

Research Team

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Recommendation:	NON-RATED
Current Price:	RM0.46
Previous Target Price:	-
Target Price:	N/A
Capital Upside/Downside:	N/A
Dividend Yield (%):	N/A
Total Upside/Downside:	N/A

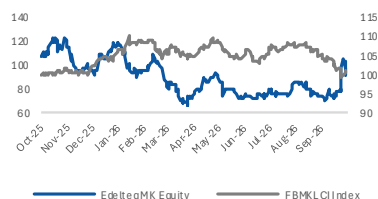
Stock information

Board	ACE
Sector	Technology
Bursa/Bloomberg Code	0278 / EDELTEQ MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	585.8
Market Cap (RM' m)	269.5
52-Week Price Range (RM)	0.565-0.29
Beta (x)	1.6
Free float (%)	30.1
3M Average Volume (m)	3.4
3M Average Value (RM' m)	1.3

Top 3 Shareholders

	(%)
Chin YongKeong	29.7
Khong CheeSeong	18.3
Chin Yuen Fong	15.8

Share Price Performance



	1M	3M	12M
Absolute (%)	41.5	31.4	3.4
Relative (%)	46.0	38.4	2.3

Earnings summary

FYE (Dec)	FY25A	FY26F	FY27F
Revenue (RM'm)	367.1	445.0	51.8
PATAMI (RM'm)	13.5	10.1	16.0
CNP (RM'm)	6.4	9.7	16.0
EPS - core (sen)	1.2	1.7	2.7
P/E (x)	39.0	27.8	16.9

Source: Company, Apex Securities

Edeltecq Holdings Berhad

Pivoting from Volume to Value

- **Volume out, value in.** We forecast revenue to fall from RM445.0m in FY26F to RM51.8m in FY27F as the low-margin C&T turnkey programme runs off, while CNP rises 65% to RM16.0m, supported by a stronger contribution from share of results of Solid Point.
- **Solid Point is the earnings engine.** EDELTEQ's 24% share of its results rises from RM7.7m in FY26F to RM15.1m in FY27F, or 93% of PBT, as a fifth plant more than doubles its floor space.
- **Untapped AI upside.** EDELTEQ's exposure to optical transceivers serving the supply chain of a world leading AI accelerator and GPU platform provider offers an additional potential growth catalyst, which remains excluded from our earnings forecasts and valuation.
- **At RM0.46, EDELTEQ trades at 16.9x FY27F and 12.8x FY28F P/E, against the 23.8x forward P/E average of listed semiconductor equipment and automation peers.**
- **We set fair value at RM0.72, based on 20x FY28F P/E, while the AI supply-chain exposure is excluded from our forecasts and valuation.**

Investment Highlights

FY27F is the reset year. Revenue falls 88% to RM51.8m in FY27F as the C&T turnkey programme, which contributed RM410.7m in FY26F, runs off. Gross margin rises to 27.0% from 3.8%, so gross profit falls only 16% to RM14.0m. Core Net Profit (CNP) rises 65% to RM16.0m in FY27F and a further 31% to RM21.0m in FY28F, lifting core EPS from 1.7 sen in FY26F to 2.7 sen and 3.6 sen.

Solid Point supplies most of the growth. The 24% stake contributes RM7.7m in FY26F, RM15.1m in FY27F and RM16.6m in FY28F, equal to 93% and 74% of PBT in FY27F and FY28F. Based on management guidance, Solid Point's revenue could potentially rise from RM170m in FY26F to RM350m in FY27F, as Plant 5 (targeted for 4Q2026 or 1Q2027) more than doubles floor space, at an 18% PAT margin.

Exiting the turnkey programme lowers risk. One customer accounted for 77.6% of FY25 revenue at single-digit gross margins, funded by US dollar working capital that reached RM243.8m of inventory at June 2026. Management intends to scale down such programmes (2QFY26 report).

Equipment and automation is the second leg. ATE revenue fell to RM2.4m in FY25 from RM8.7m, but the Group's Automated Optical Inspection (AOI) joint venture with Halo Technologies is developing new platforms. ATE could potentially deliver a gradual recovery over the forecast period, with higher revenue driving a corresponding improvement in operating profit.

Further upside sits outside our forecasts. EDELTEQ might have exposure to a manufacturer serving customers in the supply chain of a world leading AI accelerator and GPU platform provider. Growing AI infrastructure demand could drive higher demand for high-speed optical connectivity. This potential contribution remains excluded from our earnings forecasts and valuation.

Non-Rated. Fair value is RM0.72, based on 20x FY28F P/E applied to core EPS of 3.6 sen, a 16% discount to the 23.8x forward P/E average of peers. At RM0.46, EDELTEQ trades at 16.9x FY27F and 12.8x FY28F P/E.

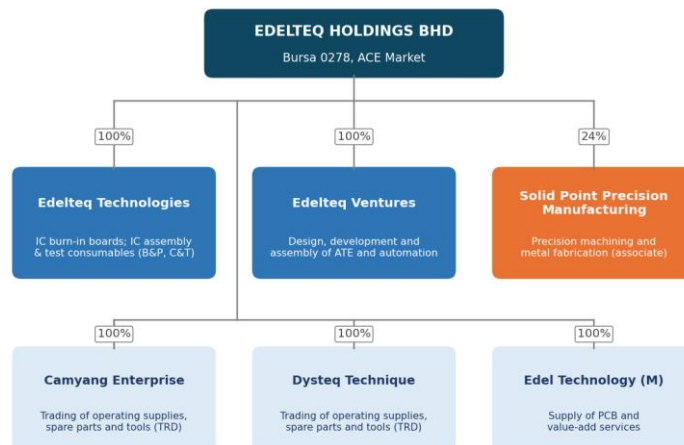
Key risks: Heavy reliance on Solid Point's earnings contribution, potential dilution from outstanding warrants, ESOS options and the proposed private placement, execution risks surrounding the working capital unwind, customer concentration, and foreign exchange volatility.

Company Background

EDELTEQ Holdings Berhad is a Penang-based engineering support provider to the semiconductor industry, listed on the ACE Market of Bursa Malaysia on 7 June 2023 at RM0.24 a share. Its operating roots go back to 2004, when Dysteq Technology (now Edel Technology (M) Sdn Bhd) began designing and manufacturing printed circuit boards. EDELTEQ was incorporated in 2019 and became the listing vehicle when it acquired the operating subsidiaries ahead of the IPO. It serves integrated device manufacturers, outsourced assembly and test companies, original equipment manufacturers and electronics manufacturing services providers in Malaysia, Singapore, Thailand, Germany, Japan, India, Cambodia and the US.

The IPO funded a new factory at Batu Kawan, and the Group added sites at Vortex Business Park in 2024. In November 2025 it completed the acquisition of 24% of Solid Point Precision Manufacturing for RM20.7m, giving it exposure to precision machining and metal fabrication for front-end equipment makers. It also holds 13.55% of Halovision System, the AOI joint venture with Halo Technologies. A RM21.1m private placement at RM0.3966 closed in October 2025. In March 2026 the Group issued 292.9m free Warrant A (exercise price RM0.35) on a one-for-two basis and granted 22.3m ESOS options at RM0.315, which are the main sources of potential dilution.

Figure 1: Company Structure



Halovision System Sdn Bhd (optical inspection JV with Halo Technologies) is a related party; the Group held a 13.55% direct interest at end-2025.

Source: Company, Apex Securities

Business Model

EDELTEQ runs four segments through two divisions. The Semiconductor Consumables & Materials division comprises B&P (design and assembly of IC burn-in boards and PCBs), C&T (supply and refurbishment of IC assembly and test consumables, plus value-added assembly and test services) and TRD (trading of operating supplies, spare parts and tools). The Semiconductor Equipment & Automation division is ATE, which designs, develops and assembles automated test equipment and factory automation solutions. Revenue is recognised at a point in time, on delivery or customer acceptance.

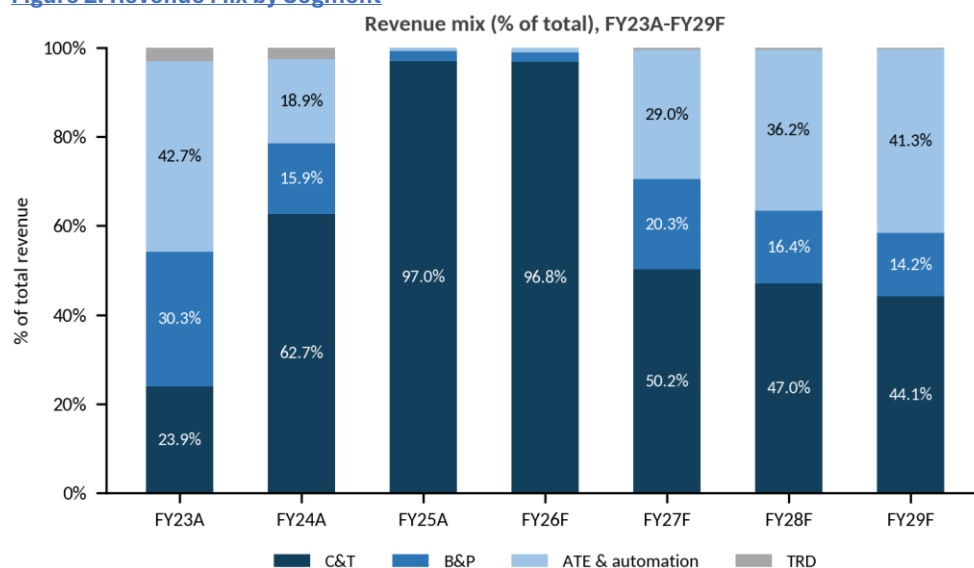
The turnkey programme dominates reported numbers. C&T generated RM356.2m, or 97.0%, of FY25 revenue, and 98.9% of 2QFY26 revenue. Most of it is a high-volume assembly and test programme in which EDELTEQ buys the materials, builds the product and sells it on, mostly in US dollars. A single customer accounted for 77.6% of FY25 revenue, and two customers made up 93% of trade receivables. The economics are thin: group gross margin was 4.7% in FY25 and 2.8% in 1H26, against 44.7% in FY23 before the programme started. The model also needs heavy working capital: inventories rose to RM243.8m and trade payables to RM286.8m by June 2026, funded by RM86.5m of US dollar revolving credit.

The base business is smaller and richer. B&P earned RM8.2m in FY25 and own-product C&T, which we estimate at about RM20m a year, carry far higher margins than the programme. ATE sells

automated test, inspection and automation equipment but is lumpy, falling from RM10.4m in FY23 to RM2.4m in FY25 as customers delayed capex. TRD is under RM1.2m a year. Together they are the business that remains once the programme is wound down.

Solid Point is a different kind of earnings. The 24% stake in Solid Point, which makes high-precision tools, dies, valves, rubber tips, test conversion kits and machinery components, is equity-accounted. Its profit is shown below operating profit as share of results of an associate, with no cash received unless Solid Point pays dividends. The cost of RM20.7m includes RM8.6m of goodwill, and the carrying amount was RM21.5m at FY25.

Figure 2: Revenue Mix by Segment



Source: Company, Apex Securities

Management and Board

Board composition. The Board has six directors: two Executive Directors and four Independent Non-Executive Directors. Christof Otto Brass, a former chief financial officer who joined in November 2025, was re-designated Chairman in June 2026 when Datuk Johar Che Mat retired. Joyce Wong Ai May chairs the Audit and Risk Management Committee and Lt Col Kamaruddin Kassim (Rtd) chairs the Nomination and Remuneration Committee; both committees are fully independent. One of the six directors is a woman.

Figure 3: Board of Directors

Director	Designation	Background
Christof Otto Brass	Independent Non-Executive Chairman	Re-designated Chairman in June 2026. Former chief financial officer of NOSCENDO Group (2022-25) with earlier CFO roles in manufacturing and technology.
Chin Yong Keong	Executive Director / Group CEO	Holds 29.73%. Nearly three decades in semiconductor and electronics manufacturing (Molex, Agilent, Avago, Mi Equipment). Group CEO since January 2022.
Khong Chee Seong	Executive Director / Semiconductor Materials BU General Manager	Holds 18.25%. Co-founded Dysteq (now Edel Technology) in 2004 and runs the consumables business.
Lt Col Kamaruddin Kassim (Rtd)	Independent Non-Executive Director	Chairs the Nomination and Remuneration Committee and sits on the Audit and Risk Management Committee.
Joyce Wong Ai May	Independent Non-Executive Director	Chairs the Audit and Risk Management Committee. Background in audit, finance and corporate governance advisory.
Ngo Tong Seng	Independent Non-Executive Director	Appointed January 2025. Former managing director of a high-end manufacturing group. Sits on both committees.

Source: Company, Apex Securities

Figure 4: Key Senior Management

Name	Designation	Remit
Chin Yuen Fong	Operations Director	Runs group operations. Nearly 35 years in semiconductor and electronics manufacturing. Brother of the Group CEO and holder of 15.77%.
Lee Kim Loon	Semiconductor Equipment BU General Manager	Leads ATE and automation, including AOI platform development. Joined May 2020 from Intel, Agilent and Avago engineering roles.
Tan Beow Sze	Finance & Order Fulfilment General Manager	Oversees finance and order fulfilment.
Looi Hall Yan	HR & Compliance Director	Oversees human resources and compliance.
Wong Boon Yik	Facility Director	Facility management and infrastructure planning; joined June 2025.

Source: Company, Apex Securities

Ownership is concentrated in the founders. At 31 March 2026, Chin Yong Keong held 29.73%, Khong Chee Seong 18.25% and Chin Yuen Fong 15.77%, with iCapital.Biz Berhad at 6.71%. The two executive directors alone own 48.0%, and the four substantial shareholders together own 70.5%, so only about 29.5% of the shares are held outside them. This aligns management with minorities but limits liquidity. The Financial Controller resigned in June 2026, so we would like to see the finance function settled.

Investment Catalysts

Earnings are entering a mix reset. Revenue shrinks but quality improves. Gross profit holds at RM14.0m in FY27F on 27.0% margin, then rises to RM18.6m and RM22.8m in FY28F and FY29F respectively. Operating profit dips to RM2.0m in FY27F because administrative expenses of RM13.5m now sit on a smaller base, then recovers to RM5.8m and RM9.2m as ATE and own-product C&T scale. CNP of RM16.0m, RM21.0m and RM24.7m in FY27F-FY29F lifts core EPS to 2.7, 3.6 and 4.2 sen.

Solid Point scales with Plant 5. Solid Point manufactures precision components for front-end semiconductor equipment makers, with SEMI expecting industry spending to grow 23% in 2026. Based on management guidance, revenue could potentially rise from RM170m in FY26F to RM350m in FY27F, supported by Plant 5, targeted to commence operations in 4Q2026 or 1Q2027 and more than double floor space. At an assumed 18% PAT margin, FY27F PAT would reach RM63.0m, translating into RM15.1m in share of results for EDELTEQ. Every RM50m change in FY27F revenue would affect EDELTEQ's earnings by approximately RM2.2m, or 0.4 sen in EPS.

ATE and AOI add a higher-margin leg. The Halovision joint venture with Halo Technologies is developing AOI platforms for advanced packaging inspection, and the 2QFY26 report says new models are being introduced, with contribution depending on customer evaluation and capex timing. EDELTEQ builds the machines and earns a manufacturing margin.

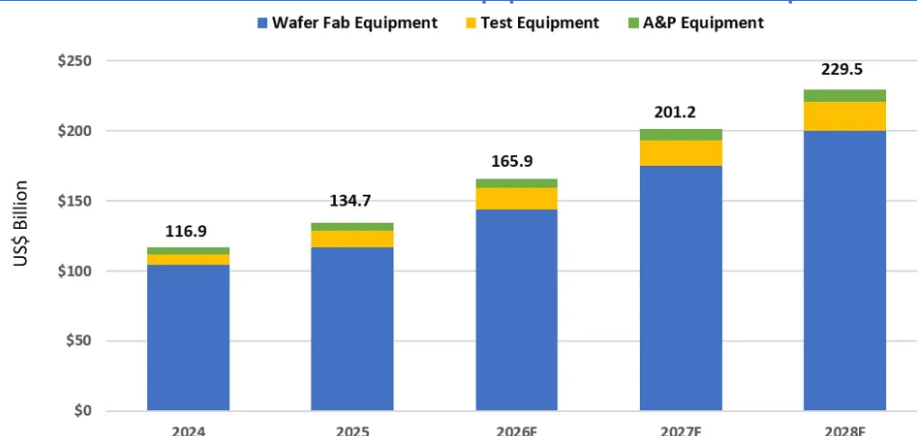
An additional AI supply-chain catalyst. Another potential catalyst not incorporated into our earnings forecasts is EDELTEQ's exposure to a manufacturer of optical transceivers supplied to customers within the supply chain of a world leading AI accelerator and GPU platform provider. As demand for AI computing infrastructure expands, rising requirements for high-speed optical connectivity could create an additional avenue for earnings growth. Any meaningful ramp-up in production and customer orders could provide upside to our forecasts, although the timing and financial contribution remain uncertain. We have not incorporated this potential upside into our earnings forecasts or valuation.

Industry Outlook

AI is lifting equipment spending, and test is the fastest-growing back-end segment. SEMI's mid-year forecast puts global semiconductor equipment sales at US\$165.9bn in 2026, up 23.2%, and US\$229.5bn by 2028. Wafer fab equipment is expected to grow 23.1% to US\$143.9bn in 2026. Back-end demand is also strong: test equipment sales rose 55.3% in 2025 and are projected to grow 31.0% to US\$15.3bn in 2026, while assembly and packaging equipment is forecast to rise 9.6% to US\$6.7bn. This is the demand pool for EDELTEQ's consumables and ATE businesses, and for Solid Point's precision parts, which go into front-end tools.

Localisation and supply-chain diversification favour local suppliers. EDELTEQ's 2QFY26 report notes demand supported by localisation initiatives and the supply-chain diversification of multinational chipmakers and technology customers. Qualification cycles at global equipment makers are long, which slows share gains but makes wins sticky. Malaysia's National Semiconductor Strategy, launched in 2024, targets a move up the value chain into design, advanced packaging and equipment, which supports the Group's equipment and precision engineering push.

Figure 5: SEMI 2026 Mid-Year Total* Semicon Equipment Forecast – OE Perspective 2024-28F



Source: SEMI Equipment Market Data Subscription (EMDS), July 2026

*Total equipment includes new wafer fab, test, assembly, and packaging, but does not include wafer manufacturing equipment.

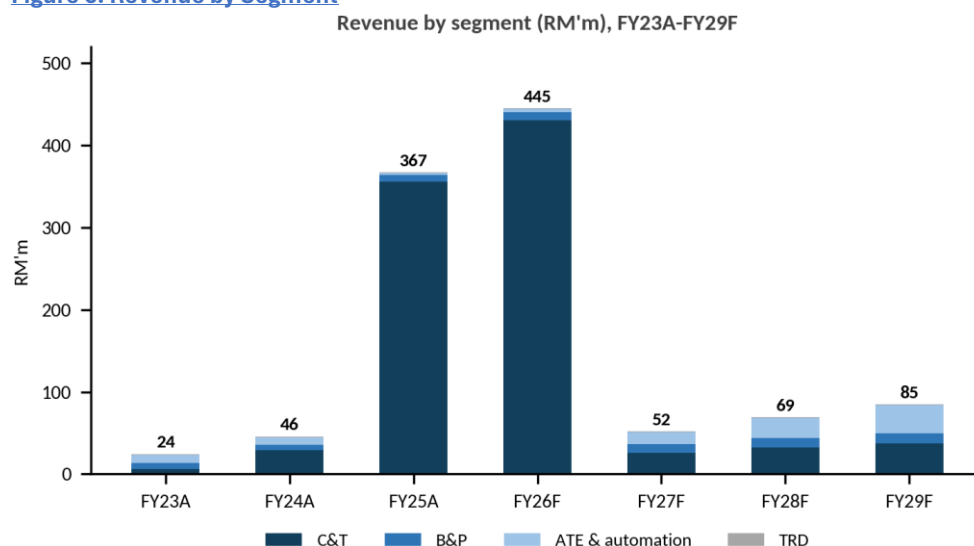
Source: SEMI Equipment Market Data Subscription (EMDS), July 2026, Apex Securities

* Total equipment includes new wafer fab, test, assembly, and packaging, but does not include wafer manufacturing equipment.

Financial Analysis

Revenue and mix. Revenue rose eightfold to RM367.1m in FY25 from RM45.9m as C&T jumped to RM356.2m on demand from semiconductor and test instrument customers. 1H26 revenue was RM397.2m, up 116%, with 2Q26 at RM286.1m. We forecast RM445.0m in FY26F, with 3Q26F at RM38.6m and 4Q26F at RM9.2m, then RM51.8m in FY27F. By FY27F we expect C&T (own products) at 50% of revenue, ATE at 29% and B&P at 20%.

Figure 6: Revenue by Segment



Source: Company, Apex Securities

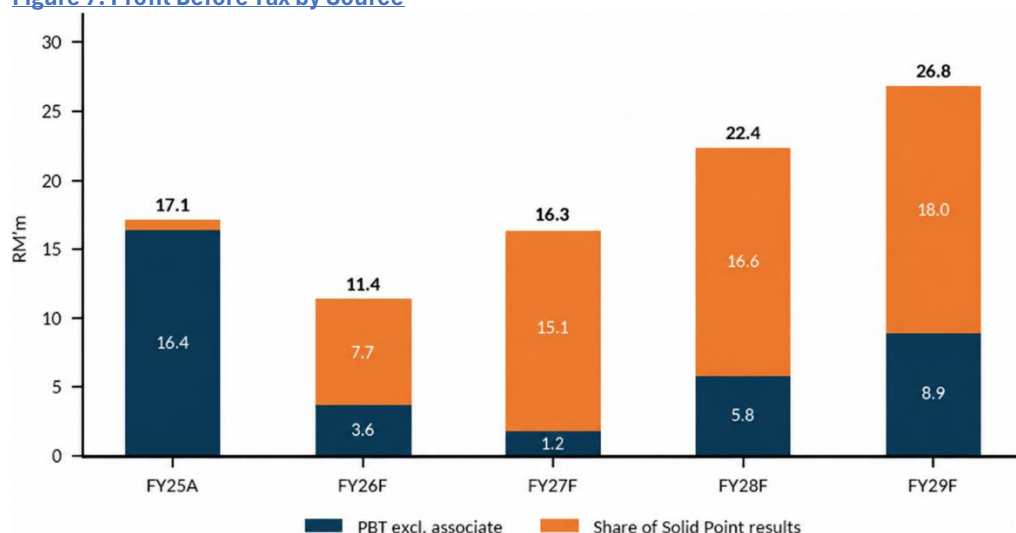
Reported earnings flatter the underlying trend. FY25 PBT of RM17.1m included RM9.3m of FX gains (RM2.7m realised and RM6.7m unrealised). Stripping them out after tax, CNP was RM6.4m against reported RM13.5m. In 1H26 a RM4.7m realised gain was offset by a RM4.2m unrealised loss, so reported PATAMI of RM6.9m is close to core RM6.6m. We estimate no FX gains or losses from FY27F.

Profitability. Gross margin fell from 44.7% in FY23 to 4.7% in FY25 and 2.8% in 1H26 as the programme swamped the base business. We forecast 3.8% for FY26F and 27.0% for FY27F, using segment margins of 24-33% for own-product C&T, B&P and ATE and 2.5% for the programme in its

final quarters. Segment profit is not disclosed, so these are our estimates. Operating profit is RM6.0m in FY26F, RM2.0m in FY27F, RM5.8m in FY28F and RM9.2m in FY29F.

Solid Point accounting. The share of results was RM3.7m in 1H26 (RM1.4m in 1Q and RM2.3m in 2Q), implying Solid Point PAT of RM15.3m in the half. We forecast RM7.7m in FY26F and RM15.1m in FY27F. Because we assume no dividends, the carrying amount rises from RM21.5m at FY25 to RM44.4m at FY27F. Figure 7 shows how PBT shifts from operations to the associate.

Figure 7: Profit Before Tax by Source



Source: Company, Apex Securities

2QFY26. Revenue rose 209% year on year to RM286.1m. Gross profit doubled to RM8.5m at a 3.0% margin. PBT rose 59% to RM5.8m, including RM2.3m from Solid Point, and PATAMI rose 43% to RM4.6m. Operating profit was RM4.3m after a RM3.1m unrealised FX loss in administrative expenses. 3Q26 and 4Q26 should show a sharp revenue drop, but cash generated from operations should improve.

Balance sheet. At 30 June 2026 inventories were RM243.8m, trade receivables RM149.9m and trade payables RM286.8m, against revolving credit of RM86.5m and cash of RM5.3m. Net debt including current investments was RM61.5m at FY25. We assume inventory of RM100.0m, receivables of RM40.0m and payables of RM105.0m by December 2026, which gives net cash of RM14.9m at FY27F.

Cash flow and capital allocation. Operating cash flow was negative RM70.3m in FY25 and RM0.9m in 1H26. We forecast RM66.2m in FY26F, then RM22.7m, RM2.0m and RM5.2m in FY27F-FY29F, because RM15-18m a year of earnings is non-cash associate income. Free cash flow turns slightly negative in FY28F (-RM3.5m) on capex of RM5.5m a year, and we assume the revolver is drawn by RM5.0m that year. The dividend policy is up to 20% of net profit; we assume a 10% payout from FY27F, or DPS of 0.27 sen, 0.36 sen and 0.42 sen.

Figure 8: Financial Summary

FYE Dec (RM m)	FY24A	FY25A	FY26F	FY27F	FY28F	FY29F
Revenue	45.9	367.1	445.0	51.8	69.1	84.7
Gross Profit	11.4	17.1	16.7	14.0	18.6	22.8
Pre-tax profit	4.4	17.1	11.4	16.3	22.4	26.8
Net profit	4.0	13.5	10.1	16.0	21.0	24.7
Core net profit	4.3	6.4	9.7	16.0	21.0	24.7
Core EPS (sen)	0.8	1.2	1.7	2.7	3.6	4.2
P/E (x)	57.5x	39.0x	27.8x	16.9x	12.8x	10.9x
P/B (x)	5.4x	3.2x	2.8x	2.4x	2.1x	1.8x
EV/EBITDA (x)	70.4x	17.0x	43.2x	83.7x	41.0x	28.3x
Dividend Yield (%)	-	0.4%	-	0.6%	0.8%	0.9%
Net Gearing (%)	NET CASH	73.7%	1.3%	NET CASH	NET CASH	NET CASH

Source: Company, Apex Securities

Valuation

Non-Rated. We set a fair value of **RM0.72** on EDELTEQ, applying 20x to our FY28F core EPS of 3.6 sen, with a three-star ESG rating. This is a 16% discount to the 23.8x forward P/E average of the nine listed peers in Figure 9 that have forward estimates, which we consider appropriate given EDELTEQ's smaller scale, thin core operating profit and reliance on an associate for 74% of FY28F PBT.

Against the three closest peers, FoundPac (NR), QES (BUY; TP: RM0.75) and KESM, which trade at 16.1x, 24.2x and 18.7x trailing earnings (median 18.7x), 20x is in line, and EDELTEQ itself trades at 18.2x trailing earnings. At RM0.46, the shares trade at 16.9x FY27F and 12.8x FY28F P/E.

We have not included the AI supply-chain upside in our forecasts or valuation. Re-rating triggers include a visible Plant 5 ramp-up, a first cash dividend from Solid Point, ATE orders from the AOI platform, and potential earnings upside from AI-related optical transceiver demand.

Figure 9: Peers Comparison

Peers comparison

Company	FYE	Market Cap (RM'mil)	Price (RM) as at 14 Oct 26	P/E (x) 2027F	P/E (x) 2028F	P/B (x) 2027F	P/B (x) 2028F	Dividend Yield (%) 2027F	Dividend Yield (%) 2028F	ROE 2027F	ROE 2028F	ESG Rating
Local Peers												
Edeltec Holdings Berhad	Dec	269.5	0.46	16.9	12.8	2.4	2.1	0.6%	0.8%	14.5%	16.1%	★★★
QES Group Berhad	Dec	563.4	0.62	16.4	12.9	1.9	1.8	3.1%	3.7%	12.2%	14.1%	★★★
Aemulus Holdings Berhad	Sep	285.9	0.43	14.2	14.2	2.1	1.8	0.0%	0.0%	13.7%	14.3%	★★★
Mi Technovation Berhad	Dec	6018.4	6.70	30.3	26.9	2.6	2.4	0.7%	0.7%	11.8%	12.0%	★★★
ViTrox Corporation Berhad	Dec	20161.8	10.64	54.8	48.7	6.2	5.1	0.4%	0.4%	22.2%	20.9%	★★★
Pentamaster Corp Berhad	Dec	3962.0	5.57	35.7	23.7	4.1	3.6	0.4%	0.4%	11.6%	13.2%	★★★★
Greotech Technology Berhad	Dec	6487.5	2.58	27.2	23.7	4.7	3.9	0.1%	0.2%	18.3%	17.6%	★★★★★
Average-ex. EDELTEQ				29.8	25.0	3.6	3.1					
Regional Peers												
		USD (RM'mil)	Price (USD)									
Camtek Ltd	Dec	26046.4	136.71	27.7	22.9	5.1	4.6	0.0%	0.0%	26.4%	22.4%	★★★★
Nova Ltd	Dec	43570.1	335.79	24.6	20.1	5.6	3.9	0.0%	0.0%	27.0%	30.0%	★★★★
Tower Semiconductor Ltd	Dec	100255.1	216.33	30.8	23.7	5.6	4.4	0.0%	0.0%	22.8%	22.7%	★★★
Average-ex. EDELTEQ				27.7	22.2	5.4	4.3					
Total Average-ex. EDELTEQ				28.7	23.6	4.5	3.7					

Source: Bloomberg, Apex Securities

Investment Risks

Associate dependence. Solid Point provides 93% of FY27F PBT. EDELTEQ owns a minority 24%, receives no cash unless dividends are declared, and Solid Point is a heavy-capex business that is adding a plant. Its customers are cyclical front-end equipment makers, and ramp-up needs hiring and training. A 15% PAT margin instead of 18% would cut FY28F fair value by about RM0.09. What to watch: Plant 5 start-up from either 4Q2026 or 1Q2027, quarterly share of results against the RM3.8m a quarter implied by FY27F, and any dividend or capital raising at Solid Point.

Working capital unwind and counterparties. Inventories of RM243.8m, receivables of RM149.9m and payables of RM286.8m must unwind for net cash to emerge. Two customers made up 93% of FY25 receivables, and material was bought for a programme that is being scaled down. A delay would keep the RM86.5m revolver drawn and raise interest costs.

Foreign exchange. The Group's inventory, receivables, payables and revolver are largely in US dollars. FY25 earnings included RM9.3m of FX gains, and 1H26 included an RM4.2m unrealised loss. A stronger ringgit would cut other income and could hit margins on ringgit costs.

Dilution and overhang. The outstanding warrants and ESOS options could weigh on the share price upon exercise, while the proposed private placement may result in further dilution. However, the placement is also expected to strengthen the balance sheet through debt repayment and support working capital requirements.

Financial Highlights

Income Statement

FYE Dec(RM m)	FY25A	FY26F	FY27F	FY28F	FY29F
Revenue	367.1	445.0	51.8	69.1	84.7
Gross Profit	17.1	16.7	14.0	18.6	22.8
Operating Profit	18.2	6.0	2.0	5.8	9.2
Profit Before Tax	17.1	11.4	16.3	22.4	26.8
Tax	(3.6)	(1.3)	(0.3)	(1.4)	(2.1)
Profit After Tax	13.5	10.1	16.0	21.0	24.7
Minority Interest	-	-	-	-	-
Net Profit	13.5	10.1	16.0	21.0	24.7
Exceptionals	(7.1)	(0.4)	-	-	-
Core Net Profit	6.4	9.7	16.0	21.0	24.7

Key Ratios

FYE Dec(RM m)	FY25A	FY26F	FY27F	FY28F	FY29F
Basic Core EPS (sen)	1.2	1.7	2.7	3.6	4.2
Diluted Core EPS (sen)	1.18	1.35	2.05	2.61	3.02
P/E (x)	39.0x	27.8x	16.9x	12.8x	10.9x
BVPS (RM)	0.1	0.2	0.2	0.2	0.3
P/B (x)	3.2x	2.8x	2.4x	2.1x	1.8x
EV/EBITDA (x)	17.0x	43.2x	83.7x	41.0x	28.3x
DPS (sen)	0.20	-	0.27	0.36	0.42
Dividend Yield (%)	0.4%	-	0.6%	0.8%	0.9%
EBITDA margin (%)	5.3%	1.7%	7.6%	11.7%	13.8%
EBIT margin (%)	5.0%	1.4%	3.8%	8.4%	10.8%
PBT margin (%)	4.7%	2.6%	31.4%	32.3%	31.6%
PAT margin (%)	3.7%	2.3%	30.9%	30.4%	29.1%
NP margin (%)	3.7%	2.3%	30.9%	30.4%	29.1%
CNP margin (%)	1.8%	2.2%	30.9%	30.4%	29.1%
ROE (%)	7.7%	10.2%	14.5%	16.1%	16.1%
ROA (%)	2.1%	4.1%	11.2%	12.3%	12.4%
Net gearing (%)	73.7%	1.3%	NET CASH	NET CASH	NET CASH

Valuations	FY28F
FY28F Core EPS (sen)	3.6
P/E multiple (x)	20.0x
Fair Value (RM)	0.72
ESG premium/discount	-
Implied Fair Value (RM)	0.72

Source: Company, Apex Securities

Balance Sheet

FYE Dec(RM m)	FY25A	FY26F	FY27F	FY28F	FY29F
Cash & bank balances	32.7	29.3	29.3	29.3	29.3
Receivables	58.7	40.0	12.8	17.0	20.9
Inventories	166.4	100.0	12.4	16.6	20.4
Other current assets	3.9	4.3	4.4	4.6	4.7
Total Current Assets	261.8	173.6	58.9	67.5	75.2
PPE	10.8	16.0	19.7	23.2	26.4
Other non-current assets	41.2	48.6	63.6	80.0	97.8
Total Non-current assets	52.0	64.7	83.3	103.2	124.2
Short-term Debt	88.7	27.8	11.8	17.0	19.3
Payables	123.5	105.0	9.3	12.5	15.3
Other Current Liabilities	11.6	7.0	7.2	7.4	7.6
Total Current Liabilities	223.8	139.8	28.4	36.9	42.2
Long-term Debt	5.4	2.7	2.6	2.4	2.3
Other non-current liabilities	1.1	1.1	1.1	1.1	1.1
Total Non-current Liabilities	6.6	3.8	3.7	3.5	3.4
Shareholder's equity	83.4	94.6	110.2	130.3	153.7
Minority interest	-	-	-	-	-
Total Equity	83.4	94.6	110.2	130.3	153.7

Cash Flow

FYE Dec(RM m)	FY25A	FY26F	FY27F	FY28F	FY29F
Pre-tax profit	17.1	11.4	16.3	22.4	26.8
Depreciation & amortisation	1.3	1.6	2.0	2.3	2.5
Changes in working capital	(78.8)	62.5	19.2	(5.2)	(4.7)
Tax paid	(2.5)	(2.2)	(0.3)	(1.4)	(2.1)
Others	(7.4)	(7.2)	(14.5)	(16.0)	(17.3)
Operating cash flow	(70.3)	66.2	22.7	2.0	5.2
Net capex	(2.1)	(6.6)	(5.5)	(5.5)	(5.5)
Others	(26.8)	0.9	0.6	0.6	0.6
Investing cash flow	(28.9)	(5.6)	(4.9)	(4.9)	(4.9)
Borrowings	85.8	(63.6)	(16.2)	5.0	2.2
Others	19.9	-	(1.6)	(2.1)	(2.5)
Financing cash flow	105.8	(63.6)	(17.7)	2.9	(0.3)
Net cash flow	6.6	(3.1)	-	-	(0.0)
Currency translation differences	(1.2)	-	-	-	-
Beginning cash & cash equivalent	12.7	18.1	15.0	15.0	15.0
Ending cash & cash equivalent	18.1	15.0	15.0	15.0	15.0
Fixed deposits & MMF	14.6	14.3	14.3	14.3	14.3
Cash and bank balances	32.7	29.3	29.3	29.3	29.3

ESG Matrix Framework:**Environment**

Parameters	Rating	Comments
Climate	★★★	FY25 emissions were Scope 1 30.71 tCO ₂ e (first year disclosed), Scope 2 178.10 tCO ₂ e (FY24: 122.64; FY23: 128.30) and Scope 3 48.99 tCO ₂ e (air travel 5.37, commuting 43.62), using a 0.74 tCO ₂ e/MWh grid factor
Energy	★★★	Purchased electricity was 240,673 kWh in FY25, equal to 866.42 GJ at an intensity of 62.03 kWh/m ² , and a solar PV screening for the Vortex Business Park sites is complete
Water	★★	Water consumption was 3,974 m ³ in FY25 (FY24: 2,552; FY23: 1,267), with no intensity metric or reduction target yet

Social

Diversity	★★	Female board representation fell to 14% in FY25 from 33% in FY23 and FY24, while female Key Senior Management (KSM) rose to 38% from 0% in FY24
Workforce Demographics	★★★	The FY25 female share was 41% of executives, 25% of non-executive and technical staff and 12% of general workers; contractors and temporary staff were 10% of the workforce and employees with disability 0%
Occupational Safety and Health	★★★	FY23 to FY25 recorded zero fatalities, zero injuries, zero lost days and an LTIR of 0, with 59 employees trained on health and safety in FY25
Labour Practices	★★★	Turnover was 15.25% in FY25 (FY24: 18.18%; FY23: 8.79%), average training hours were 16.7 per employee, and there were zero substantiated human rights or labour-standard complaints

Governance

Ethics and Integrity	★★★	100% of employees in every category were trained on anti-bribery and anti-corruption (59 participants), with zero confirmed corruption incidents and zero whistleblowing reports over FY23 to FY25
Regulatory	★★	There were zero incidents of non-compliance with permits, standards or laws over FY23 to FY25, and zero substantiated customer privacy complaints in FY25
Supply Chain Integrity	★★	Spend on local suppliers fell to 14% in FY25 from a restated 30% in FY24 (suppliers: 283 vs 514), and the supplier ESG scorecard covers only the top 20 suppliers by spend, with self-assessments sent in 4QFY25

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

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As of **Thursday, 15 Oct, 2026**, 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.