



13 MAY 2022

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## **RHB INVESTMENT BANK UNVEILS LATEST EDITION TOP 20 MALAYSIA SMALL-CAP JEWELS**

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**Kuala Lumpur** – RHB Investment Bank Berhad (“RHBIB”) has unveiled the 18<sup>th</sup> Edition of the RHB Top 20 Malaysia Small Cap Companies Jewels 2022 (“RHB Top 20”) featuring a new selection of small-cap stock ideas for investors. The RHB Top 20 is part of the larger RHB ASEAN Small Cap annual compendium from RHBIB’s research teams in Malaysia, Indonesia, Singapore and Thailand.

The RHB Top 20 features specially selected companies, or ‘jewels’, with a market capitalization limit of USD500 million covering ten different industry segments. This includes the construction, consumer products and services, healthcare, industrial products and services, logistics, non-bank financial, oil and gas, plantation, as well as telecommunication and media sectors. The bottom-up stock picking approach adopted centres around growth prospects, unique turnaround, event-specific, export-driven, and catalyst/thematic aspects, while also prioritizing the concept of diversification.

All 20 companies featured in this year’s book are outside RHB Research’s existing coverage portfolio, as it seeks to unearth even more under-researched gems. Representatives from Aemulus Holdings, Bonia Corporation, Coastal Contracts, Nova Wellness Group and Texchem Resource were present at the virtual launch to share insights with the participants.

“Today’s global economic landscape remains challenging, resulting from the prolonged COVID-19 pandemic and exacerbated by more recent global developments, such as the Russia-Ukraine war and the supply chain crisis, which has hit many industries. We have witnessed the adaptability of small cap companies in navigating through this volatile market environment, with stronger performance in the FBM Small Cap (“FBM SC”) with a year-to-date return of +5.3% supported by leading sectors, such as plantation and oil and gas that benefited from the surge in various commodity prices. In terms of valuation, we believe the recent market weakness has sent the P/E valuation for small cap stocks to below mean level, which provides a healthy cushion to the valuation of big caps, making the investment thesis more compelling,” said Ganesh Sabaratnam, Managing Director and Chief Executive Officer of RHB Investment Bank Berhad.

The selection criteria of the 20 companies featured cover a wide range of factors such as the companies’ liquidity spread and size, managements’ track record, industry fundamentals, earnings growth potential, changes in the operating landscape and the company’s commitment to environmental, social, and governance (“ESG”) principles.

“These books have served investors well for the past 17 years in identifying hidden gems, and has become an RHB trademark garnering a strong investor following. This year, we are pleased to provide for the first time a Malay-translated version of the Malaysia Edition book catering to the needs of a wider audience,” added Ganesh.

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