% YoY to USD24m. GPM narrowed by 3.1ppt to 24.3%, due to higher sales contributions of lower-margin usage revenue. There was also a lower contribution from higher-margin professional services and maintenance & support segments. Adjusted EBITDA losses improved by USD3m from USD4m on better operating leverage and opex. As a result, core EBITDA margin also narrowed to -9.4% (+3.2 ppt) from -12.6% in FY24.

**Balance sheet/cash flow.** Toku has a net debt of USD2m. Its capital structure has been strengthened post IPO, and management believes that it is appropriate to support the company's growth plans. Toku typically generates positive working capital. However, due to accounting losses, operating cash flow has been negative. As a software company, capex is minimal.

**Dividend.** Toku does not have a fixed dividend policy, and has not declared dividends since its incorporation, due to losses. The company remains in an early stage of growth and development, where it is gaining market share by growing its customer and user base. Its core AI Suite is also seeing signs of early monetisation. As such, any dividends should only be expected when it breaks even and turns profitable. There were no dividends declared in its latest FY25 results.

**Management team.** Toku is led by Thomas Laboulle, who is the CEO and co-founder. He is supported by CFO Christian Kenfor Wong, Chief Legal Officer Ethan Storm Ruff, CTO Girish Dharmaraj, Head of Carrier Services Andrew Tan, Head of Enterprise Jonathan Mondon, Head of Marketing Nora Huin, and Head of Global Services Monnan Miah.

## Investment Case

**Stock offers exposure to the growth of AI-powered CX platforms.** Toku offers exposure to growth in the global contact solutions market, where companies are consolidating their customer service platforms into an integrated service provider. The stock also provides an interest in the growth of a competitive CX platform powered by AI technology. Breakeven, monetisation of the CX platform, or a takeover would be a stock catalyst.

**Key risks.** Key downside risks include pace of AI adoption and monetisation at scale, the expansion of more channel partners, the pace of M&As, and price competition.

<b>Profit &amp; Loss</b>	<b>Dec-23</b>	<b>Dec-24</b>	<b>Dec-25</b>
Total turnover (USDm)	29	32	35
Reported net profit (USDm)	(5)	(5)	(9)
Recurring net profit (USDm)	(5)	(5)	(9)
Recurring net profit growth (%)	N/A	N/A	N/A
Recurring EPS (USD)	(0.89)	(1.05)	(1.53)
DPS (USD)	0.00	0.00	0.00
Dividend Yield (%)	0.0	0.0	0.0
Recurring P/E (x)	N/A	N/A	N/A
Return on average equity (%)	N/A	N/A	N/A
P/B (x)	N/A	N/A	N/A
P/CF (x)	N/A	N/A	N/A

Source: Company data, RHB

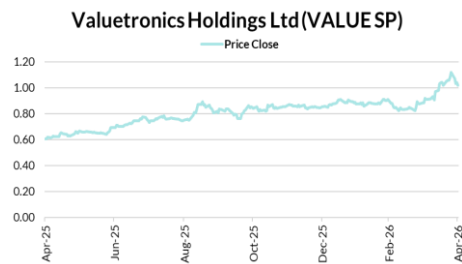
<b>Balance Sheet (USDm)</b>	<b>Dec-23</b>	<b>Dec-24</b>	<b>Dec-25</b>
Total current assets	6	9	8
Total assets	12	15	16
Total current liabilities	9	12	18
Total non-current liabilities	2	2	3
Total liabilities	11	14	21
Shareholder's equity	1	1	(5)
Minority interest	0	0	0
Other equity	0	0	0
Total liabilities & equity	12	15	16
Total debt	2	4	4
Net debt	0	3	2

Source: Company data, RHB

<b>Cash Flow (USDm)</b>	<b>Dec-23</b>	<b>Dec-24</b>	<b>Dec-25</b>
Cash flow from operations	(3)	(4)	(5)
Cash flow from investing activities	(2)	(2)	(2)
Cash flow from financing activities	8	8	8
Cash at beginning of period	2	2	2
Net change in cash	1	1	1
Ending balance cash	2	2	2

Source: Company data, RHB

## An Earnings Turnaround Play



Source: Bloomberg

### Stock Profile

Bloomberg Ticker	VALUE SP
Avg Turnover (SGD/USD)	0.85m/0.66m
Net Gearing (%)	Net cash
Market Cap (SGDm)	418
Beta (x)	0.74
BVPS (SGD)	0.58
52-wk Price low/high (SGD)	0.644 - 1.19
Free float (%)	74

### Major Shareholders (%)

Tse Chong Hing	18.5
Chow Kok Kit	7.8
Amova Asset Management	6.1

### Share Performance (%)

	1m	3m	6m	12m
Absolute	16.5	27.7	36.4	75.5
Relative	17.6	31.2	37.7	63.2

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## Investment Merits

- Growth led by new customers, higher-margin businesses, and increased manufacturing capacity
- Cash-generative business and a strong net cash position of close to 40% of its market cap
- Compelling valuation supported by strong net cash, dividend yield, attractive 9x ex-cash FY25 P/E

## Company Profile

Valuetronics (VALUE), an integrated electronics manufacturing service (EMS) provider of design, engineering, manufacturing, and supply chain support services for high-quality electronic and electro-mechanical products.

## Highlights

**Net profit is turning around towards pre-pandemic levels.** VALUE is focused on growing its higher-margin segments, especially its industrial and commercial electronics (ICE) segment, through customers from network access solutions products and cooling solutions in high-performance computing. While revenue is at c.60% of pre-COVID-19 sales, FY25 net profit came up to c.85% of levels recorded prior to the pandemic. This was due to wider margins that, in turn, stemmed from a better sales mix and higher-margin programmes. We expect new customers and programmes, further penetration into the ICE segment, and higher manufacturing capacity in Vietnam to drive earnings recovery.

**Shifting to higher-margin businesses.** Management is phasing out its traditional consumer lifestyle and legacy products in the consumer electronics segment (CE), as this business has low margins and lacks scale. The exercise should be completed by end-FY26. VALUE is moving into entertainment-focused products, to support the technology needed in the growing global adoption of immersive entertainment in venues such as theme parks. We expect to see better margins post phasing out its traditional, low margin business.

**Growing Vietnam factory helps customers diversify from China.** VALUE commenced operations at its Hanoi, Vietnam factory in 2019, and ramped up output to mass production levels by 2022. Due to the US levying tariffs on China imports in previous years, production has shifted from China to its Vietnam factory. The Vietnam factory now provides 1-stop manufacturing services including surface mount technology, chip-on-board, plastic injection molding, and box-build assembly. Expansion is still ongoing, with another 30% production capacity slated to come onstream. Vietnam now helps to facilitate production and delivery away from China, catering to customers that are diversifying away from China and adopting a China Plus One strategy.

## Company Report Card

**Results highlights.** 1HFY26 (mar) earnings grew 3% YoY to HKD93m on revenue of HKD837m (-3% YoY). The revenue decline was dragged by the CE segment (HKD130m, -33% YoY), albeit mitigated by a stronger ICE unit (HKD707m, +5.7% YoY). The ICE segment signed on new customers, particularly from companies in network access solutions products and cooling solutions for high-performance computing environments. Meanwhile, the CE segment continued scaling down due to its traditional products, narrow margins, and insufficient scale. However, margin expansion from an improved sales mix has led to earnings growth. VALUE's GPM improved by 2ppts from 16.8% in 1HFY25 to 18.8% in 1HFY26. Operating profit was flat, at HKD95m (+0.2% YoY).

**Balance sheet/cash flow.** VALUE has a strong net cash balance sheet. As of 1HFY26, net cash stood at HKD1.1bn, equivalent to close to 40% of its market cap. The company has no debt and the business typically generates positive operating cash flow, ie at HKD198-234m for the past three years. As a result of its strong balance sheet, it is able to pay dividends consistently, including special dividends.

**Dividend.** VALUE has paid out at least 49% of earnings as dividends over the last 10 years. It has committed to a formal dividend payout ratio of 30-50% of earnings. Since FY18, VALUE has switched to paying dividends semi-annually, from forking out a single final dividend previously. It now pays interim and final dividends. FY25's DPS amounted to 27 HK cents per share, translating to a 65% payout ratio. In 1HFY26, VALUE declared an interim DPS of 4 HK cents and another special DPS of 4 HK cents. VALUE pays special dividends regularly. From FY18-26, it has paid special dividends every year, except between FY20-22.

**Management team.** Chairman and Managing Director Tse Chong Hing has been the company since 1996, and now oversees the strategic planning and general management of the group. He is supported by Executive Director Chow Kok Kit who is in charge of design and development and purchasing, one vice-president in charge of operations, one vice-president for business development, and a CFO.

## Investment Case

**An earnings turnaround play.** We see VALUE as an earnings turnaround play, with net profit recovering towards pre-COVID-19 levels. Group margins have been growing through a better product mix and operating efficiencies. Growth should be driven by higher manufacturing capacity, new customers and higher-margin businesses. We like VALUE for its strong net cash and consistent DPS payout, as well as its compelling ex-cash P/E.

**Key risks.** Exposure to the US market is significant. In 1HFY26, sales to the US amounted to HKD372m, or close to 45% of revenue (40% and 43% in FY24 and FY25). As such, a slowdown in orders to the US due to factors including tariffs and transport costs could affect growth outlook.

Profit & Loss	Mar-23	Mar-24	Mar-25
Total turnover (HKDm)	2,014	1,670	1,729
Reported net profit (HKDm)	123	160	170
Recurring net profit (HKDm)	123	160	170
Recurring net profit growth (%)	8.4	29.8	6.8
Recurring EPS (HKD)	0.29	0.39	0.42
DPS (HKD)	0.20	0.25	0.27
Dividend Yield (%)	3.2	4.0	4.3
Recurring P/E (x)	21.7	16.3	15.1
Return on average equity (%)	9.0	11.4	11.7
P/B (x)	2.0	1.9	1.8
P/CF (x)	13.4	11.1	12.4

Source: Company data, RHB

Balance Sheet (HKDm)	Mar-23	Mar-24	Mar-25
Total current assets	1,707	1,753	1,675
Total assets	2,076	2,089	2,184
Total current liabilities	713	685	722
Total non-current liabilities	0	4	6
Total liabilities	714	689	728
Shareholder's equity	1,362	1,400	1,456
Minority interest	0	0	2
Other equity	0	0	0
Total liabilities & equity	2,076	2,089	2,184
Total debt	0	0	0
Net debt	(1,010)	(1,164)	(1,094)

Source: Company data, RHB

Cash Flow (HKDm)	Mar-23	Mar-24	Mar-25
Cash flow from operations	198	234	208
Cash flow from investing activities	(11)	36	(172)
Cash flow from financing activities	(113)	(114)	(104)
Cash at beginning of period	937	1,010	1,164
Net change in cash	75	156	(68)
Ending balance cash	1,010	1,164	1,094

Source: Company data, RHB



Source: Bloomberg

### Stock Profile

	WHUR SP
Bloomberg Ticker	WHUR SP
Avg Turnover (SGD/USD)	3.57m/2.78m
Net Gearing (%)	21.4
Market Cap (SGDm)	666
Beta (x)	1.47
BVPS (SGD)	0.71
52-wk Price low/high (SGD)	0.4 - 0.94
Free float (%)	46

### Major Shareholders (%)

GSC Holdings Pte Ltd	38.0
Goh Yeow Lian	6.5
Goh Yeo Hwa	5.3

### Share Performance (%)

	1m	3m	6m	12m
Absolute	(1.4)	(20.9)	(0.7)	65.5
Relative	0.0	(17.1)	0.9	53.5

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## Investment Merits

- Second-largest workers' dormitory operator in Singapore; Pioneer Lodge ramp-up to drive a step change in recurring revenue
- Record projected construction orderbook of SGD935m provides revenue visibility through FY31
- Value from Upper Thomson GLS, Wycombe Abbey School, DoubleTree by Hilton, and Australian land subdivisions not yet in consensus
- Trades at a discount to workers' accommodation peers

## Company Profile

Wee Hur Holdings is a Singapore-listed investment holding company founded in 1980. Originally a construction contractor, the group has diversified into workers' dormitories, property development, PBSA in Australia, and fund management. It operates two large-scale dormitories in Singapore (Tuas View & Pioneer Lodge) and manages a PBSA portfolio under the Y-Suites brand across five Australian cities. The construction arm holds an A1 BCA grading, qualifying it for public sector projects of unlimited value. Wee Hur sits at the intersection of Singapore's construction super cycle and its structural need for foreign worker accommodation, offering investors a rare combination of defensive recurring income and cyclical upside.

## Highlights

**Workers' dormitory ramp-up delivers a step change in recurring revenue.** Tuas View Dormitory has been a consistent performer (95% occupancy, SGD480-500 per bed per month). Pioneer Lodge adds 10,500 beds (+67% capacity), with committed occupancy over 70% and full occupancy expected by the end of 2026. Early-bird rates of SGD510-520 per bed per month remain at a premium to the island-wide average. The new regulations under the Dormitory Transition Scheme (by 2030) and New Dormitory Standards (by 2040) should structurally tighten supply. This regulatory tailwind, coupled with robust construction-driven demand for foreign workers, should position Wee Hur to sustain high occupancy and capture a low to mid-single-digit annual rental growth.

**Record projected construction orderbook provides multi-year earnings visibility.** Singapore's BCA projects total construction demand of SGD47-53bn in 2026, and expects demand to remain elevated at SGD39-46bn pa through 2030. Wee Hur's record orderbook of SGD935m, which is underpinned by major HDB wins and the Upper Thomson GLS project, provides visibility through FY31. Revenue recognition should ramp up significantly from mid-2026 as HDB projects hit full swing. With some projects nearing completion, management assesses that it has capacity for two additional projects, which could scale the orderbook beyond SGD1bn. We think Wee Hur is well positioned to be selective, prioritising

margin-accretive contracts rather than chasing volume.

**Diversified income streams reduce portfolio risk.** The combination of construction (26% of FY25 revenue), workers' dormitories (31%), property development (28%), and fund management (14%) creates a balanced portfolio that smooths earnings volatility. In the near term, cyclical segments are offset by the recurring nature of dormitory and construction income. Once Pioneer Lodge is fully stabilised, the dormitory segment could conservatively generate run-rate revenue of over SGD125m pa with high cash flow visibility. The Wycombe Abbey School, once operational, adds a further layer of long-duration recurring income.

**Undisclosed value yet to be reflected in consensus estimates.** We assess that four projects are not yet reflected in consensus – the Upper Thomson GLS (construction starts in 4Q26, sales launch in 1H27; we estimate GDV of over SGD1.3bn), Wycombe Abbey School (steady and growing contribution from 2028 as the asset stabilises around 2032), DoubleTree by Hilton (start of contribution by year-end), and Australian land subdivisions. Based on discussions with management, we assess that enhanced disclosures for the Singapore projects could be disclosed by mid-2026, with Australian disclosures likely to follow as specific project milestones are reached. We see these disclosures representing a re-rating catalyst as the market gains visibility on these earnings streams.

## Company Report Card

**Results highlights.** FY25 revenue grew 47% YoY to SGD295m, led by construction (+20%), property development (+83%), workers' dormitories (+10%), and a fund management surge to SGD41.8m (from SGD5.5m) on the Fund I performance fee. Gross margin expanded to 45.9%. PATMI rose 27% to SGD68.4m.

**Balance sheet/cash flow.** Cash of SGD250.8m and a net debt-to-equity of 0.21x. SGD205m in fixed-rate notes issued at 4.8% under a SGD500m MTN programme. Operating cash flow of SGD139m (+118% YoY).

**Dividends.** No formal policy. FY25 ordinary DPS of 1.5 SG cents. A special dividend of 7 SG cents was declared for FY24 following the Fund I monetisation. We assess a base DPS of c.1.5 SG cents going forward, with likely special dividends only on lumpy realisations.

**Management.** Founded in 1980 by the Goh family, which retains a c.50% stake, ensuring strong alignment with minority shareholders. The second generation is now actively leading strategy. Execution credentials are strong as management originated and scaled a PBSA portfolio from zero to AUD1.6bn, attracting GIC and Greystar as institutional partners.

## Investment Case

Wee Hur combines defensive dormitory income with a construction super cycle upside and asset-light fund management optionality. At 9.7x trailing P/E, it trades in line with pure construction peers, yet is well below accommodation peers (Centurion Corp: 11.8x), despite its earnings mix shifting decisively towards higher-multiple recurring income. Near-term catalysts: Pioneer Lodge's full occupancy, Tuas View lease renewal, and enhanced disclosures on Singapore projects.

Profit & Loss	Dec-23	Dec-24	Dec-25
Total turnover (SGDm)	225	201	295
Reported net profit (SGDm)	98.6	54.0	68.4
Recurring net profit (SGDm)	98.6	54.0	68.4
Recurring net profit growth (%)	45.1	(45.2)	26.6
Recurring EPS (SGD)	0.15	0.06	0.07
DPS (SGD)	0.01	0.08	0.02
Dividend Yield (%)	0.8	11.0	2.1
Recurring P/E (x)	5.0	12.3	9.7
Return on average equity (%)	18.0	8.6	10.5
P/B (x)	1.1	1.0	1.0
P/CF (x)	16.6	12.8	6.3

Source: Company data, RHB

Balance Sheet (SGDm)	Dec-23	Dec-24	Dec-25
Total current assets	367	312	503
Total assets	974	1,032	1,216
Total current liabilities	245	193	208
Total non-current liabilities	100	177	372
Total liabilities	345	370	579
Shareholder's equity	606	653	648
Minority interest	23	9	(12)
Other equity	0	0	0
Total liabilities & equity	974	1,032	1,216
Total debt	199	216	390
Net debt	92	114	139

Source: Company data, RHB

Cash Flow (SGDm)	Dec-23	Dec-24	Dec-25
Cash flow from operations	85	64	139
Cash flow from investing activities	(29)	(68)	(87)
Cash flow from financing activities	(2)	8	96
Cash at beginning of period	47	101	102
Net change in cash	53	1	149
Ending balance cash	101	102	251

Source: Company data, RHB

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<b>Not Rated:</b>	Stock is not within regular research coverage

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