

Singapore

**ADD** (no change)

Consensus ratings\*: Buy 1 Hold 0 Sell 0

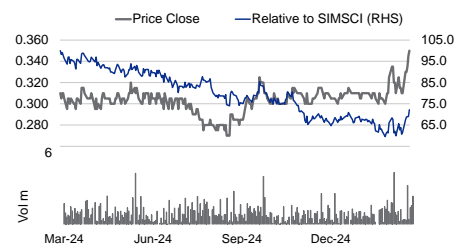
Current price:	S\$0.35
Target price:	S\$0.40
Previous target:	S\$0.35
Up/downside:	14.3%
CGSI / Consensus:	14.3%

Reuters:	ISDN.SI
Bloomberg:	ISDN SP
Market cap:	US\$118.0m
	S\$157.0m
Average daily turnover:	US\$0.22m
	S\$0.30m
Current shares o/s:	441.5m
Free float:	54.2%

\*Source: Bloomberg

**Key changes in this note**

- FY25F EPS increased by 7.7%.
- FY26F EPS increased by 13.2%.
- FY27F forecasts introduced.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	14.8	11.1	12.9
Relative (%)	11.6	4.7	-27.6

Major shareholders	% held
Teo Cher Koon	32.2
NTCP SPV VI	8.6

**Analyst(s)**



**William TNG, CFA**  
 T (65) 6210 8676  
 E william.tng@cgsi.com

# ISDN Holdings Ltd

## Recovery on track

- FY24 revenue (S\$372m, +9% yoy) was 6% above our full-year forecast as all business segments saw hoh revenue recovery in 2H24.
- Given the better hoh revenue recovery, FY24 net profit (S\$8.5m, +72% yoy) was also 7% above our full-year forecast.
- Given the better-than-expected FY24 performance, we raise our FY25-26F EPS forecasts. Reiterate Add with a higher S\$0.40 TP.

### 2H24 revenue recovered hoh

ISDN saw a hoh revenue recovery with 2H24 revenue up 13.3% hoh. On a yoy basis, 2H24 revenue grew 15.5%, driven by a recovery in all its business segments. ISDN's key China industrial automation revenue (71% of FY24 revenue) grew 4.0% yoy and 1.5% hoh. ISDN's Southeast Asia industrial automation business (20% of FY24 revenue) grew 3.1% yoy but a stronger 25.5% hoh as the industry staged a cautious recovery from the down cycle. The hydropower business (6% of FY24 revenue) grew 233% yoy to S\$22m in FY24 as all three hydropower plants were fully operational during the year. Gross margin for FY24 declined by 1.2% pts yoy due to the product mix which shifted to slightly lower margin offerings. A full year DPS of 0.47 Scts was declared, in line with ISDN's dividend policy.

### Management cautiously optimistic on FY25F

In its 1H25 results commentary, management was cautiously optimistic on the outlook for FY25F. In management's view, its core industrial automation business should benefit from China's strategic priority to address labour shortages and demographic challenges through automation and advanced manufacturing. In Southeast Asia, ISDN believes its recent expansion into Malaysia and Taiwan should enable it to capture growth opportunities from the "China+1" reorganisation of the global supply chain as more manufacturing activity shifts to these regions. In the hydropower business, ISDN has already commenced the construction of its fourth mini-hydropower plant, Lau Biang 2 in Indonesia, targeting operations in FY26F.

### Reiterate Add

Given the better-than-expected FY24 performance, we think that the gradual revenue recovery will continue in FY25-26F and raise our revenue forecasts by 4.7-5.7%, leading to a 7.7-13.2% increase in our EPS forecasts. As earnings recover, we value ISDN at 12.4 FY26 P/E, 1 s.d. above the average P/E of its previous earnings upcycle (FY16-21). Previously, we valued ISDN at 12.2x FY26F P/E (a 10% discount to ISDN's 10-year (2016-2025) average P/E of 13.6x). Our TP rises to S\$0.40. Reiterate Add given the better earnings outlook. Re-rating catalysts include higher-than-expected net profit contribution from its hydropower business segment and a faster pace of economic growth as China tries to re-stimulate its economy. Downside risks include weak customer demand if the global economy continues to slow, and the possibility of bad debts as economic conditions worsen.

Financial Summary	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Revenue (S\$m)	341.8	372.4	384.1	402.1	421.0
Net Profit (S\$m)	4.95	8.52	12.31	14.49	16.81
Core EPS (S\$)	0.011	0.019	0.027	0.032	0.037
Core EPS Growth	(66.7%)	71.1%	44.5%	17.7%	16.0%
FD Core P/E (x)	31.26	18.37	12.75	10.83	9.34
Price To Sales (x)	0.46	0.42	0.41	0.39	0.37
DPS (S\$)	0.003	0.047	0.007	0.008	0.009
Dividend Yield	0.8%	13.4%	2.0%	2.3%	2.7%
EV/EBITDA (x)	8.43	7.27	4.98	4.34	3.70
P/FCFE (x)	13.91	52.59	3.41	9.12	7.98
Net Gearing	6.5%	5.5%	(11.2%)	(15.4%)	(19.7%)
P/BV (x)	0.79	0.76	0.73	0.69	0.66
ROE	2.50%	4.20%	5.82%	6.55%	7.21%
% Change In Core EPS Estimates			7.7%	13.2%	
EPS/Consensus EPS (x)			1.10	1.11	(0.00)

SOURCES: CGSI RESEARCH, COMPANY REPORTS

**Figure 1: Results summary**

FYE Dec (\$m)	2HFY24	2HFY23	yoy chg	hoh chg	FY24	FY23	yoy chg	Prev. FY24	Comments
Revenue	197.9	172.6	14.6%	13.3%	372.4	341.8	9.0%	350.3	FY24 revenue was 6% above our full-year forecast.
Gross profit	50.6	46.8	8.0%	13.9%	94.9	91.1	4.1%	89.0	
Operating expenses	(38.5)	(38.3)	0.4%	10.4%	(73.3)	(70.4)	4.1%	(70.0)	
Operating profit	12.1	8.5	42.6%	26.5%	21.6	20.7	4.3%	18.9	
Exceptionals	0.0	0.0	na	na	0.0	0.0	na	0.0	
Pre-tax profit	11.1	5.5	101.5%	30.8%	19.7	18.9	4.1%	16.1	
Tax	(3.0)	(3.4)	-12.8%	10.0%	(5.7)	(7.7)	-26.1%	(4.1)	
Minority interest	3.4	1.7	96.5%	68.8%	5.4	6.2	-12.5%	4.1	
Net profit	4.7	0.4	1174.5%	25.4%	8.5	5.0	72.1%	7.9	FY24 net profit was 7% above our full-year forecast.
Core net profit	4.7	0.4	1174.5%	25.4%	8.5	5.0	72.1%	7.9	
EPS (Scts)	1.06	0.08	1225.0%	24.7%	1.91	1.12	70.5%	1.78	
Core EPS (Scts)	1.06	0.08	1225.0%	24.7%	1.91	1.12	70.5%	1.78	
			<b>chg (%pts)</b>	<b>chg (%pts)</b>			<b>chg (%pts)</b>		
Gross profit margin	25.5%	27.1%	(1.6)	0.1	25.5%	26.7%	(1.2)		
Operating profit margin	6.1%	4.9%	1.2	0.6	5.8%	6.1%	(0.3)		
Net profit margin	2.4%	0.2%	2.2	0.2	2.3%	1.4%	0.8		
Tax rate	26.8%	61.8%	(35.1)	(5.1)	28.9%	40.8%	(11.9)		

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 2: Earnings revision**

(\$m)	Old		New		Change	
	FY25F	FY26F	FY25F	FY26F	FY25F	FY26F
Revenue	366.7	380.4	384.1	402.1	4.7%	5.7%
Gross profit	97.2	100.8	101.8	106.6	4.7%	5.7%
Operating expenses	(73.8)	(75.6)	(75.3)	(77.2)	2.1%	2.1%
Net profit	11.4	12.7	12.3	14.5	8.3%	13.8%
Core EPS (\$)	0.025	0.029	0.027	0.032	7.7%	13.2%
Gross profit margin	26.50%	26.50%	26.50%	26.50%	0.00	0.00
Net profit margin	3.10%	3.35%	3.20%	3.60%	0.00	0.00

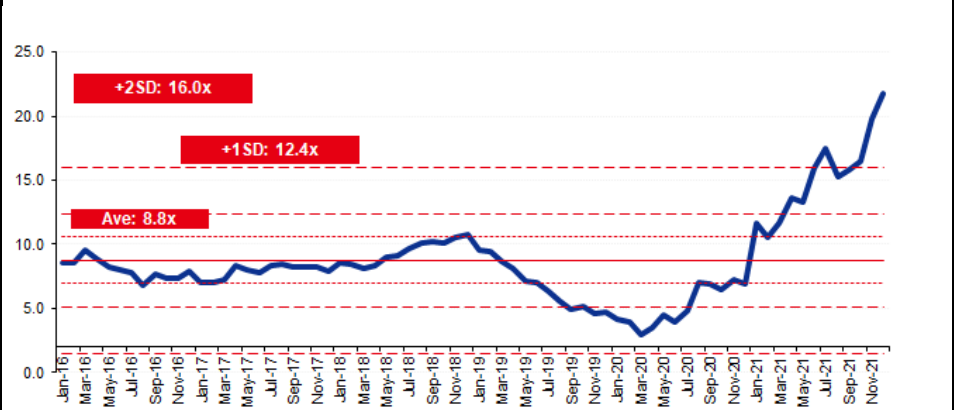
SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 3: Peer comparison**

Company	Bloomberg Ticker	Recom.	Price (Icl curr)	Target Price (Icl curr)	Market Cap (US\$ m)	P/E (x)		3-year EPS CAGR (%)	P/BV (x)		Recurring ROE (%)	Dividend Yield (%)
						CY25F	CY26F		CY25F	CY26F		
Aztech Global Ltd	AZTECH SP	Hold	0.69	0.67	393	9.9	8.5	-3.6%	1.58	1.59	15.7%	10.5%
Frencken Group Ltd	FRKN SP	Add	1.11	1.40	350	11.0	10.4	8.5%	1.00	0.93	9.3%	2.8%
ISDN Holdings Ltd	ISDN SP	Add	0.30	0.40	99	10.7	9.1	25.5%	0.61	0.58	5.8%	2.0%
Nanofilm Technologies Int'l Ltd	NANO SP	Reduce	0.70	0.63	334	21.3	16.0	58.2%	1.10	1.05	5.2%	1.2%
Venture Corporation	VMS SP	Add	12.80	14.95	2,732	13.5	12.5	7.6%	1.24	1.21	9.2%	6.0%
<b>Simple average</b>						<b>13.3</b>	<b>11.3</b>	<b>19.2%</b>	<b>1.11</b>	<b>1.07</b>	<b>9.0%</b>	<b>4.5%</b>

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG  
NOTE: FORECASTS FOR NOT RATED COMPANIES ARE BLOOMBERG CONSENSUS ESTIMATES  
DATA AS AT 10 MAR 2025

**Figure 4: ISDN forward P/E**



SOURCES: CGSI RESEARCH, COMPANY REPORTS, BLOOMBERG



## ESG in a nutshell

ISDN focuses on the motion control industry and provides the full spectrum of integrated precision engineering services, from conceptualisation, design and development to prototyping, production, sales and marketing and after-sales engineering support. The group is also involved in mini-hydropower projects in Indonesia. Through its role in industrial automation, ISDN aims to help drive efficiency to save energy and reduce the environmental impact of a multitude of industries.

### Keep your eye on

The group's mini-hydropower plant project in Indonesia helps offset carbon emissions and mitigate climate change. The mini-hydropower plants target the remote and rural areas in Indonesia, generating clean energy and job opportunities.

### Implications

As of 16 Jun 2023, ISDN had 3 mini-hydropower plants in operation in Indonesia. The company plans to continue to grow this business in Indonesia.

### ESG highlights

At end-FY23, ISDN employed 1,149 employees in over 76 locations throughout Asia-Pacific. ISDN has an established whistle-blowing policy, which allows whistle blowers direct access to their superiors, any of the group's managing director and president, or the chairman of the audit committee.

### Implications

Its large number of subsidiaries in various geographies could pose operational risk. In 2018, ISDN's Beijing subsidiary was served a writ of summons alleging that its ex-employee had borrowed monies for which the Beijing subsidiary has acted as a guarantor. Ineffective risk control could pose financial and reputational risks to ISDN.

### Trends

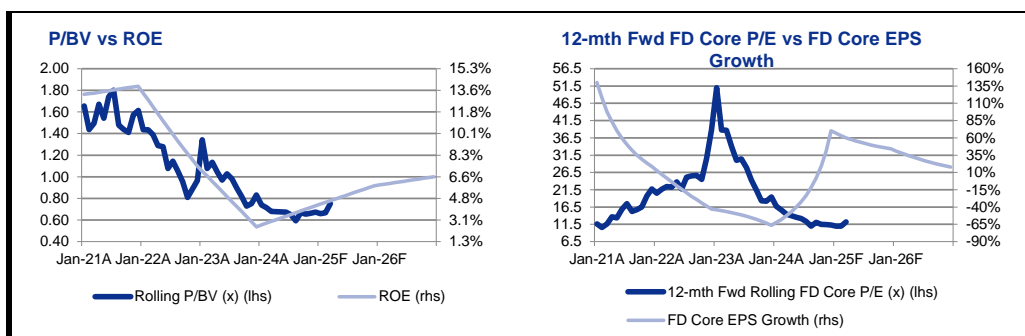
Rising wage costs and increasing competition for talent is a key trend to watch out for. ISDN's employees are its most valuable assets, the company said, as they understand customer requirements and are able to offer value-added solutions.

### Implications

ISDN said it provides equal opportunities for employees with respect to recruitment, training and development, job advancement, and remuneration and benefits. According to management, the group does not discriminate on the basis of gender, ethnicity, religion, colour, age, marital status, family status, pregnancy or any other discrimination prohibited by applicable laws. In addition to the basic wage package, ISDN also provides benefits and welfare such as severance pay, mandatory/central provident fund, employment compensation insurance, medical insurance, unlimited reimbursements for doctor visits, annual leave, sick leave, additional remuneration and benefits to reward and recognise performing employees such as performance-based bonus, commissions and variable annual bonuses. Based on the different job duties of employees, local travel (parking and petrol inclusive) allowance, mobile phone allowance, overseas travel and meals allowance, and overtime tax claims are included in the total remuneration and benefits package for employees.

SOURCES: CGSI RESEARCH, COMPANY REPORTS

## BY THE NUMBERS



### Profit & Loss

(\$m)	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
<b>Total Net Revenues</b>	<b>341.8</b>	<b>372.4</b>	<b>384.1</b>	<b>402.1</b>	<b>421.0</b>
<b>Gross Profit</b>	<b>96.7</b>	<b>101.5</b>	<b>108.7</b>	<b>113.5</b>	<b>118.8</b>
<b>Operating EBITDA</b>	<b>24.7</b>	<b>28.1</b>	<b>33.4</b>	<b>36.3</b>	<b>39.8</b>
Depreciation And Amortisation	(5.6)	(6.6)	(6.9)	(6.9)	(7.3)
<b>Operating EBIT</b>	<b>19.1</b>	<b>21.5</b>	<b>26.5</b>	<b>29.4</b>	<b>32.5</b>
Financial Income/(Expense)	(4.1)	(5.1)	(5.1)	(5.1)	(5.1)
Pretax Income/(Loss) from Assoc.	(0.7)	(0.6)	0.5	0.5	0.5
Non-Operating Income/(Expense)	4.5	3.9	2.0	2.0	2.0
<b>Profit Before Tax (pre-EI)</b>	<b>18.9</b>	<b>19.7</b>	<b>23.9</b>	<b>26.8</b>	<b>29.9</b>
Exceptional Items	0.0	0.0	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>18.9</b>	<b>19.7</b>	<b>23.9</b>	<b>26.8</b>	<b>29.9</b>
Taxation	(7.7)	(5.7)	(6.1)	(6.9)	(7.7)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>11.2</b>	<b>14.0</b>	<b>17.8</b>	<b>19.9</b>	<b>22.3</b>
Minority Interests	(6.2)	(5.4)	(5.4)	(5.4)	(5.4)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Preference Dividends (Australia)					
<b>Net Profit</b>	<b>5.0</b>	<b>8.5</b>	<b>12.3</b>	<b>14.5</b>	<b>16.8</b>
Recurring Net Profit	5.0	8.5	12.3	14.5	16.8
<b>Fully Diluted Recurring Net Profit</b>	<b>5.0</b>	<b>8.5</b>	<b>12.3</b>	<b>14.5</b>	<b>16.8</b>
Normalised Net Profit	11.2	14.0	17.8	19.9	22.3
<b>Fully Diluted Normalised Profit</b>	<b>5.0</b>	<b>8.5</b>	<b>12.3</b>	<b>14.5</b>	<b>16.8</b>

### Cash Flow

(\$m)	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
<b>EBITDA</b>	<b>24.75</b>	<b>28.10</b>	<b>33.38</b>	<b>36.31</b>	<b>39.77</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(46.62)	8.03	27.17	(3.83)	(4.04)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	11.75	(6.73)	1.70	1.70	1.70
Net Interest (Paid)/Received	(4.05)	(5.14)	(5.10)	(5.10)	(5.10)
Tax Paid	(9.97)	(5.88)	(6.11)	(6.86)	(7.66)
<b>Cashflow From Operations</b>	<b>(24.15)</b>	<b>18.38</b>	<b>51.05</b>	<b>22.22</b>	<b>24.67</b>
Capex	(4.36)	(7.52)	(5.00)	(5.00)	(5.00)
Disposals Of FAs/subsidiaries	0.00	0.00	0.00	0.00	0.00
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	0.35	0.58	0.00	0.00	0.00
<b>Cash Flow From Investing</b>	<b>(4.02)</b>	<b>(6.94)</b>	<b>(5.00)</b>	<b>(5.00)</b>	<b>(5.00)</b>
Debt Raised/(repaid)	39.29	(8.46)	0.00	0.00	0.00
Proceeds From Issue Of Shares	0.00	0.00	0.00	0.00	0.00
Shares Repurchased	0.00	0.00	0.00	0.00	0.00
Dividends Paid	(8.09)	(6.24)	(3.08)	(3.62)	(4.20)
Preferred Dividends	0.00	0.00	0.00	0.00	0.00
Other Financing Cashflow	1.63	0.66	0.00	0.00	0.00
<b>Cash Flow From Financing</b>	<b>32.83</b>	<b>(14.05)</b>	<b>(3.08)</b>	<b>(3.62)</b>	<b>(4.20)</b>
Total Cash Generated	4.67	(2.61)	42.97	13.60	15.47
<b>Free Cashflow To Equity</b>	<b>11.13</b>	<b>2.98</b>	<b>46.05</b>	<b>17.22</b>	<b>19.67</b>
<b>Free Cashflow To Firm</b>	<b>(23.77)</b>	<b>16.91</b>	<b>51.45</b>	<b>22.62</b>	<b>25.07</b>

SOURCES: CGSI RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(S\$m)	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Cash And Equivalents	60.0	56.5	99.5	113.1	128.6
Total Debtors	110.6	122.4	109.4	114.6	119.9
Inventories	73.0	67.4	70.4	73.7	77.1
Total Other Current Assets	0.0	0.0	0.0	0.0	0.0
<b>Total Current Assets</b>	<b>243.6</b>	<b>246.4</b>	<b>279.3</b>	<b>301.3</b>	<b>325.6</b>
Fixed Assets	63.2	65.8	63.8	61.9	59.7
Total Investments	5.3	6.7	7.2	7.7	8.2
Intangible Assets	12.2	12.9	12.9	12.9	12.9
Total Other Non-Current Assets	75.9	84.1	84.1	84.1	84.1
<b>Total Non-current Assets</b>	<b>156.5</b>	<b>169.5</b>	<b>168.1</b>	<b>166.7</b>	<b>164.9</b>
Short-term Debt	19.7	21.2	21.2	21.2	21.2
Current Portion of Long-Term Debt					
Total Creditors	64.6	74.7	91.6	95.8	100.3
Other Current Liabilities	13.9	17.2	17.2	17.2	17.2
<b>Total Current Liabilities</b>	<b>98.1</b>	<b>113.2</b>	<b>130.0</b>	<b>134.3</b>	<b>138.8</b>
Total Long-term Debt	56.0	48.9	48.9	48.9	48.9
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	5.6	6.6	6.6	6.6	6.6
<b>Total Non-current Liabilities</b>	<b>61.6</b>	<b>55.5</b>	<b>55.5</b>	<b>55.5</b>	<b>55.5</b>
Total Provisions	0.0	0.0	0.0	0.0	0.0
<b>Total Liabilities</b>	<b>159.8</b>	<b>168.7</b>	<b>185.5</b>	<b>189.8</b>	<b>194.3</b>
Shareholders' Equity	198.6	206.7	216.0	226.8	239.4
Minority Interests	42.0	40.5	45.9	51.4	56.8
<b>Total Equity</b>	<b>240.7</b>	<b>247.2</b>	<b>261.9</b>	<b>278.2</b>	<b>296.3</b>

### Key Ratios

	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Revenue Growth	(7.82%)	8.98%	3.13%	4.68%	4.69%
Operating EBITDA Growth	(30.8%)	13.5%	18.8%	8.8%	9.5%
Operating EBITDA Margin	7.24%	7.54%	8.69%	9.03%	9.45%
Net Cash Per Share (S\$)	(0.04)	(0.03)	0.07	0.10	0.13
BVPS (S\$)	0.45	0.46	0.48	0.51	0.53
Gross Interest Cover	4.36	3.93	4.90	5.44	6.02
Effective Tax Rate	40.8%	28.9%	25.6%	25.6%	25.6%
Net Dividend Payout Ratio	5.7%	55.2%	5.6%	5.6%	5.6%
Accounts Receivables Days	113.1	114.5	110.2	101.7	101.7
Inventory Days	114.8	94.8	91.3	91.1	91.1
Accounts Payables Days	119.0	94.1	110.2	118.5	118.5
ROIC (%)	8.7%	8.4%	10.2%	12.7%	13.9%
ROCE (%)	6.57%	6.89%	8.24%	8.73%	9.18%
Return On Average Assets	3.80%	4.68%	5.29%	5.47%	5.71%

### Key Drivers

	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Motion control rev growth (%)	-6.6%	2.1%	3.0%	5.0%	5.0%
Gross profit margin (%)	26.7%	25.5%	26.5%	26.5%	26.5%

SOURCES: CGSI RESEARCH, COMPANY REPORTS

## DISCLAIMER

The content of this report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by and belongs to CGS International. Reports relating to a specific geographical area are produced and distributed by the corresponding CGS International entity as listed in the table below.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.

By accepting this report, the recipient hereof represents and warrants that he is entitled to receive such report in accordance with the restrictions set forth below and agrees to be bound by the limitations contained herein (including the “Restrictions on Distributions” set out below). Any failure to comply with these limitations may constitute a violation of law. This publication is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of CGS International.

The information contained in this research report is prepared from data believed to be correct and reliable at the time of issue of this report. CGS International may or may not issue regular reports on the subject matter of this report at any frequency and may cease to do so or change the periodicity of reports at any time. CGS International has no obligation to update this report in the event of a material change to the information contained in this report. CGS International does not accept any obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant, (ii) ensure that the content of this report constitutes all the information a prospective investor may require, (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, CGS International, its affiliates and related corporations shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof. In particular, CGS International disclaims all responsibility and liability for the views and opinions set out in this report.

Unless otherwise specified, this report is based upon sources which CGS International considers to be reasonable. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research.

Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of CGS International or any of its affiliates to any person to buy or sell any investments.

CGS International, its affiliates and related corporations and/or their respective directors, associates, connected parties and/or employees may own or have positions in securities of the company(ies) covered in this research report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities. Further, CGS International, its affiliates and their respective related corporations do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in securities of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

CGS International or its affiliates may enter into an agreement with the company(ies) covered in this report relating to the production of research reports. CGS International may disclose the contents of this report to the company(ies) covered by it and may have amended the contents of this report following such disclosure.

The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously. No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report. The analyst(s) who prepared this research report is prohibited from receiving any compensation, incentive or bonus based on specific investment banking transactions or for providing a specific recommendation for, or view of, a particular company. Information barriers and other arrangements may be established where necessary to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations and the research personnel involved in the preparation of this report may also participate in the solicitation of the businesses as described above. In reviewing this research report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request.

Reports relating to a specific geographical area are produced by the corresponding CGS International entity as listed in the table below. The term “CGS International” shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case except as otherwise stated herein, CGS International Securities Pte. Ltd. and its affiliates, subsidiaries and related corporations.

Country	CGS International Entity	Regulated by
Hong Kong	CGS International Securities Hong Kong Limited	Securities and Futures Commission Hong Kong
Indonesia	PT CGS International Sekuritas Indonesia	Financial Services Authority of Indonesia
Malaysia	CGS International Securities Malaysia Sdn. Bhd. (formerly known as CGS-CIMB Securities Sdn. Bhd.)	Securities Commission Malaysia
Singapore	CGS International Securities Singapore Pte. Ltd.	Monetary Authority of Singapore
South Korea	CGS International Securities Hong Kong Limited, Korea Branch	Financial Services Commission and Financial Supervisory Service
Thailand	CGS International Securities (Thailand) Co. Ltd.	Securities and Exchange Commission Thailand

**Other Significant Financial Interests:**

(i) As of March 10, 2025 CGS International has a proprietary position in the securities (which may include but not be limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) Aztech Global Ltd, Frencken Group Ltd, Venture Corporation

(ii) Analyst Disclosure: As of March 10, 2025, the analyst(s) who prepared this report, and the associate(s), has / have an interest in the securities (which may include but not be limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) -

This report does not purport to contain all the information that a prospective investor may require. Neither CGS International nor any of its affiliates make any guarantee, representation or warranty, express or implied, as to the adequacy, accuracy, completeness, reliability or fairness of any such information and opinion contained in this report. Neither CGS International nor any of its affiliates nor their related corporations shall be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

This report is general in nature and has been prepared for information purposes only. It is intended for circulation amongst CGS International's clients generally and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. The information and opinions in this report are not and should not be construed or considered as an offer, recommendation or solicitation to buy or sell the subject securities, related investments or other financial instruments or any derivative instrument, or any rights pertaining thereto.

Investors are advised to make their own independent evaluation of the information contained in this research report, consider their own individual investment objectives, financial situation and particular needs and consult their own professional and financial advisers as to the legal, business, financial, tax and other aspects before participating in any transaction in respect of the securities of company(ies) covered in this research report.

The securities of such company(ies) may not be eligible for sale in all jurisdictions or to all categories of investors.

**Restrictions on Distributions**

**Australia:** Despite anything in this report to the contrary, this research is provided in Australia by CGS International Securities Singapore Pte. Ltd. ("CGS SG") and CGS International Securities Hong Kong Limited ("CGS HK"). This research is only available in Australia to persons who are "wholesale clients" (within the meaning of the Corporations Act 2001 (Cth) and is supplied solely for the use of such wholesale clients and shall not be distributed or passed on to any other person. You represent and warrant that if you are in Australia, you are a "wholesale client". This research is of a general nature only and has been prepared without taking into account the objectives, financial situation or needs of the individual recipient. CGS SG and CGS HK do not hold, and are not required to hold an Australian financial services license. CGS SG and CGS HK rely on "passporting" exemptions for entities appropriately licensed by the Monetary Authority of Singapore (under ASIC Class Order 03/1102) and the Securities and Futures Commission in Hong Kong (under ASIC Class Order 03/1103).

**Canada:** This research report has not been prepared in accordance with the disclosure requirements of Dealer Member Rule 3400 – Research Restrictions and Disclosure Requirements of the Investment Industry Regulatory Organization of Canada. For any research report distributed by CIBC, further disclosures related to CIBC conflicts of interest can be found at <https://researchcentral.cibcwm.com>.

**China:** For the purpose of this report, the People's Republic of China ("PRC") does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region or Taiwan. The distributor of this report has not been approved or licensed by the China Securities Regulatory Commission or any other relevant regulatory authority or governmental agency in the PRC. This report contains only marketing information. The distribution of this report is not an offer to buy or sell to any person within or outside PRC or a solicitation to any person within or outside of PRC to buy or sell any instruments described herein. This report is being issued outside the PRC to a limited number of institutional investors and may not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose.

**France:** Only qualified investors within the meaning of French law shall have access to this report. This report shall not be considered as an offer to subscribe to, or used in connection with, any offer for subscription or sale or marketing or direct or indirect distribution of financial instruments and it is not intended as a solicitation for the purchase of any financial instrument.

**Germany:** This report is only directed at persons who are professional investors as defined in sec 31a(2) of the German Securities Trading Act (WpHG). This publication constitutes research of a non-binding nature on the market situation and the investment instruments cited here at the time of the publication of the information.

The current prices/yields in this issue are based upon closing prices from Bloomberg as of the day preceding publication. Please note that neither the German Federal Financial Supervisory Agency (BaFin), nor any other supervisory authority exercises any control over the content of this report.

**Hong Kong:** This report is issued and distributed in Hong Kong by CGS HK which is licensed in Hong Kong by the Securities and Futures Commission for Type 1 (dealing in securities) and Type 4 (advising on securities) activities. Any investors wishing to purchase or otherwise deal in the securities covered in this report should contact the Head of Sales at CGS HK. The views and opinions in this research report are our own as of the date hereof and are subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. CGS HK has no obligation to update its opinion or the information in this research report.

This publication is strictly confidential and is for private circulation only to clients of CGS HK.

CGS HK does not make a market on other securities mentioned in the report.

**Indonesia:** This report is issued and distributed by PT CGS International Sekuritas Indonesia ("CGS ID"). The views and opinions in this research report are our own as of the date hereof and are subject to change. CGS ID has no obligation to update its opinion or the information in this research report. This report is for private circulation only to clients of CGS ID. Neither this report nor any copy hereof may be distributed in Indonesia or to any Indonesian citizens wherever they are domiciled or to Indonesian residents except in compliance with applicable Indonesian capital market laws and regulations.



This research report is not an offer of securities in Indonesia. The securities referred to in this research report have not been registered with the Financial Services Authority (Otoritas Jasa Keuangan) pursuant to relevant capital market laws and regulations, and may not be offered or sold within the territory of the Republic of Indonesia or to Indonesian citizens through a public offering or in circumstances which constitute an offer within the meaning of the Indonesian capital market law and regulations.

**Ireland:** CGS International is not an investment firm authorised in the Republic of Ireland and no part of this document should be construed as CGS International acting as, or otherwise claiming or representing to be, an investment firm authorised in the Republic of Ireland.

**Malaysia:** This report is distributed in Malaysia by CGS International Securities Malaysia Sdn. Bhd. (formerly known as CGS-CIMB Securities Sdn. Bhd.) ("CGS MY") solely for the benefit of and for the exclusive use of our clients. Recipients of this report are to contact CGS MY, at Level 29, Menara Aras Raya, No. 11, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia, in respect of any matters arising from or in connection with this report. CGS MY has no obligation to update, revise or reaffirm its opinion or the information in this research report after the date of this report.

**New Zealand:** In New Zealand, this report is for distribution only to persons who are wholesale clients pursuant to section 5C of the Financial Advisers Act 2008.

**Singapore:** This report is issued and distributed by CGS SG. CGS SG is a capital markets services licensee under the Securities and Futures Act 2001. Accordingly, it is exempted from the requirement to hold a financial adviser's licence under the Financial Advisers Act, 2001 ("FAA") for advising on investment products, by issuing or promulgating research analyses or research reports, whether in electronic, print or other form. CGS SG is subject to the applicable rules under the FAA unless it is able to avail itself to any prescribed exemptions.

Recipients of this report are to contact CGS SG, 10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #09-01, Singapore 018983 in respect of any matters arising from, or in connection with this report. CGS SG has no obligation to update its opinion or the information in this research report. This publication is strictly confidential and is for private circulation only. If you have not been sent this report by CGS SG directly, you may not rely, use or disclose to anyone else this report or its contents.

If the recipient of this research report is not an accredited investor, expert investor or institutional investor, CGS SG accepts legal responsibility for the contents of the report without any disclaimer limiting or otherwise curtailing such legal responsibility. If the recipient is an accredited investor, expert investor or institutional investor, the recipient is deemed to acknowledge that CGS SG is exempt from certain requirements under the FAA and its attendant regulations, and as such, is exempt from complying with the following:

- (a) Section 34 of the FAA (obligation to disclose product information);
- (b) Section 36 (duty not to make recommendation with respect to any investment product without having a reasonable basis where you may be reasonably expected to rely on the recommendation) of the FAA;
- (c) MAS Notice on Information to Clients and Product Information Disclosure [Notice No. FAA-N03];
- (d) MAS Notice on Recommendation on Investment Products [Notice No. FAA-N16];
- (e) Section 45 (obligation on disclosure of interest in specified products), and
- (f) any other laws, regulations, notices, directive, guidelines, circulars and practice notes which are relates to the above, to the extent permitted by applicable laws, as may be amended from time to time, and any other laws, regulations, notices, directive, guidelines, circulars, and practice notes as we may notify you from time to time. In addition, the recipient who is an accredited investor, expert investor or institutional investor acknowledges that as CGS SG is exempt from Section 36 of the FAA, the recipient will also not be able to file a civil claim against CGS SG for any loss or damage arising from the recipient's reliance on any recommendation made by CGS SG which would otherwise be a right that is available to the recipient under Section 36 of the FAA.

CGS SG, its affiliates and related corporations, their directors, associates, connected parties and/or employees may own or have positions in specified products of the company(ies) covered in this research report or any specified products related thereto and may from time to time add to or dispose of, or may be materially interested in, any such specified products. Further, CGS SG, its affiliates and its related corporations do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in specified products of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

CGS SG does not make a market on the securities mentioned in the report.

Chan Swee Liang Carolina, the Group Chief Executive Officer of the CGS International group of companies (in which CGS SG is a member) is an independent non-executive director of City Developments Limited as of 29 Dec 2020. CGS SG is of the view that this does not create any conflict of interest that may affect the ability of the analyst or CGS SG to offer independent and unbiased analyses and recommendations.

**South Korea:** This report is issued and distributed in South Korea by CGS International Securities Hong Kong Limited, Korea Branch ("CGS KR") which is licensed as a cash equity broker, and regulated by the Financial Services Commission and Financial Supervisory Service of Korea. In South Korea, this report is for distribution only to professional investors under Article 9(5) of the Financial Investment Services and Capital Market Act of Korea ("FSCMA").

**Spain:** This document is a research report and it is addressed to institutional investors only. The research report is of a general nature and not personalised and does not constitute investment advice so, as the case may be, the recipient must seek proper advice before adopting any investment decision. This document does not constitute a public offering of securities.

CGS International is not registered with the Spanish Comision Nacional del Mercado de Valores to provide investment services.

**Sweden:** This report contains only marketing information and has not been approved by the Swedish Financial Supervisory Authority. The distribution of this report is not an offer to sell to any person in Sweden or a solicitation to any person in Sweden to buy any instruments described herein and may not be forwarded to the public in Sweden.

**Switzerland:** This report has not been prepared in accordance with the recognized self-regulatory minimal standards for research reports of banks issued by the Swiss Bankers' Association (Directives on the Independence of Financial Research).

**Thailand:** This report is issued and distributed by CGS International Securities (Thailand) Co. Ltd. ("CGS TH") based upon sources believed to be reliable (but their accuracy, completeness or correctness is not guaranteed). The statements or expressions of opinion herein were arrived at after due and careful consideration for use

as information for investment. Such opinions are subject to change without notice and CGS TH has no obligation to update its opinion or the information in this research report.

**Corporate Governance Report (CGR):** ([Thai CGR and Anti-Corruption of Thai Listed Companies - Click here](#))

The disclosure of the survey result of the Thai Institute of Directors Association (“IOD”) regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS TH does not confirm nor certify the accuracy of such survey result.

<b>Score Range:</b>	90 - 100	80 – 89	70 - 79	Below 70	No Survey Result
<b>Description:</b>	Excellent	Very Good	Good	N/A	N/A

**United Arab Emirates:** The distributor of this report has not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities or governmental agencies in the United Arab Emirates. This report is strictly private and confidential and has not been reviewed by, deposited or registered with UAE Central Bank or any other licensing authority or governmental agencies in the United Arab Emirates. This report is being issued outside the United Arab Emirates to a limited number of institutional investors and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. Further, the information contained in this report is not intended to lead to the sale of investments under any subscription agreement or the conclusion of any other contract of whatsoever nature within the territory of the United Arab Emirates.

**United Kingdom and European Economic Area (EEA):** In the United Kingdom and European Economic Area, this material is also being distributed by CGS International Securities UK Ltd. (“CGS UK”). CGS UK is authorized and regulated by the Financial Conduct Authority and its registered office is at 53 New Broad Street, London EC2M 1JJ. The material distributed by CGS UK has been prepared in accordance with CGS International’s policies for managing conflicts of interest arising as a result of publication and distribution of this material. This material is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of CGS UK; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Order”), (c) fall within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc”) of the Order; (d) are outside the United Kingdom subject to relevant regulation in each jurisdiction, material(all such persons together being referred to as “relevant persons”). This material is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons. This material is categorised as non-independent for the purposes of CGS UK and therefore does not provide an impartial or objective assessment of the subject matter and does not constitute independent research. Consequently, this material has not been prepared in accordance with legal requirements designed to promote the independence of research and will not be subject to any prohibition on dealing ahead of the dissemination of research. Therefore, this material is considered a marketing communication.

**United States:** This research report is distributed in the United States of America by CGS International Securities USA, Inc, a U.S. registered broker-dealer and an affiliate of CGS MY, CGS SG, CGS ID, CGS TH and CGS HK and is distributed solely to persons who qualify as “U.S. Institutional Investors” as defined in Rule 15a-6 under the Securities and Exchange Act of 1934. This communication is only for Institutional Investors whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major Institutional Investor must not rely on this communication. The delivery of this research report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. CGS International Securities USA, Inc. (“CGS US”) is a FINRA/SIPC member and takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CGS US.

CGS International Securities USA, Inc. does not make a market on other securities mentioned in the report.

CGS US has not managed or co-managed a public offering of any of the securities mentioned in the past 12 months.

CGS US has not received compensation for investment banking services from any of the company mentioned in the past 12 months.

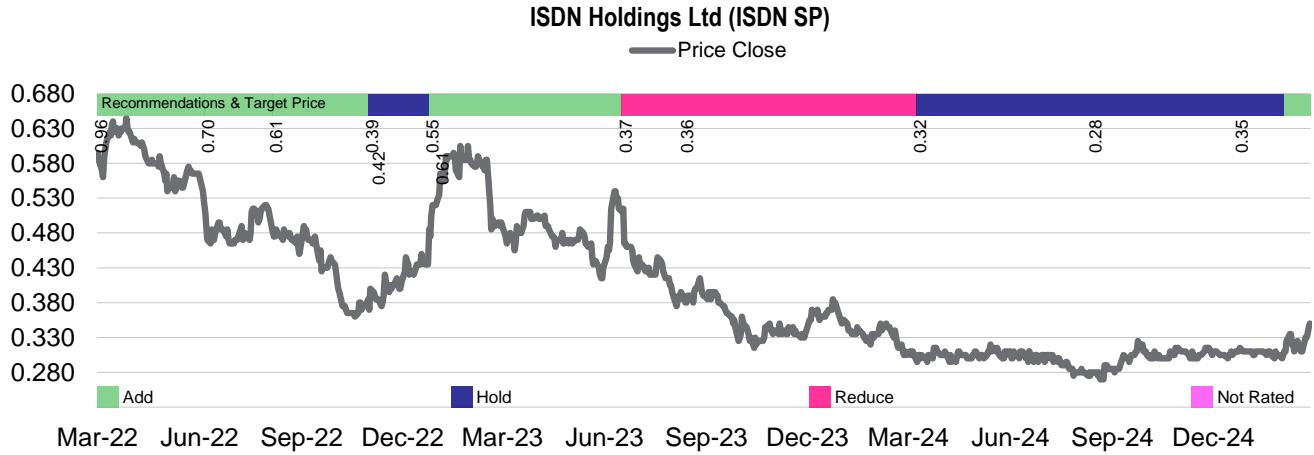
CGS US neither expects to receive nor intends to seek compensation for investment banking services from any of the company mentioned within the next 3 months.

**United States Third-Party Disclaimer:** If this report is distributed in the United States of America by Raymond James & Associates, Inc (“RJA”), this report is third-party research prepared for and distributed in the United States of America by RJA pursuant to an arrangement between RJA and CGS International Securities Pte. Ltd. (“CGSI”). CGSI is not an affiliate of RJA. This report is distributed solely to persons who qualify as “U.S. Institutional Investors” or as “Major U.S. Institutional Investors” as defined in Rule 15a-6 under the Securities and Exchange Act of 1934, as amended. This communication is only for U.S. Institutional Investors or Major U.S. Institutional Investor whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major U.S. Institutional Investor must not rely on this communication. The delivery of this report to any person in the U.S. is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. If you are receiving this report in the U.S from RJA, a FINRA/SIPC member, it takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CGS US or RJA. <https://raymondjames.com/InternationalEquityDisclosures>

**Other jurisdictions:** In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is only for distribution to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2024		
598 companies under coverage for quarter ended on 31 December 2024		
	Rating Distribution (%)	Investment Banking clients (%)
Add	67.4%	0.8%
Hold	22.2%	0.8%
Reduce	10.4%	0.3%

**Spitzer Chart for stock being researched ( 2 year data )**



Recommendation Framework	
<b>Stock Ratings</b>	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.
<i>The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.</i>	
<b>Sector Ratings</b>	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.
<b>Country Ratings</b>	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

The MSCI sourced information is the exclusive property of MSCI Inc. (MSCI). Without prior written permission of MSCI, this information and any other MSCI intellectual property may not be reproduced, disseminated or used to create any financial products, including any indices. This information is provided on an "as is" basis. The user assumes the entire risk of any use made of this information. MSCI, its affiliates and any third party involved in, or related to, computing or compiling the information hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. MSCI and the MSCI indexes are services marks of MSCI and its affiliates.