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RHB TOP 20 MALAYSIA SMALL CAP COMPANIES 2018 BOOK LAUNCH **14th edition packed with investment gems**

Kuala Lumpur – RHB Investment Bank Berhad (“RHB IB”) today unveiled the 14th edition of the *RHB Top Malaysia Small Cap Companies 20 Jewels 2018* book. The book is part of a larger *RHB Regional Small Cap Compendium* that annually lists stock investment ideas from the bank’s research teams in Malaysia, Indonesia, Hong Kong, Singapore and Thailand.

The 14th edition of the *RHB Top Malaysia Small Cap Companies 20 Jewels 2018* book features companies from ten different industry segments, with the biggest representation from the construction and consumer sectors.

During the launch of *RHB Top Malaysia Small Cap Companies 20 Jewels 2018* book, Dato’ Khairussaleh Ramli, Group Managing Director, RHB Banking Group said, “We are proud that our research analysts are able to unearth these gems for our clients to consider adding to their investment portfolio. As we continue to expand our client base in the local and regional markets, this book will deliver valuable insights and investment ideas to our clients to help them achieve their investment objectives.”

“The regional investment landscape remains robust and we want our clients to capitalise on the investment opportunities available out there, however, we recognise that in order for them to make wise investment decisions, facts and figures are mission critical, hence, the release of this book. Small cap stocks in Malaysia hold good potential and are an attractive proposition for institutional and retail investors, backed by the country’s strong economic fundamentals, robust global oil prices and the recovery of the ringgit,” he added.

Dato’ Khairussaleh also said, “The volatility inherent in the smaller cap stocks offers investors the opportunity to enhance the alpha in their respective portfolios to contribute towards the outperformance of their respective benchmarks. RHB hopes to be able to identify the small cap names that possess solid growth prospects that will emerge as tomorrow’s mid and large cap companies.”

Meanwhile, RHB Research Institute Head of Malaysia Research, Alexander Chia, said “RHB is a trailblazer in the small and mid-cap space, being one of the first to focus on unearthing undiscovered gems. RHB will continue to look for new small cap ideas to cement our leadership in this segment of the market.”

“RHB has expanded this initiative into other regional market noting the regional compendium that has been produced for Asean + HK markets. We launched our RHB Thailand small cap book in Bangkok last week, which had drawn strong investor interest,” added Chia.

In the *RHB Top Malaysia Small Cap Companies 20 Jewels 2018* book, the largest cap stock – at MYR2.1bn – is Sarawak Oil Palm, while the smallest, with a market cap of MYR75m, is Nova MSC. 85% of the jewels listed in the *RHB Top Malaysia Small Cap Companies 20 Jewels 2018* book have a market cap of less than MYR1bn.

Alexander Chia also said that in investing, timing is everything. “YTD 2018, the performance of the broader market and small cap stocks in particular have been tepid as investors price-in perceived political risks. Retail investors have stayed mainly sidelined this year, while institutional investors have sought refuge in large-caps, resulting in the FBM KLCI outperforming the FBM SCI by over 18% YTD. RHB’s base case assumption is for the incumbent government to retain a simple parliamentary majority and accordingly, we believe political risks will recede after 9 May. We see investors turning more risk-on post-election with a rotation back into small-mid cap names on valuation grounds given that the global and domestic macroeconomic environment looks like it will remain in decent shape through the rest of 2018. We believe the timing is right for investors to revisit the small-mid cap stocks, many of which have retraced to fundamentally attractive levels,” added Chia.

The *RHB Top Malaysia Small Cap Companies 20 Jewels 2018* book, as with other books in the series over the past 13 years, pride themselves with unearthing the hidden gems that reside on the local bourse. Five companies presenting at the book launch this year are Advancecon Holdings, GFM Services, HSS Engineers, Kelington Group and Rohas Technic. The median P/E and ROE of this year’s Jewels is 14.9x and 12.1% respectively.

Issued on behalf of RHB Bank Berhad by Group Corporate Communications Division. For more information, please contact Norazzah Sulaiman at 603-9280 2125/ norazzah@rhbgroup.com or Cynthia Blemin at 012-249 4071/ cynthia.blemin@rhbgroup.com. For enquiries in regards to banking, products and services please contact our Customer Care Centre at 603-9206 8118.

About the RHB Banking Group

The RHB Banking Group, with RHB Bank Berhad as the holding company, is the fourth largest fully integrated financial services group in Malaysia. The Group's core businesses are structured into seven main business pillars, namely Group Retail Banking, Group Business & Transaction Banking, Group Wholesale Banking, RHB Singapore, Group Shariah Business, Group International Business and Group Insurance. Group Wholesale Banking comprises Corporate Banking, Investment Banking, Group Treasury & Global Markets, Asset Management and Private Equity. All the seven business pillars are offered through the Group's main subsidiaries – RHB Investment Bank Berhad, RHB Islamic Bank Berhad and RHB Insurance Berhad, while its asset management and unit trust businesses are undertaken by RHB Asset Management Sdn. Bhd. and RHB Islamic International Asset Management Berhad. The Group's regional presence now spans ten countries including Malaysia, Singapore, Indonesia, Thailand, Brunei, Cambodia, Hong Kong/China, Vietnam, Lao PDR and Myanmar.

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