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**RHB LAUNCHES 10<sup>TH</sup> EDITION OF  
TOP 30 MALAYSIA SMALL CAP JEWELS BOOK**  
Latest edition packed with investment gems

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**Kuala Lumpur, 20 May 2014** – RHB Investment Bank (“RHBIB”) has achieved a historical milestone today with the launch of the 10<sup>th</sup> edition of the *RHB Top Malaysia Small Cap Companies 30 Jewels 2014* book.

The *RHB Top Malaysia Small Cap Companies 30 Jewels* book is part of a larger *RHB Asean Small Cap Compendium* that annually lists stock investment ideas from the bank’s research houses in Indonesia, Singapore and Thailand.

The eagerly anticipated *RHB Top Malaysia Small Cap Companies 30 Jewels* highlights 30 companies that are selected via a precise and methodical process, with analysts from RHB Research Institute (“RHB Research”) undertaking comprehensive company visits, management meetings, and in-depth fact-checking.

Companies that are included have a market cap limit of not more than MYR3bn and the selection took into consideration not only the companies’ spread and size considerations but also the management credibility, industry fundamentals, earnings growth potential and industry track record.

“Our team of experienced analysts continuously seek out new ideas and go where no investor has been to uncover alpha for our clients. This year’s book continues to feature 30 ‘Jewels’ and we have tried to ensure that the selection provides a diverse mix of companies that represent a broad spectrum of the overall market,” said RHB Research’s Head of Research, Alexander Chia.

In the *RHB Top Malaysia Small Cap Companies 30 Jewels 2014* book, the largest cap stock – at MYR2.73bn – is Kossan Rubber while the smallest, with a market cap of MYR87m, was Complete Logistics.

Approximately 83% of the jewels listed in the book have a market cap of less than MYR2bn. Additionally, in an effort to provide a broader selection of stocks, RHB Research has also increased the number of sectors covered to 15, from 13 in 2013 and 12 in 2012.

Chia said that now was a good time for investors to take a look at the small caps in the market.

“Since last year’s book, smaller cap companies continue to provide superior returns. Small cap stocks, as measured by the FBM Small Cap Index (FBM SCI) and FBM Fledgling Index (FBM FI), have generated returns of 14.0% and 29.5% respectively compared to the 3.2% for the FBM KLCI over the same period.”

“In addition to coming from a smaller base, we believe the strong outperformances of these companies are a reflection of their strong entrepreneurial drive and spirit that encourages innovation and ingenuity,” he added.

RHB Research, Chia said, had a sterling track record when selecting a gem, with close to 70% of the counters featured in the 2013 edition of the book recording positive returns as well as outperforming the FBM KLCI by an average gain of 44.4%.

“With the FBM SCI having outperformed the FBM KLCI in 2013 by over 10%, 14 stocks delivered returns in excess of the 14.0% posted by the former, or an average outperformance of 54.2%. The top ranking stocks by share price returns in 2013 were Deleum (+97.1%), Brahim’s (+82.8%), Cahya Mata Sarawak (+82.1%) and Prestariang (+74.1%).”

The *RHB Top Malaysia Small Cap Companies 30 Jewels 2014*, as with other books in the series over the past 10 years, pride themselves with unearthing the hidden gems that reside on the local bourse. This year’s edition was no different, with 12 jewels unearthed.

These include Hong Leong Industries (basic materials), Gadang (construction), EITA (construction), Hovid (healthcare), Complete Logistics (logistics), GDEX (logistics), Barakah (oil & gas), LBS Bina (property), SBC Corporation (property), Inari Amertron (technology), OCK (telecommunications) and REDtone International (telecommunications). The average P/E of these 2014 Jewels was 16.6x with a 3-year net profit CAGR of 32%.

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*Issued on behalf of RHB Investment Bank by the Group Corporate Communications Division. For more information, please call Ms. Lois Kam at 03-9280 5089 or email at [lois.kam@rhbgroup.com](mailto:lois.kam@rhbgroup.com).*

### **About the RHB Banking Group**

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