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Recommendation:	**Subscribe**
Current Price:	RM 0.24
Previous Target Price:	-
Target Price:	RM 0.29
Capital Upside/Downside:	20.8%
Dividend Yield (%):	3.2%
Total Upside/Downside:	**24.1%**

Company Brief

Principally engaged in the provision of cleanroom engineering and construction services

Stock information

Board	ACE
Sector	Industrial Products & Services
Bursa / Bloomberg Code	0366/ICENTS MK
Syariah Compliant	Yes
Shares issued (m)	500.0
Market Cap (RM' m)	120.0
Free float (%)	28.3

Top 3 Shareholders	**(%)**
Quinnity Sdn Bhd	30.8
Ezlotus Sdn Bhd	30.8
Ir. Ts. Ong Mum Fei	5.0

IPO Timetable	Date
Opening of IPO application	25/6/2025
Closing of IPO application	2/7/2025
Ballotting of IPO application	7/7/2025
Allotment of IPO shares	14/7/2025
Listing of IPO on Bursa Malaysia	17/7/2025

iCents Group Holdings Berhad

The Niche Solution Provider

Executive Summary

- **iCents Group is regarded as a complete solution provider for the establishment and refurbishment of new and existing cleanrooms across a wide range of industries including semiconductors, data centres and pharmaceuticals.**
- **The Group manufactures some of its products at its Mantin factory. This enables the Group to command better cost competitiveness and quality control. The build-up of a new factory in close proximity alongside the procurement of new machineries are expected to yield significant improvements in operational efficiency, moving forward.**
- **We recommend subscribe to iCents Group's IPO with a target price of RM0.29 (20.8% potential capital upside from IPO price) based on P/E multiple of 11.0x pegged to FY26F core EPS of 2.6 sen.**

Key Investment Highlights

Key beneficiary from the development of high-growth high-value industry. As the Malaysian government is committed to attract high quality investments such as data centres, electronics and pharmaceuticals into the country, iCents Group is well positioned to take advantage of these pivotal opportunities. The Group's experience in its success in producing an ISO 4 cleanroom specifically in the semiconductor and electronics manufacturing industries shall prove its capability in increasing its addressable market moving forward.

Factory expansion. ICents Group aims to establish a new 20,000 sqft factory nearby its current 43,000 sqft factory in Mantin by the end of the year to store input materials and finished products. New machineries and equipment will be fitted into the existing factory to improve operational efficiencies while the new factory will have a ductwork forming machine and racking systems.

Geographical expansion to improve customer reach. The Group is in the midst of incorporating new offices in Jakarta and Kuching after successfully incorporating a new wholly-owned subsidiary in Singapore early this year. This will enable the Group to carry out sales and marketing efforts to secure new customers and projects, and to support project implementation and servicing.

Valuation & Recommendation. We recommend **subscribe** to iCents Group IPO with a target price of RM0.29 (21.0% potential upside from IPO price) by pegging its FY26F core EPS of 2.6 sen to PE of 11.0x. The assigned P/E represents 28.0% discount to selected peers premised on the Group's niche business model and customer concentration risk.

Earnings Summary

FYE Jun (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Revenue	108.3	80.7	86.7	121.0	129.3
EBITDA	9.8	11.3	15.8	19.7	22.1
Pre-tax profit	8.9	9.7	14.3	18.0	20.5
Net profit	6.7	7.0	10.3	13.0	14.8
Core net profit	6.7	7.0	10.3	13.0	14.8
Core EPS (sen)	1.3	1.4	2.1	2.6	3.0
P/E (x)	18.0	17.1	11.7	9.2	8.1
P/B (x)	10.5	8.6	4.9	2.4	2.3
EV/EBITDA (x)	12.7	10.5	7.5	5.2	4.8
Dividend Yield (%)	2.2%	0.8%	2.6%	3.2%	3.7%
Net Gearing (%)	0.5	Net Cash	Net Cash	Net Cash	Net Cash

Source: Company, Apex Securities

Company Background

iCents Group Holdings Berhad (iCents Group) was incorporated back in 2024 to acquire both VC Enginnering Sdn Bhd (VC Engineering) and Maytech Cleanroom Manufacturing Sdn Bhd (Maytech). VC Engineering primarily focuses on the engineering and construction for cleanrooms while Maytech strategically manufactures cleanroom fixtures and related products.

VC Engineering was established in 2015 initially for the provision of project management services. The company operated from a rented premise in Simpang Ampat, Penang. In the following year, VC Engineering became a CIDB-registered G4 contractor which enabled it to tender for projects with contract value up to RM3m. Following the expansion of a semiconductor factory in Penang, this marks the venture into the niche sector after having managed to secure a project for the provision of cleanroom services.

In 2017, VC Engineering began to tender for projects without any restrictions in contract value as it successfully upgraded its CIDB registration to G7. A main contractor subsequently awarded it a ISO 6 and ISO 7 cleanrooms EPCC project for a Johor university. That project involves the engineering, supply and installation of HVAC and air filtration systems, partitions, ceiling and flooring systems, and M&E works. VC Engineering further expanded its geographical and industry coverage following the construction of an environmentally controlled room for an automotive manufacturing facility in Pekan, the EPCC of a dust-controlled room for a food and beverage manufacturer in Pasir Gudang and the EPCC of an ISO 8 cleanroom for an oil palm products manufacturing plant in Central Kalimantan.

Maytech was set up in 2018 to supply cleanroom equipment and manufacture expanded polyurethane (EPU) sandwich panels. It initially operated from a rented semi-detached factory unit in Nilai, Negeri Sembilan. The first project acquired through VC Engineering for the cleanroom construction of a pharmaceutical products manufacturing plant in Negeri Sembilan. Following the EPCC of cleanrooms for a palm oil processing plant in Java Island, it successfully expanded its end-user industry coverage.

In 2021, Maytech started manufacturing aluminium honeycomb sandwich panels as wall and ceiling panels for cleanroom services projects. Some of the notable projects secured through VC Engineering include an ISO 4 cleanroom construction project for a semiconductor manufacturer in Penang, a cleanroom upgrading project for a different semiconductor manufacturer in Kuala Lumpur and an EPCC cleanroom project for a medical device manufacturer in Penang.

As part of business expansion plans, VC Engineering acquired an approximately 43,000 sqft land in Mantin for the construction of the Group's Mantin Factory. The construction was completed in 2023 and Maytech eventually relocated its manufacturing operations to this factory.

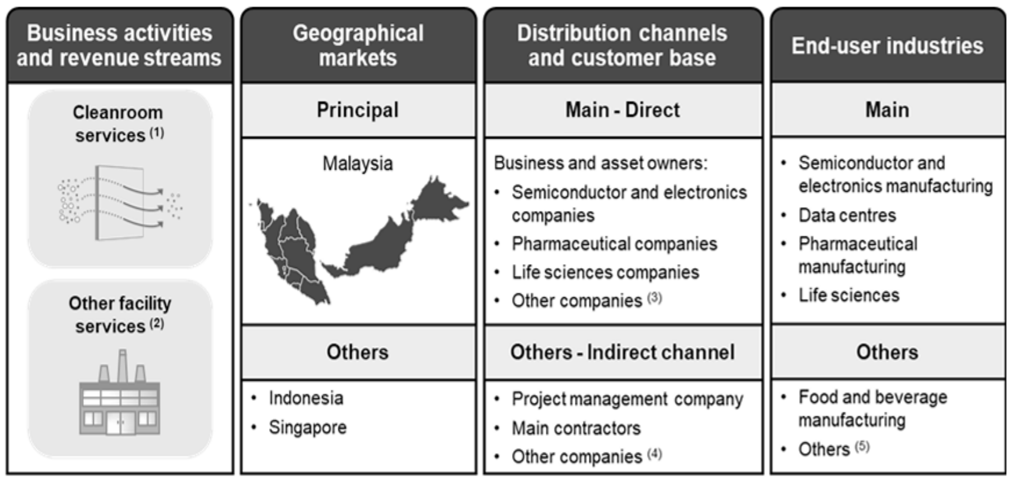
The Group secured a number of major projects in 2024 which include (i) a hook-up of machinery and equipment project at a solar photovoltaic module manufacturing facility in Cyberjaya, (ii) an EPCC of cleanroom project to set up a cleanroom cold room at a palm oil products manufacturing plant in Medan and (iii) a supply and installation of heavy-duty ceiling systems project for a new data centre in Kulai. In 2025, the Group incorporated Icents Engineering Pte. Ltd. in Singapore for the provision of engineering, construction and related services for cleanrooms and other facilities.

IPO Utilisation

Details of Utilisation	Estimated time frame for utilisation	RM' m	(%)
Purchase of machinery and equipment	Within 24 months	4.7	17.3%
Business expansion	Within 24 months	3.0	11.2%
Product development	Within 36 months	1.7	6.4%
Marketing activities	Within 24 months	1.5	5.6%
Working capital	Within 24 months	12.1	44.8%
Estimated listing expenses	Within 3 months	4.0	14.8%
Total		**27.0**	**100.0%**

Source: iCents Holdings, prospectus

Business Overview



Source: iCents Holdings, prospectus

ICents Group principally engages in the provision of cleanroom engineering and construction services with support from its in-house manufacturing facility. A cleanroom is an enclosed, controlled environment where the concentration of airborne particles such as dust, vaporised particles and microorganisms, are maintained at levels lower than those found outside the cleanroom. It incorporates features such as airlocks or pass boxes designed to minimise the number of particles carried into or out of the cleanroom for entering and exiting personnel and materials.

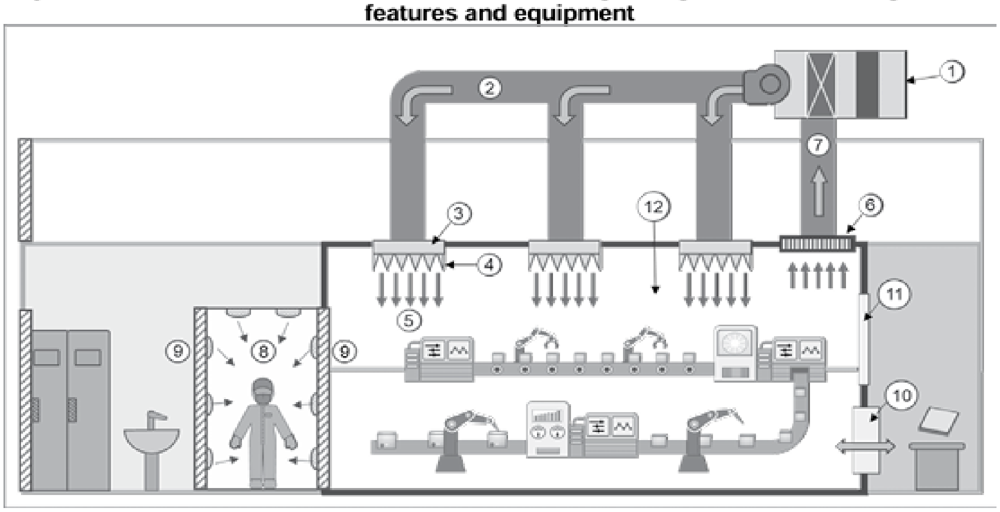
The Group's business segments can be categorised under two main segments, cleanroom services and other facility services. To date, the Group has established and upgraded cleanroom across a wide variety of sectors including semiconductors, data centres and pharmaceuticals. The Group currently has presence in Malaysia, Indonesia and Singapore. The Group also manufactures sandwich panels, bag-in bag-out (BIBO) filter systems and clean booths among other cleanroom fixtures. It manufactured products are customised to meet specific project requirements to ensure that quality and timeliness of products are always met.

Under the cleanroom services segment, the Group offers a one-stop solution to customers through its ability to engineer, procure, construction and commission (EPCC) cleanrooms based on the customer's desired level of cleanliness and intended application. The Group has also upgraded and refurbished previous cleanrooms by replacing specified cleanroom equipment, interior fixtures and fittings to incorporate up-to-date technologies and achieve more stringent levels of cleanliness. Under this segment, the Group additionally provides cleanroom related civil and structural works via the installation of wall, partition, ceiling and floor systems. It also involves the installation of heating, ventilation and air conditioning (HVAC), air filtration and control systems. The Group further engages in testing and commissioning of cleanrooms to ensure that the cleanroom's cleanliness is built within specified range through tests such as particle count measurement, airflow velocity verification and high-efficiency particulate air (HEPA) filter integrity testing.

For the other facility services segment, the Group is primarily involved in the hook-up and installation of machinery and equipment in cleanroom areas and other services. This comprises of connecting machinery in cleanroom areas, installing new electrical panels to distribute electricity and implementing necessary safety equipment while adhering to the customer's protocols. Besides that, the Group supplies and installs heavy-duty ceiling systems for data centres that can support heavy loads from personnel, equipment and ancillaries. It also provides sufficient height for personnel access to facilitate installation and maintenance works without the need to pass through the cleanroom. Additionally, the Group provides civil, structural, mechanical, electrical, process utility and other services. This includes minor construction works like setting up interior fixtures, performing minor roadworks and installing electrical systems.

The main purposes of a cleanroom are contamination and environmental controls. A cleanroom is designed to minimise the introduction of airborne particles, microorganisms and other contaminants to prevent them from affecting sensitive processes. It is done by regulating temperature, humidity, pressure, vibration, electrostatic conductivity and airflow within specified ranges to create the required environment for the processes being handled. Material selection is an important consideration in cleanroom design as all items installed should be made from non-shedding, smooth, non-porous, chemically resistant and durable materials. Airborne particles concentration monitoring is conducted from time to time to ensure that the cleanroom's cleanliness levels are maintained. For cleanrooms designed to handle living organisms, such as bacteria, viruses and other pathogens, it is important to adhere to industry-specific standards to prevent the spread of microorganisms.

Layout of a cleanroom with conventional air handling configuration illustrating various features and equipment



(1) Air conditioning system for temperature and humidity control (2) Ductwork for in-flow of air-conditioned air (3) Filter unit (4) Non-return damper (5) Filtered, cool, and dry air circulated into the cleanroom (6) Air return grilles (7) Ductwork for returned air (8) Airlock with air shower (9) Airlock doors (interlocked) (10) Pass box (11) Window (12) Cleanroom

Source: iCents Holdings, prospectus

In FY24, the cleanroom services segment and other facility services segment contributed RM61.8m or 76.6% of total revenue and RM18.9m or 23.4% of total revenue, respectively. The cleanroom services segment historically accounts for 85.0-98.0% of total revenue. The decrease in revenue from this segment was due to lower revenue recognised from a project for the construction of cleanrooms at an electronics manufacturer in Seberang Perai. The project owner decided to revise the project timeline to FY25 to align with its business expansion progress. On the other hand, the significant increase in contribution from the other facility services segment was due to the commencement of a manufacturing machinery hook-up project in cleanrooms at a solar photovoltaic module manufacturing plant in Cyberjaya and a new supply and installation contract for walkable heavy-duty ceiling system for a new data centre in Kulai.

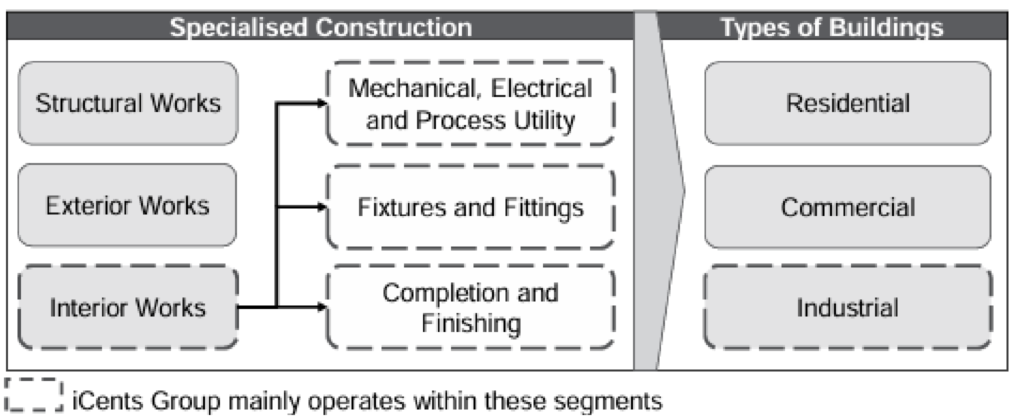
Moving forward, iCents Holdings aims to establish a new facility in Mantin close to its existing factory to increase its capacity to store materials and finished products. The Group plans to install new machineries in the space of its existing Mantin factory that is currently being used to store input materials and finished products. The new machineries are expected to utilise less manpower in the manufacturing process, improve quality of products manufactured and increase its capacity to manufacture sandwich panels within a specified timeframe. The estimated cost of RM5.7m will be financed by 21.1% of IPO proceeds.

Additionally, the Group intends expand its geographical coverage by setting up new offices in Jakarta, Singapore and Kuching. The move comes with the intention of exploring new business growth opportunities with new customers and provide maintenance and other services for the cleanrooms that it has previously constructed across the different geographical locations. As part of its business strategy, the Group plans to enhance its existing product offerings with different specifications and characteristics to expand its addressable market. This includes obtaining patent registrations for some of the new products the Group will develop in Malaysia, Singapore, Australia, Vietnam and Indonesia. This will provide the Group a legal basis in the respective countries to protect its intellectual properties against unauthorised infringements. 19.3% of IPO proceeds, or RM5.2m will be allocated for these plans.

Industry Overview

The construction industry is commonly distinguished into three different domains. First, there is building construction which relates to residential and non-residential buildings. Secondly, civil engineering construction encompasses infrastructure works for public use including roads, bridges and railways. Lastly, iCents Group falls under the specialised construction category which describes buildings and civil engineering works without the responsibility of the entire project. It usually requires specialising in one aspect such as the construction of cleanrooms. The Group serves an expansive range of industries such as semiconductors, electronics, pharmaceuticals, data centres, life sciences and other industrial sectors.

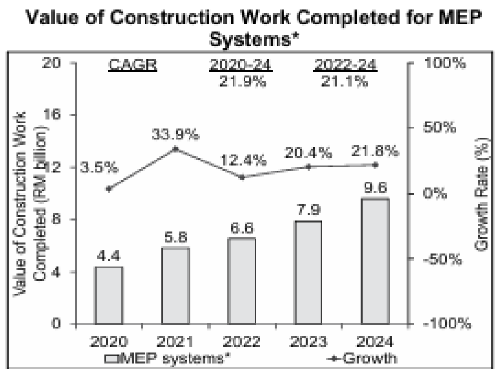
The specialised construction segment is further divided into three subcategories namely structural, exterior and interior works. Structural works focus on constructing the fundamental components that form the framework of a building. Exterior works involve components that create a boundary between the interior and exterior of the building. Interior works comprise of finishing and outfitting the interior of a building, transforming raw spaces into functional and visually appealing areas. This includes (i) mechanical, electrical and process utility (MEP) systems that support the building's operations, (ii) fixtures and fittings that are items that are installed to enhance functionality and aesthetics and (iii) completion and finishing which involves installing or treating interior surfaces to achieve the desired functionality.

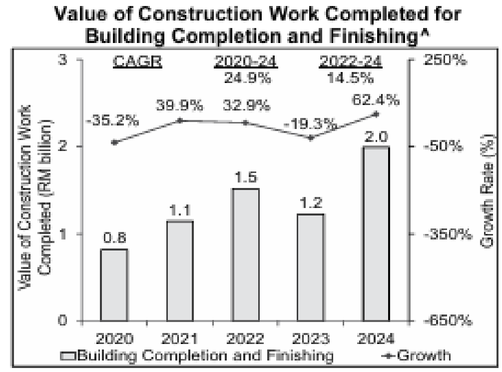


Source: iCents Holdings, prospectus

Historical Market Size and Growth Outlook for the Cleanroom Industry in Malaysia

Cleanroom construction involves the installation of MEP systems, fixtures and fittings as well as completion and finishing works. As such, the value of construction work completed for MEP systems provides some indication of the performance of the cleanroom industry. Historically, the value of construction work completed for MEP systems in Malaysia expanded over the years from RM4.2bn in 2020 to RM7.9bn in 2024 at a compound annual growth rate (CAGR) of 17.1%. Additionally, the value of construction work completed for building completion and finishing recorded a CAGR of 25.7% in the same timeframe, rising from RM800m in 2020 to RM2.0bn in 2024.





Source: iCents Holdings, prospectus

Moving forward, the performance of the cleanroom industry will be dependent upon the performance of end-user industries, particularly high-growth, high-value (HGHV) industries like semiconductors, pharmaceuticals and data centres. The implementation of the New Industrial Master Plan 2030 (NIMP 2030) by the Ministry of Investment, Trade and Industry (MITI) is anticipated to boost the HGHV industries. Between 2022 and 2030, the manufacturing sector's value-added contribution is projected to grow at a CAGR of 6.5%, mainly supported by the HGHV sectors. The demand for cleanroom facilities will expand alongside these HGHV sectors, creating opportunities for cleanroom operators.

Financial Highlights

iCents's Group revenue exhibited incredible resilience in FY22-24, registering RM80.7m in FY24 (2Y CAGR +14.2%). This demonstrates the Group's outstanding ability to secure and deliver new projects across various end-user industries including semiconductor, electronics, data centres, pharmaceuticals, life sciences, palm oil process and food and beverage manufacturing. Meanwhile, its net margin has been on the uptrend as well, improving 350 basis point across the same timeframe to 8.7% in FY24. This can be attributed to higher margin projects secured over the years that necessitates higher industry standards and requirements.

Looking ahead, we are projecting the core net profit to show further improvements, rising 49.9% yoy to RM10.3m in FY25F, on the back of additional variation orders secured for the EPCC of ISO 7 and ISO 8 cleanrooms at a semiconductor manufacturing plant in Kulim and the commencement of work for the EPCC of a cleanroom cold-room for a palm oil products manufacturing plant in Medan.

Going into FY26F, we expect that iCents Holding's top and bottom line to record RM121.0m (+37.3% yoy) and RM13.0m (+24.2% yoy) respectively, support by the (i) capacity and proficiency expansion from the new Mantin factory, (ii) recruitment of additional engineers to expand its in-house engineering capability and (iii) continuous product development efforts to expand its product range and effectiveness.

While iCents Holdings does not adopt a formal dividend policy, we factored in a 30% dividend payout ratio based on previous years' distributions and declared dividends in FY25. We reckon that its ability to secure future high value projects will be a key catalyst over the next 12 months.

Sensitivity Analysis

Margin improvements on the horizon: As the Group moves forward with its expansion plans, margins are expected to improve on better cost and quality controls. The new Mantin factory is expected to be operational by the end-2025, enabling the Group to bring in new machinery and equipment to improve its in-house production capability. Based on our in-house calculations, every percentage point increase in its cleanroom services margin will improve its FY26 net profit by an average of 6.3%, all else being equal.

FY26 earnings sensitivity based on different cleanroom and other facility services margins

Cleanroom/Others margin	16%	17%	18%	19%	20%
20%	11.3	11.4	11.5	11.5	11.6
21%	12.1	12.2	12.3	12.3	12.4
22%	12.9	13.0	13.0	13.1	13.2
23%	13.7	13.8	13.8	13.9	14.0
24%	14.5	14.5	14.6	14.7	14.8

Peers Comparison

Company	Market Group	FYE	Price (RM)	Market Cap (RM' m)	P/E (x) 2024	P/E (x) 2025F	Dividend Yield (%)	Revenue (RM' m)	Core Net Profit (RM' m)
iCents Group Holdings Berhad	**ACE**	**Jun**	**0.24**	**120.0**	**11.4**	**11.0**	**2.6**	**86.7**	**10.3**
Critical Holdings Berhad	ACE	Jun	0.91	336.4	12.6	10.9	1.4	310.0	26.4
KJTS Group Berhad	ACE	Dec	1.13	778.4	58.1	24.0	0.3	148.1	11.9
HE Group Berhad	ACE	Dec	0.30	129.80	8.6	10.9	1.5	173.6	15.1
Average ex-iCents Group Holdings Berhad					**26.4**	**15.3**	**1.1**	**210.6**	**17.8**

Source: Bloomberg, Apex Securities

Valuation & Recommendation

We recommend **subscribe** to iCents Group Holdings Berhad IPO with a target price of **RM0.29** (20.8% potential capital upside from IPO price) based on P/E multiple of 11.0x pegged to FY26F core EPS of 2.6 sen. The assigned target P/E represents a 28% discount to selected peers average due to iCents's niche business model and possible concentration risk.

Investment Risk

Customer and sector concentration risk.

Shortage of skilled labour.

Weaker-than-expected margins improvement from manufacturing plant expansion.

Financial Highlights

Income Statement

FYE Jun (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Revenue	**108.3**	**80.7**	**86.7**	**121.0**	**129.3**
Gross Profit	**13.2**	**15.7**	**20.3**	**26.2**	**29.1**
EBITDA	**9.8**	**11.3**	**15.8**	**19.7**	**22.1**
Depreciation & Amortisation	0.4	0.7	0.7	1.0	1.0
EBIT	**9.4**	**10.6**	**15.1**	**18.8**	**21.1**
Net Finance Income/ (Cost)	-0.6	-0.9	-0.8	-0.8	-0.6
Associates & JV	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	**8.9**	**9.7**	**14.3**	**18.0**	**20.5**
Tax	-2.2	-2.7	-4.0	-5.0	-5.7
Profit After Tax	**6.7**	**7.0**	**10.3**	**13.0**	**14.8**
Minority Interest	0.0	0.0	0.0	0.0	0.0
Net Profit	**6.7**	**7.0**	**10.3**	**13.0**	**14.8**
Exceptionals	0.0	0.0	0.0	0.0	0.0
Core Net Profit	**6.7**	**7.0**	**10.3**	**13.0**	**14.8**

Key Ratios

FYE Jun	FY23	FY24	FY25F	FY26F	FY27F
EPS (sen)	1.3	1.4	2.1	2.6	3.0
P/E (x)	18.0	17.1	11.7	9.2	8.1
P/B (x)	10.5	8.6	4.9	2.4	2.3
EV/EBITDA (x)	12.7	10.5	7.5	5.2	4.8
DPS (sen)	0.5	0.2	0.6	0.8	0.9
Dividend Yield (%)	2.2%	0.8%	2.6%	3.2%	3.7%
EBITDA margin (%)	9.1%	14.0%	18.2%	16.3%	17.1%
EBIT margin (%)	8.7%	13.1%	17.4%	15.5%	16.3%
PBT margin (%)	8.2%	12.0%	16.5%	14.9%	15.9%
PAT margin (%)	6.1%	8.7%	11.9%	10.7%	11.4%
NP margin (%)	6.1%	8.7%	11.9%	10.7%	11.4%
CNP margin (%)	6.1%	8.7%	11.9%	10.7%	11.4%
ROE (%)	58.0%	50.2%	42.4%	26.4%	27.9%
ROA (%)	13.0%	15.3%	18.7%	15.3%	16.8%
Gearing (%)	88.7%	102.4%	52.8%	20.5%	14.9%
Net gearing (%)	48.5%	Net Cash	Net Cash	Net Cash	Net Cash

Valuations	**FY26F**
Core EPS (RM)	0.026
P/E multiple (x)	11.0
Fair Value (RM)	**0.29**
ESG premium/discount	0.0%
Implied Fair Value (RM)	**0.29**

Source: Company, Apex Securities

Balance Sheet

FYE Jun (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Cash	4.6	16.6	13.4	27.5	22.6
Receivables	36.4	17.6	26.0	36.3	38.8
Inventories	0.8	0.8	0.8	1.1	1.2
Other current assets	0.0	0.0	0.0	0.0	0.0
Total Current Assets	**41.8**	**34.9**	**40.2**	**65.0**	**62.6**
Fixed Assets	9.3	11.1	14.7	19.8	25.2
Intangibles	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Total Non-Current Assets	**9.3**	**11.1**	**14.7**	**19.8**	**25.2**
Short-term debt	3.9	5.8	5.8	5.8	5.8
Payables	28.7	16.8	16.8	24.0	25.3
Other current liabilities	0.5	0.6	0.6	0.6	0.6
Total Current Liabilities	**33.1**	**23.1**	**23.1**	**30.3**	**31.7**
Long-term debt	6.2	8.6	7.1	4.3	2.2
Other non-current liabilities	0.3	0.3	0.5	0.9	1.0
Total Non-Current Liabilities	**6.5**	**8.8**	**7.5**	**5.2**	**3.1**
Shareholder's equity	11.5	14.0	24.3	49.2	53.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Total Equity	**11.5**	**14.0**	**24.3**	**49.2**	**53.0**

Cash Flow

FYE Jun (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Pre-tax profit	**8.9**	**9.7**	**14.3**	**18.0**	**20.5**
Depreciation & amortisation	0.4	0.7	0.7	1.0	1.0
Changes in working capital	-7.5	4.1	-8.3	-3.0	-1.1
Others	-1.9	-1.6	-0.9	-1.2	-1.3
Operating cash flow	**-0.1**	**12.9**	**5.8**	**14.8**	**19.1**
Net capex	-3.7	-1.1	-4.3	-6.0	-6.5
Others	-1.6	-2.4	3.0	12.0	-11.0
Investing cash flow	**-5.3**	**-3.5**	**-1.3**	**6.0**	**-17.5**
Dividends paid	-2.6	-1.0	-3.1	-3.9	-4.4
Others	3.0	1.2	-1.5	-2.7	-2.2
Financing cash flow	**0.4**	**0.2**	**-4.6**	**-6.6**	**-6.6**
Net cash flow	**-5.0**	**9.6**	**-0.2**	**14.1**	**-4.9**
Forex	0.0	0.0	0.0	0.0	0.0
Others	1.6	2.4	-3.0	0.0	0.0
Beginning cash	8.0	4.6	16.6	13.4	27.5
Ending cash	**4.6**	**16.6**	**13.4**	**27.5**	**22.6**

KDN PP13226/04/2013 (032022)

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Measures the Group's greenhouse gas emissions in alignment with GHG Protocol Corporate Standards and Intergovernmental Panel on Climate Change Standards and Emission Factors.
Waste	★★★	Reuse wooden pallets to efficiently organize raw materials and work-in-progress items.
Energy	★★★	Implemented energy-saving practices in offices.
Emissions	★★★	Vehicles undergo regular checks and maintenance to ensure their emission controls are functioning optimally.
Compliance	★★★	In compliance with local environmental regulations.

Social

Diversity	★★	The Group's workforce comprises 34% female and 66% male employees. Practices gender equality and cultural diversity with equal opportunities for employment, career development and advancement to attract and retain talents.
Human Rights	★★★	Strictly prohibit the employment of child labour and any form of forced labour across all operations.
Occupational Safety and Health	★★★	Established a safety and health committee to create a culture that prioritises safety, health and environment

Governance

Policies	★★★	Adopt anti-bribery and anti-corruption policy to promote ethical business conduct.
Management	★★★	30% of its Board members are women directors, half of its Board members are Independent Directors.
Stakeholders	★★★	Major announcements and financial reports were announced in timely manner.

Overall ESG Scoring: ★★★

Recommendation Framework:
BUY: Total returns* are expected to exceed 10% within the next 12 months.
HOLD: Total returns* are expected to be within +10% to – 10% within the next 12 months.
SELL: Total returns* are expected to be below -10% within the next 12 months.
TRADING BUY: Total returns* are expected to exceed 10% within the next 3 months.
TRADING SELL: Total returns* are expected to be below -10% within the next 3 months.
*Capital gain + dividend yield

Sector Recommendations:
OVERWEIGHT: The industry defined by the analyst is expected to exceed 10% within the next 12 months.
NEUTRAL: The industry defined by the analyst is expected to be within +10% to – 10% within the next 12 months.
UNDERWEIGHT: The industry defined by the analyst, is expected to be below -10% within the next 12 months.

ESG Rating Framework:
★★★★★ : Appraised with 3% premium to fundamental fair value
★★★★ : Appraised with 1% premium to fundamental fair value
★★★ : Appraised with 0% premium/discount to fundamental fair value
★★ : Appraised with -1% discount to fundamental fair value
★ : Appraised with -5% discount to fundamental fair value

As of **Tuesday, 01 Jul, 2025**, the analyst(s), whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:
(a) nil.