Trusted Environmental and Gas Expertise

ONE GASMASTER HOLDINGS BERHAD — Fair Value: RM0.27 (8.00%)

Company Description

One Gasmaster Holdings Berhad ("OGM") primarily provides environmental monitoring, gas detection, gas piping, and industrial hygiene services. The Group also provides maintenance and calibration services through its ISO/IEC 17025–certified calibration laboratory, ensuring accurate and reliable system performance. In addition, OGM trades products, including instruments, parts, and components.

Investment Highlight

- **Diversified Customer Base Across Industries:** The Group serves customers across multiple industries, including oil and gas, power generation, manufacturing, food and beverage, and chemicals. This broad customer base reduces reliance on any single sector, mitigates industry-specific risks, and enhances business resilience. The diversified exposure also enables it to capture growth opportunities across different markets, supporting more stable and sustainable revenue performance over the long term.
- **Strong In-House Engineering Capabilities:** OGM in-house development, design, and engineering capabilities enable greater control over project quality, timelines, and regulatory compliance. This integrated approach enhances solution reliability and performance, allows efficient execution, and ensures customer-specific requirements are met, strengthening the Group's ability to deliver high-quality, end-to-end solutions.
- **Strong Industry Growth Outlook:** Malaysia's environmental monitoring industry recorded robust growth, expanding to RM9.20 billion ("bn") in 2024. The market is projected to reach RM10.83bn in 2025 and grow at a 12.1% compounded annual growth rate ("CAGR") to RM16.28bn by 2029, underpinned by regulatory enforcement and rising environmental awareness.
- **Government-Led Green Transition:** Malaysia's rapid industrialisation has intensified air pollution challenges, prompting strong government commitment to climate action. National targets include a 45% reduction in greenhouse gas emissions intensity by 2030 and achieving net-zero emissions by 2050. In addition, the Environmental Quality (Clean Air) Regulations 2014 impose stricter controls on industrial and commercial emissions. These policies and regulatory measures are expected to significantly increase demand for emission control and environmental monitoring solutions, supporting long-term industry growth. Hence, these enhance demand for OGM product and services.

Valuation / Recommendation

We derive a fair value of RM0.27 based on 14.15x multiple to its FYE2026F EPS of 1.87sen. The initial public offering ("IPO") aims to raise approximately RM19.38 million ("mn") through the issuance of 77.5mn new shares. A total of 33.88% is allocated for capital expenditure, 19.41% will be used for business expansion, while 26.07% is set for working capital. The remaining 20.65% will be used for listing expenses.

The current ratio remains healthy at 2.98x (FYE2024), indicating the Group's strong ability to meet short-term obligations. In line with the local government-led green transition, we see more demand for the Group's product and services in future. Thereby gives positive outlook for OGM.

IPO TIMELINE	
Opening Date	12 Jan 2026
Closing Date	16 Jan 2026
Listing Date	27 Jan 2026
IPO Price (RM)	0.25
Expected Return	8.00%
Market/ Sector	Oil & Gas
Bursa Code	0389

IPO Details	Shares(mn)
Offer for Sale	15.50
Public Issue	77.50
Enlarged share	310.00
	RM(mn)
Market Cap	77.50
Shariah compliant	Yes

Substantial Shareholders	Shares(mn)	(%)
Ivan Tan	186.00	60.00
Tan Bee Sien	16.12	5.20
Good FS Sdn. Bhd. ("GFS")	14.88	4.80

Utilisation of IPO Proceeds	RM(mn)	(%)
Business expansion	3.76	19.41
Capital expenditure for setting up new calibration laboratory	1.68	8.66
Setting up branch offices and calibration laboratories in Johor, Terengganu and Penang	4.89	25.22
Working capital for current operations	5.05	26.07
Estimated listing expenses	4.00	20.65
Total	**19.38**	**100.00**

Allocation	Shares(mn)	(%)
Public Issue		
Malaysian Public via balloting process:		
• Public investors	7.75	2.50
• Bumiputera public investors	7.75	2.50
Eligible Directors	1.02	0.33
Eligible employees	2.08	0.67
Private placement to selected investors	20.15	6.50
Private placement to Bumiputera investors approved by MITI	38.75	12.50
Subtotal	77.50	25.00
Offer for sale		
Private placement to selected investors	15.50	5.00
Subtotal	15.50	5.00
Total	**93.00**	**30.00**
Total enlarged share capital upon listing	**310.00**	

Key Financial Summary

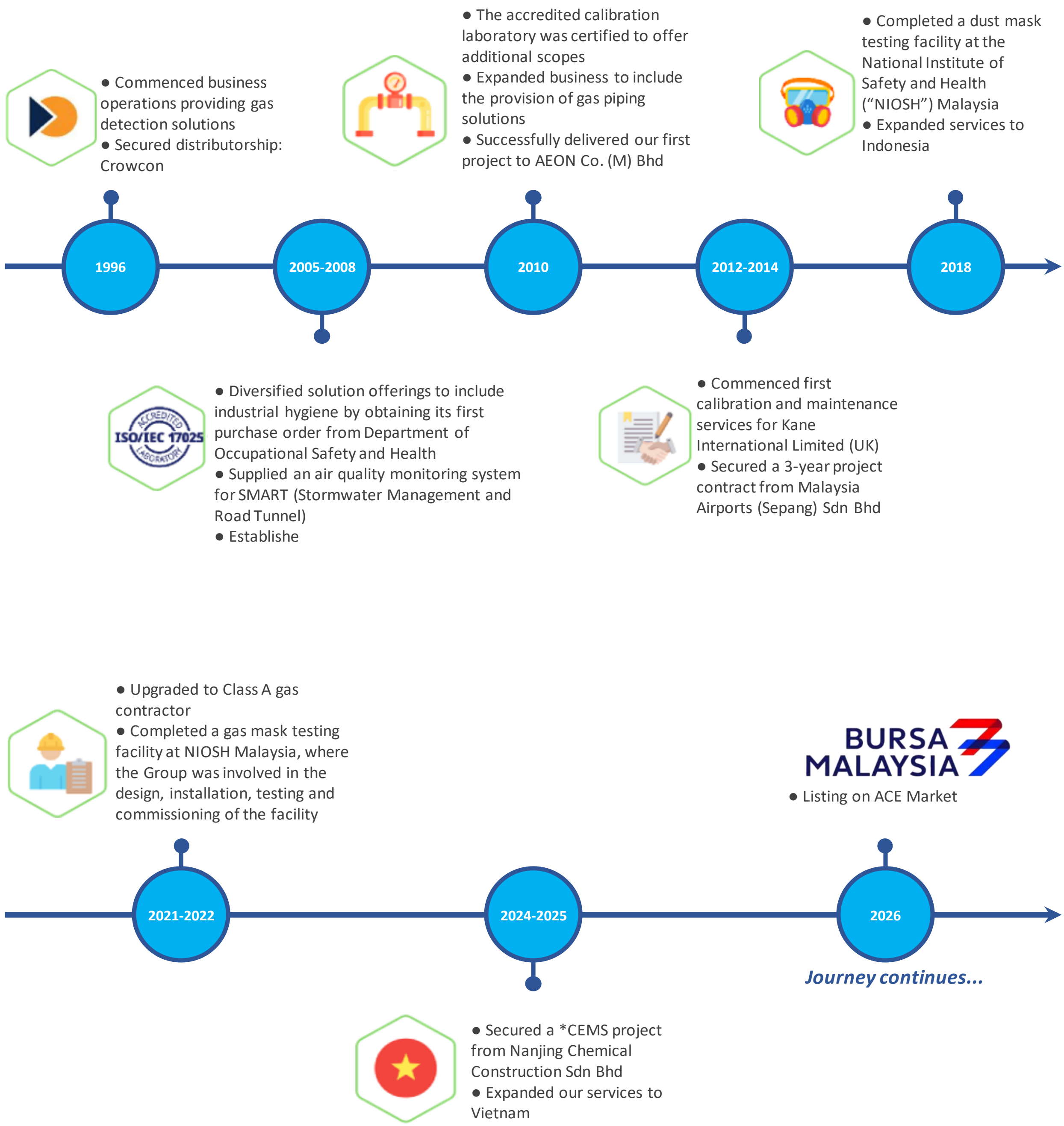
FYE Dec (RMmn)	2023A	2024A	2025F	2026F	2027F
Revenue	31.01	38.01	35.79	39.67	**43.17**
Gross Profit	9.76	12.81	12.06	13.37	**14.55**
Pre-tax Profit	5.81	7.62	7.17	7.95	**8.65**
Core Net Profit	4.07	5.56	5.24	5.81	**6.32**
Core EPS (Sen)	1.31	1.79	1.69	1.87	**2.04**
P/E (x)	19.05	13.93	14.79	13.35	**12.26**
DPS (Sen)	0.79	0.79	0.00	0.00	**0.00**
Dividend Yield (%)	3.15	3.15	0.00	0.00	**0.00**

Source: Company Prospectus, S&P Global, Eco Asia Research Estimates
EPS, P/E and DPS from 2023A to 2024A (pre-IPO) are on pro-forma basis for comparative purposes only.

Company Background

The Group was incorporated in Malaysia on 12 June 2023 under the Act as a private limited company under the name of One Gasmaster Holdings Sdn Bhd. Subsequently, it was converted to a public limited company on 25 June 2025 and assumed its present name as One Gasmaster Holdings Berhad. Below are the key milestones in OGM history and development.

Key Milestones



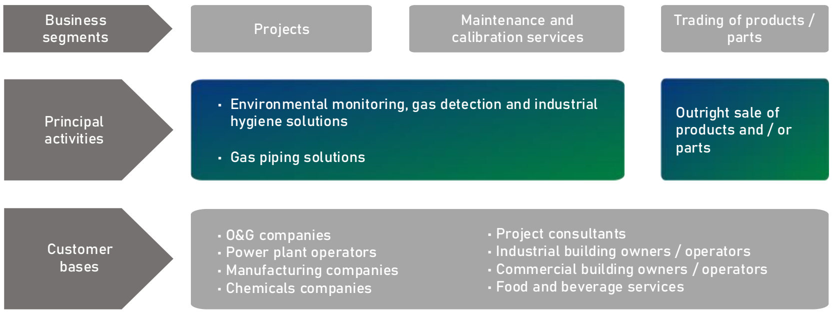
Source: Company Prospectus

Business activities

The Group revenue model is through three main areas:

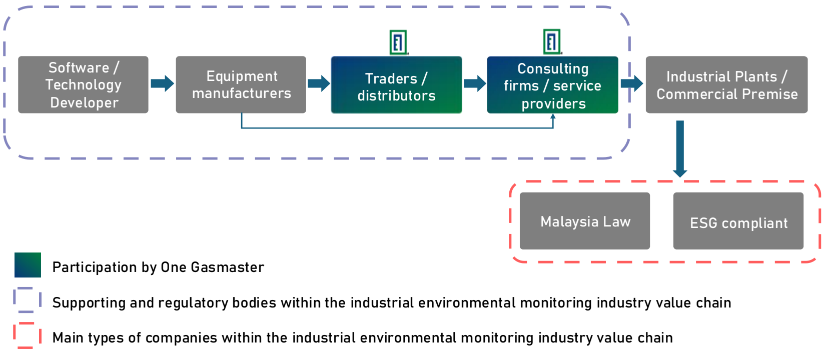
1. **Projects:** OGM undertakes projects involving the design, supply, installation, testing, and commissioning of environmental monitoring, gas detection, industrial hygiene, and gas piping solutions.
2. **Maintenance and Calibration Services:** The Group provides maintenance services to support existing systems and offers calibration services for various equipment, including acoustic, gas monitoring, temperature and humidity, pressure, mass, and audiometer instruments.
3. **Trading of Products/Parts:** OGM generates revenue through the trading of instruments, parts, and components to meet customers' operational and project-related requirements.

The Group business model for its solutions and services is illustrated below:

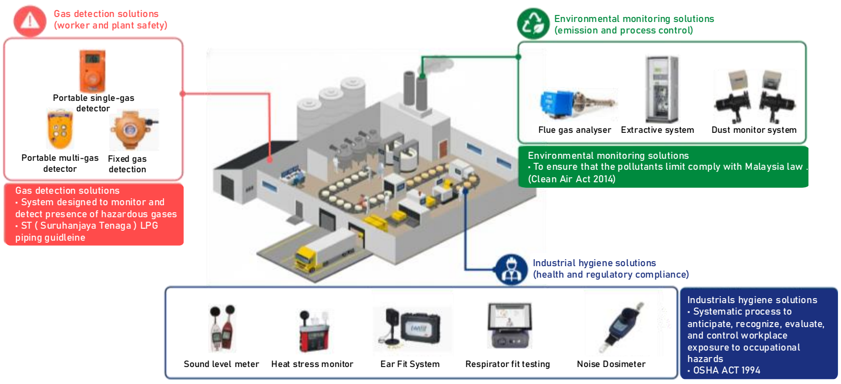


(1) Refers to NIOSH, DOSH, Ministry of Health, universities and Agensi Angkasa Malaysia

Role in the industrial environmental monitoring industry in Malaysia



Comprehensive environmental monitoring, gas detection and industrial hygiene solutions provider



Source: Company Prospectus

Business Segments

LPG
Design and installation of LPG piping solutions.

Natural gas
Capable of designing and installing connections from gas supply sources to the residential, commercial and industrial buildings' service entrance pipes.

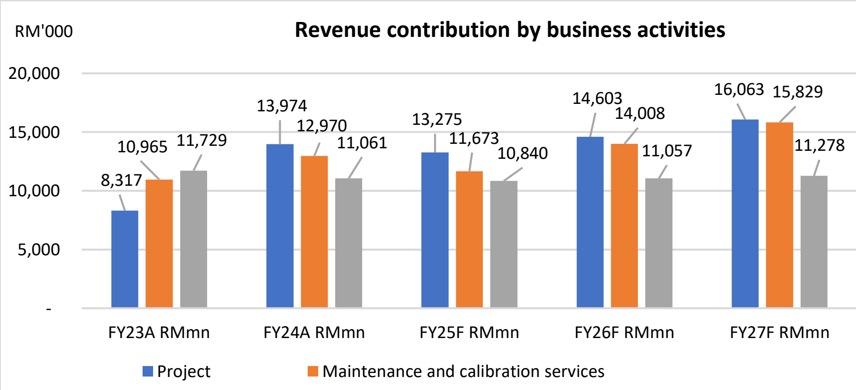
The current key suppliers, covering a range of products used in environmental monitoring, gas detection, and industrial hygiene.

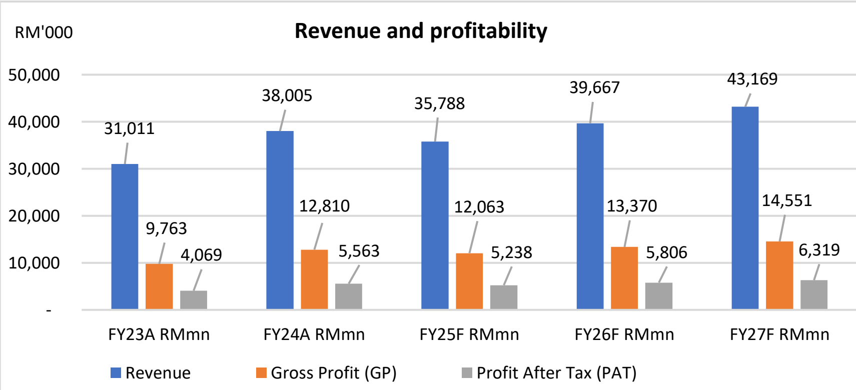
The Group first engages with customers to understand and confirm their specification requirements and technical needs, followed by providing suitable product recommendations.

Source: Company Prospectus

Revenue and Profitability

The Group's revenue from FYE2023 to FYE2024 was mainly derived from the maintenance and calibration services segment, which accounted around 34.00% of its total revenue (as of FYE2024). The following shows revenue contributions by business activities as well as the revenue and profitability from FYE2023A to FYE2024A, FYE2025F, FYE2026F and FYE2027F:





Future Plans and Strategies

1) **Expansion into Emission Control Solutions:** OGM intends to expand its service offerings to include emission control solutions, covering design, installation, and ongoing maintenance and repair as below:
   a) Design customised emission control solutions, including scrubbers, filtration systems, and catalytic converters, based on project-specific requirements and pollutant characteristics, developed by the Group's engineering team at its Damansara offices.
   b) Provide installation of emission control solutions at customers' industrial facilities, ensuring proper system setup and integration in accordance with project specifications and regulatory requirements.
   c) Offering ongoing maintenance and repair services at customers' premises to ensure continued system performance and regulatory compliance, complementing existing services and supporting a shift toward pre-emission treatment and mitigation.

2) **Expansion of Calibration Laboratory Capabilities:** Intends to establish an additional ISO/IEC 17025 accredited calibration laboratory to support its expansion strategy. This facility will broaden the calibration scope to include enhanced time and frequency, volumetric, and new electrical and torque calibrations. By expanding its service offerings, OGM aims to serve a wider customer base requiring high-precision measurement and regulatory compliance, thereby strengthening its competitive position and supporting long-term business growth.
3) **Establishment of Regional Branch Offices:** The Group plans to expand its domestic footprint by setting up branch offices with calibration laboratories in Johor, Terengganu, and Penang. These locations are targeted due to the presence of existing and recurring customers outside the Klang Valley. The new branches are expected to reduce service lead times, enhance customer responsiveness, and improve competitiveness, while supporting its strategy to strengthen market coverage across Peninsular Malaysia.

Key Risks

Dependence on Overseas Third-Party Suppliers: OGM relies on overseas third-party suppliers for instruments, parts, and components used in system integration projects, mainly sourced from Germany, Japan, Singapore, the UK, and the USA. These purchases accounted for a significant portion of total procurement costs. Supply disruptions or delays could hinder project delivery, reduce customer confidence, and adversely affect its business performance, although no sourcing issues have arisen to date.

Reliance on Major Customers: The Group is dependent on three major customers – InstruEdar Teknologi Sdn Bhd, Malaysian Sheet Glass Sdn Bhd, and Nanjing Chemical Construction Sdn Bhd – which have contributed a significant portion of revenue during the financial periods under review. Although these customers include recurring clients and no disputes have arisen to date, any reduction or cessation of purchases could adversely affect the OGM's financial performance if not promptly replaced.

Dependence on Key Supplier: The Group is dependent on a major supplier, Crowcon Detection Instruments Ltd, which accounted for a significant proportion of total purchases during the financial periods under review. This supplier provides detection instruments essential to the gas detection solutions segment. Any disruption or inability to secure timely alternative suppliers could affect the Group project execution, business operations, and financial performance, although no supply issues have been encountered to date.

Lack of Long-Term Customer Contracts: OGM does not have long-term contracts with customers, as sales are project-based and driven by customers' operational needs. This absence may result in fluctuating sales and uncertainty in revenue visibility, as customers are not obligated to provide repeat business. The Group's future performance depends on its ability to secure new projects from existing and new customers, with no assurance of sustained demand.

Industry Outlook

The Malaysian environmental monitoring industry is supported by a broad base of end-user industries, including manufacturing, oil and gas, and energy generation. Despite cyclical market trends, the industry has demonstrated steady growth driven by stricter environmental regulations, ongoing industrial expansion, and heightened public awareness of environmental protection. Factors such as transboundary haze, river pollution incidents, and the introduction of enhanced Environmental, Social, and Governance ("ESG") and sustainability reporting requirements in 2024 are expected to further strengthen demand. These developments present favourable long-term growth prospects for the Group within a structurally expanding industry.

DEFINITION OF RATINGS

Eco Asia Investment Advice uses the following rating system:

STOCK RECOMMENDATION

BUY Total return (price appreciation plus dividend yield) is expected to exceed 10% in the next 12 months.
TRADING BUY Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain.
HOLD Share price may fall within the range of +/- 10% over the next 12 months
TAKE PROFIT Target price has been attained. Fundamentals remain intact. Look to accumulate at lower levels.
TRADING SELL Share price may fall by more than 15% in the next 3 months.
SELL Share price may fall by more than 10% over the next 12 months.
NOT RATED Stock is not within regular research coverage.

SECTOR RECOMMENDATION

OVERWEIGHT The Industry as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index over the next 12 months
NEUTRAL The Industry as defined by the analyst's coverage universe, is expected to perform in line with the relevant primary market index over the next 12 months
UNDERWEIGHT The Industry as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index over the next 12 months

Applicability of ratings

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

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