

29 June 2015

Sedania Innovator Berhad

Innovating Convenience

By the Kenanga Research Team | research@kenanga.com.my

En-route to listing on the Ace Market, Sedania Innovator Berhad (SEDANIA) is looking to: (i) expand its presence regionally, as well as (ii) further enhancing its Airtime Sharing Solutions platform. With the strong business relationship and support from Celcom (c.80% contribution to its FY14's turnover) as well as Robi Axiata, SEDANIA is believed to expand its regional presence riding on Axiata's regional footprint. Moving forward, the group's prospect mainly depends on the success of developing new products/services as well as venturing into new markets. We have a fair value of RM0.41 for SEDANIA, based on a targeted FY16E PER of 12x, in-line with the FBMSC's PER of 11.9x.

Riding on Axiata's regional footprint. SEDANIA has established a strong relationship with Celcom over the past 10 years. Leveraging on its success with Celcom, the Group has expanded its services to Maxis recently, as well as venturing into the Bangladesh market via Robi Axiata, which is 99% wholly-owned by the Axiata Group. Moving forward, we understand that SEDANIA has an intention to venture into Indonesia and the Indo-china region through strategic partnerships, which could provide the group exposure into a c.255m market population.

Innovative new services waiting to be unveiled. Apart from providing the traditional services (ATS transfer and ATS request), management also intends to introduce a few new innovative services/features over the next two years to gain more subscriptions. These include: (i) the GreenBilling mobile application (a centralized electronic billing depository), where it enables users to consolidate and make payments for multiple bills (utilities, banking and taxes etc.) from their mobile phone; (ii) enhanced ShareShare mobile application, which is a centralized platform that allows users to conduct voice, network and data sharing. Management is optimistic that these new products could further drive earnings growth moving forward.

Dependent on strategic partners' prospect and products innovation. As SEDANIA's turnover is mainly contributed by Axiata's subsidiaries companies, its earnings outlook is very much dependent on the latter's prospects & strategies. Meanwhile, the group being involved in a fast-pace and ever-changing technology-based industry, its prospect is also dependent on the ability in developing/enhancing/innovating new products/services to keep abreast with the latest technology trend.

NOT RATED, Fair value at RM0.41. We expect SEDANIA to register a core net profit of RM7.5m (+2.8%) and RM6.8m (-8.9%), in FY15 and FY16, respectively, underpinned by: (i) 10%-12% revenue growth in revenue for FY15-FY16, (ii) effective tax rate of 2% in FY15, and (iii) statutory corporate tax rate of 25% post May-FY16 (assuming no extension in its MSC Status, which is set to expire on 9 May 2016). Our fair value of RM0.41 is based on 12x FY16E core EPS of 3.4 sen, which is in line with FBMSC's PER of 11.9x. We view this valuation to be justified in view of its profitability as compared to industry peers which are mostly in the red.

However, the fair valuation could enhance to RM0.48 (based on an unchanged PER of 12x against FY16 EPS of 4.0 sen) if and when SEDANIA prove able to extend its MSC Status, which could lower its effective tax rate to ~2%, judging from its historical track records.

NOT RATED

Price: **RM0.38**

Fair Value Range: **RM0.41-0.48**

Share Price Performance

KLCI	1710.47
YTD KLCI chg	-2.9%

Major Shareholders

SCSB	50.04%
MAM PE Asia Fund 1	12.50%
Datuk Noor Azrin bin Mohd Noor	5.96%

IPO Proceeds

	RM m
Capital Expenditure	4.0
Marketing Expenses	4.1
R&D Expenses	2.5
Working Capital	6.757
Estimated listing expenses	2.2
Total	19.557

Summary of IPO

Enlarged Share Capital (m)	200.0
IPO Price (RM)	0.38
Market Capitalisation upon listing (RM,m)	76.0

Summary Earnings Table

FY Dec (RM'm)	2014A	2015E	2016E
Turnover	11.4	12.5	14.0
EBIT	6.5	6.3	8.2
PBT	6.5	6.3	8.2
Net Profit (NP)	6.4	6.2	6.8
Core Net Profit	7.3	7.5	6.8
Consensus (NP)	N.A.	N.A.	N.A.
Earnings Revision	N.A.	N.A.	N.A.
EPS (sen)	3.2	3.1	3.4
EPS growth (%)	-7%	-3%	10%
DPS (sen)	0.0	0.0	0.0
BVPS RM)	0.2	0.3	0.3
PER (x)	11.9	12.3	11.1
PBV (x)	1.8	1.4	1.1
P/NTA (x)	1.8	1.4	1.1
Net Gearing (x)	N.Cash	N.Cash	N.Cash
Dividend Yield (%)	0.0%	0.0%	0.0%



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1. Investment Merit

Dancing with Robi Axiata. SEDANIA's ATS Solutions is made available in Bangladesh under its partnership with Robi Axiata (under the name "Quick Share"). The huge young population throughout the country provides a vast potential for digital contents to be delivered over the internet or mobile, with the maturing mobile user base expected to begin accessing more mobile services and contents. The growing individual income coupled with more attractive products/packages launching could provide new growth opportunities for mobile content and solutions' players in Bangladesh. Do note that during its maiden year in FY14, Robi Axiata has contributed c.20% to its FY14 topline. An independent research firm – IMR indicated that Bangladesh shows bright outlook ahead with the ICT industry driven by expansion in mobile-cellular phone and fixed broadband subscriptions. Besides, the government has also provided incentives such as exemption of income tax, value-added tax and custom duties. In the fiscal year 2012-2013, the size of the Bangladesh's ICT industry was estimated to be around USD800.0m with the local market contributing the bulk of the business activities.

Looking to expand its regional portfolio. SEDANIA has identified Indonesia and countries in the Indochina region as opportunities to grow its business moving forward. The penetration into new markets will be done through either direct partnerships with the MNOs or third party partnerships with local companies. While management is reluctant to elaborate more on its regional expansion plan, we believe there is a strong likelihood for SEDANIA to partner with XL Axiata (which has a subscriber base of 52.1m) to explore the Indonesian market. The strong business relationship with Celcom will allow SEDANIA to leverage on the connection to the former's parent company, Axiata Group, as well as its key operational companies.

Empowering convenient. Through its sustained R&D efforts, the group has identified niches in the telecommunication industry that can be improved to enhance the overall user experience of mobile users. The products developed by SEDANIA are characterised by ease of usage, which provides the group with an edge over its competitors and other credit transferring services. The group's ATS solutions were developed for the purpose of providing users with a simple solution for the reloading of Airtime Credit compared to the conventional methods, particularly at times where infrastructure to reload Airtime Credit is not ready available.

Continuous R&D initiatives to keep abreast of market trend. SEDANIA's prospect depends heavily on its ability to continuously create new mobile solutions and improve the quality of its existing products to capture new market share. The company is looking to utilize c.13% of its IPO proceeds for R&D purpose. The group's R&D initiatives have resulted in the development of its key product, namely ATS Solutions. Meanwhile, we also understand that the group's R&D team is constantly seeking to enhance its existing products while developing more platform products and services such as the SMS sharing platform, voice sharing platform, data-sharing platform and network sharing platform.

Strong relationship with its partners. SEDANIA has been able to maintain its strong relationship with its long-time partner, Celcom, whom SEDANIA has been operating with during their first phase of ATS platform back in year-2004. Over the years, the group and Celcom have continuously collaborated to implement various strategies, particularly for the promotion of its ATS Solutions and to increase product awareness. It is crucial for SEDANIA to maintain a healthy relationship with its MNO partners given that their business is heavily dependent on the latter which provide the infrastructure and gateways to its ATS Solutions.

2. Risk

Heavily dependent on contractual agreement with Celcom. SEDANIA has been dependent on their contractual agreement with Celcom since 2004 for the provisioning of their services using Celcom's infrastructure and gateway. Celcom contributed about 94.6%, 99.8%, 99.9% and 80% to the group's total revenue for FY11, FY12, FY13 and FY14, respectively. The concentration risk is evident during FY14, where the c.9% dip in ATS Transfer and Request revenues in FY14 was caused by the technical issues faced by Celcom as well as its lower subscriber base. However, the Group remain comfortable with Celcom being the major revenue contributor as they had been establishing and nurturing a working relationship for the past 10 years since 2004. The long-term business relationship suggests the satisfactory and beneficial business relationship for both parties to form a basis for continuous collaboration into the future.

Rapid change in technology. The mobile telecommunication industry is characterized as a fast-paced and ever-changing industry, where swift changes in technological developments influence and change consumer's needs. In particular, the Group is affected by the trend of emerging data mobile applications, whereby certain SMS-based services such as newswires and gaming results might face substitution. Therefore, the Group's future depends heavily on its ability to develop or enhance its existing products and services to keep abreast with the latest technology to ensure that their product and services remain relevant and in market demand.

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Political, economic and regulatory risk. The Group acknowledges that any adverse development in the political, economic and regulatory aspect in the countries that SEDANIA operates in could potentially affect their operations and financial performance. Currently, SEDANIA has business operations set up at locally, in Bangladesh and potentially Indonesia (as part of their future expansion plans). Despite the potential geopolitical risk, management looks to adopt a more prudent position and take heightened precautionary measures to mitigate the above mentioned risk.

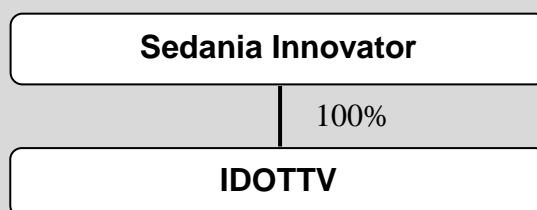
Foreign currency exchange risk. SEDANIA's business venture into the Bangladesh market through Robi Axiata is conducted in the local Bangladesh currency while payments to the Group are in USD. As such, any fluctuation in relation to the dealing currencies of the country's SEDANIA operates in will impact their financial performance.

3. Company Highlight

Sedania Innovator was incorporated in Malaysia on 17 December 2013 as a private limited company under the name of Sedania Innovator Sdn Bhd. On 22 September, the company was converted to a public limited company to serve as the investment holding company for the Sedania Innovator Group. On 24 July 2014, the company acquired IDOTTV, an aggregator (platform and service enabler), specialising in providing ancillary services to mobile subscribers by partnering service providers such as MNOs and utility companies for their infrastructure and gateway.

Company Structure

Company Structure



Source: Company, Kenanga Research

Sedania's Key Developments and Milestones

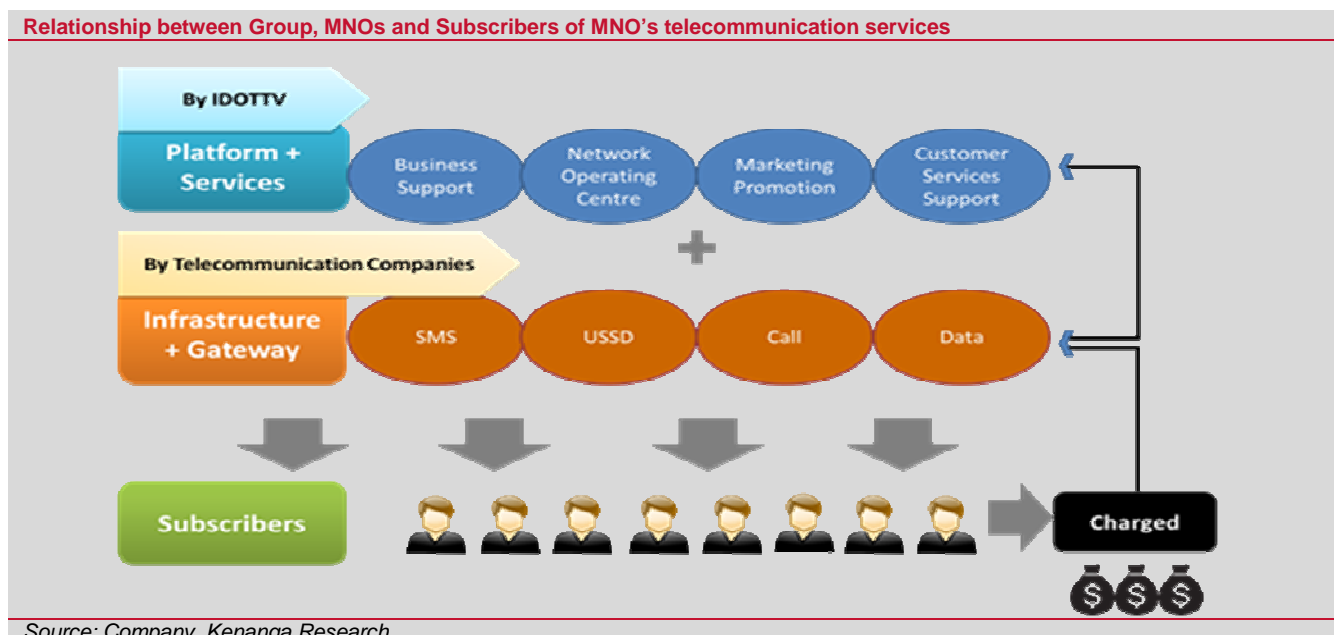
Key Developments and Milestones

Period	Description
2004	<ul style="list-style-type: none"> ▪ Incorporation of IDOTTV to develop media content ▪ Ventured into mobile technology and innovation ▪ Collaboration Agreement with Celcom for the provision of Celcom Airtime Share services
2005	<ul style="list-style-type: none"> ▪ Commercially launched Celcom Airtime Request services
2006	<ul style="list-style-type: none"> ▪ Granted MCS Malaysia status company by MDeC
2008	<ul style="list-style-type: none"> ▪ ATS transaction with Celcom hit 300,000 transactions per day
2009	<ul style="list-style-type: none"> ▪ ATS transaction with Celcom hit 400,000 transactions per day ▪ Renewal of agreement with Celcom for the provision of our ATS Solutions
2011	<ul style="list-style-type: none"> ▪ Conceptualised the eco-friendly GreenBilling© mobile application ▪ Winner of The International Arch of Europe Awards (Frankfurt) by Arch of Europe for Quality and Technology in Gold Category
2012	<ul style="list-style-type: none"> ▪ Winner of Corporate Social Responsibility Leadership Awards at Asia Pacific Young Business Conference ▪ Winner of WITSA Global ICT Excellence Awards (Montreal) – Sustainable Growth Awards for GreenBilling© Application
2013	<ul style="list-style-type: none"> ▪ Selected for the TERAS program under TERAJU ▪ Signed agreement with Rayyan Global for provision of ATS Solutions to Maxis subscribers ▪ Entered into an agreement with SIB for provision of ATS Solutions to subscribers of Robi Axiata in Bangladesh.

Source: Company, Kenanga Research

4. Business Overview

SEDANIA’s subsidiary IDOTTV is a platform provider and service enabler specialising (Aggregators) in providing ancillary services to mobile subscribers in Malaysia and Bangladesh. Being an aggregator, the Group act as the critical interface between content developers/providers and MNOs by providing a platform to the content developers/providers to sell and distribute their content through the mobile network. IDOTTV provides ancillary services to mobile subscribers by partnering service providers such as MNOs and utility companies for their infrastructure and gateway. The Group’s ATS platform is integrated into the MNO’s system and utilises the MNO’s infrastructure and gateway to reach subscribers. The platform serves as a base to support present and future developments of customised products and processes.



MNOs provide the telecommunications infrastructure and gateway as well several core services including telephone services, SMS, data services and USSD amongst others to its subscribers. The Group integrate their platform onto the MNOs infrastructure to provide mobile subscribers with their ATS Solutions and other support services such as marketing, promotion, product and customer support services. The subscribers will be charged for the usage of their services which is then distributed between the company, partners (if any) and the MNOs.

At present, the Group’s ATS Solutions are available in Malaysia on Celcom’s mobile network (Celcom Airtime Transfer and Celcom Airtime Request) and Maxis’s mobile network (Maxis 2 Transfer) networks. The Group’s ATS Solutions are also available in Bangladesh with Robi Axiata, under the product name “Quickshare”.

5. Products and Services

- 1) **ATS platform**
The company’s principle product is the ATS Solutions, which is a mobile sharing solution for the transfer of Airtime Credit from either prepaid or post-paid mobile subscribers to other prepaid subscribers within the same network at any time and place.
- 2) **SMS Sharing Platform**
SMS sharing platform is a mobile service that enables subscribers to request for emergency SMS when they have zero credit and send an automatic emergency alert/notification to other registered users within the same network.

6. Future plans, strategies and products

GreenBilling to make life convenient. One of the key developments coming from SEDANIA’s in-house R&D is the GreenBilling mobile application, a mobile payment function that enables customers via smart devices to receive, store and make payment simultaneously for multiple bills on their accounts. Management views that this revolutionary application could possibly catalyst the group’s earnings in the future given its advantage of: (i) simplicity and convenience, (ii) matching consumer and service provider directly, and (iii) value-added services such as budgeting tools, alerts and promotions by the service provider. SEDANIA plans to monetize GreenBilling by using their transaction-fee model used by its ATS solution. We have yet to take into account earnings contribution from this as the application is still in its beta-phase.

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Sharing is caring... Meanwhile, the group's R&D team is constantly seeking to enhance its existing products by developing more platform products and services such as the ShareShare mobile application, leveraging on the increasing number of smartphone users. The app act as a centralized SMS, voice, data and network sharing platform, an alternative to the traditional SMS-based platform. The ShareShare mobile application is also currently in its beta testing, hence we have also yet to take into account earnings contribution from this mobile application.

The roll-out timeline for the group's future product are scheduled as the table below:

Expected launch Period of future product	
Future Product/Enhancement	Launch Period
ATS Platform Enhancement	
(i) Phase 1 includes launch of the Enhanced Favourite Number and Enhanced Schedule Transfer	Launched in 1Q15
(ii) Phase 2 includes launch of the Application based ATS	3Q/4Q15
(iii) Phase 3 includes launch of the ATS Sharing Community Portal/Loyalty points	4Q15
(iv) Phase 4 includes launch of, community portal, geo-tagging, share or link to social networking services, social community chat and status updates features for application based ATS	1Q16
(v) Phase 5 includes payment gateway integration for in-app purchase for application based ATS	1Q16
GreenBilling Mobile Application	
(i) Phase I involves the implementation of the basic features of GreenBilling© including walkthrough pages to educate the users on the benefits of the Green Billing app, registration via email and add and view bill functions amongst others. The phase 1 of the GreenBilling© will be implemented in both iOS and Android platforms.	Launched in 4Q14
(ii) Phase II involves enhancement in registration and payment features to include login through social media, Payment, Payment History and Bill History features amongst others.	4Q15
(iii) Phase III, includes of launch additional features to enhance user experience by adding budgetary tools, amongst others, as well as providing service providers an alternative marketing tool to advertise their products or services.	1Q16
Voice Sharing Platform	2H15
Data Sharing Platform	1Q16
Network sharing platform	1Q16

Source: Company, Kenanga Research

7. Principal market and market share

For FY11-FY14, the principal market for SEDANIA's ATS Solutions is Malaysia, accounting for c.79.2%-c.99.98% to the Group's revenue. Currently, there are c.400 participants (inclusive of MNOs, aggregators and content developers/providers) within the mobile content and solutions industry. SEDANIA's market share among these 400 market participants for FY11-FY14 stood at c.0.3%. The Group's market share is derived by dividing its revenue (ranging from c.RM8.7m-c.RM11.4m for FY11-FY14, respectively) with the market size of the mobile content and solutions industry in Malaysia (ranging c.RM2.9b-c.RM4.2b for FY11-FY14, respectively).

Substantial Shareholders, Directors, and Key Management

Name	Designation
Substantial Shareholder	
MAM PE Asia Fund 1	-
Directors	
Y.Bhg.Tan Sri Abdul Halim bin Ali	Independent Non-Executive Chairman
Datuk Noor Azrin bin Mohd Noor	Managing Director
Noor Syafiroz bin Mohd Noor	Executive Director
Y.Bhg. Tan Sri Nuraizah binti Abdul Hamid	Independent Non-Executive Director
Datuk Syed Izuan bin Syed Kamarulbahrin	Independent Non-Executive Director
Koh Eu-Jin	Independent Non-Executive Director
Key management	
Azti Dian Fitriyanti binti Azmi	CEO
Rizalzin Hashim bin Mohamed	CFO
Dr. Hamidun bin Ja'afar	Deputy CTO/Acting CTO
Lai Pui Guan	Director of Communications

Source: Company, Kenanga Research

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Utilisation of proceeds from IPO

Purpose	RM m	%	Estimated Timeframe
Capital Expenditure	4.0	20.4	Within 24 months
Marketing expenses	4.1	21.0	Within 24 months
R&D expenses	2.5	12.8	Within 24 months
Working Capital	6.757	34.6	Within 12 months
Estimated listing expenses	2.2	11.2	Within 3 months
Total gross proceeds	19.557	100.0	

Source: Company, Kenanga Research

IPO Details**Allocation of Shares**

	Number of Shares allocated
Shares available for application by the Malaysian Public	9,000,000
Shares available for subscription by our Directors and eligible employees	1,000,000
Shares by way of private placement to selected investors	41,467,000

Total size of SEDANIA's Public Issue	51,467,000
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Share Capital

	RM
Authorised share capital	
500,000,000 ordinary shares of RM0.10 each	50,000,000
Issued and fully paid-up share capital as at the date of Prospectus	
148,533,000 ordinary shares of RM0.10 each	14,853,300
To be issued and credited as fully paid-up pursuant to the Public Issue	
51,467,000 new ordinary shares of RM0.10 each	5,146,700
Enlarged issued and paid-up share capital upon Listing	
200,000,000 ordinary shares of RM0.10 each	20,000,000

IPO Price	0.38
Market capitalisation upon Listing	76,000,000

Source: Company, Kenanga Research

8. Financial Analysis and Valuation

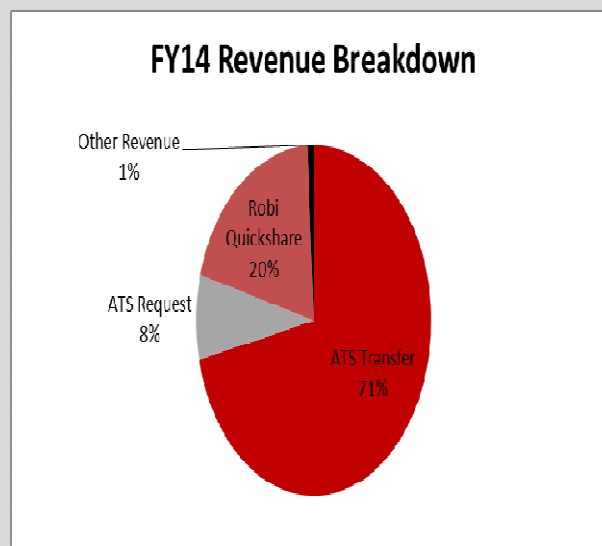
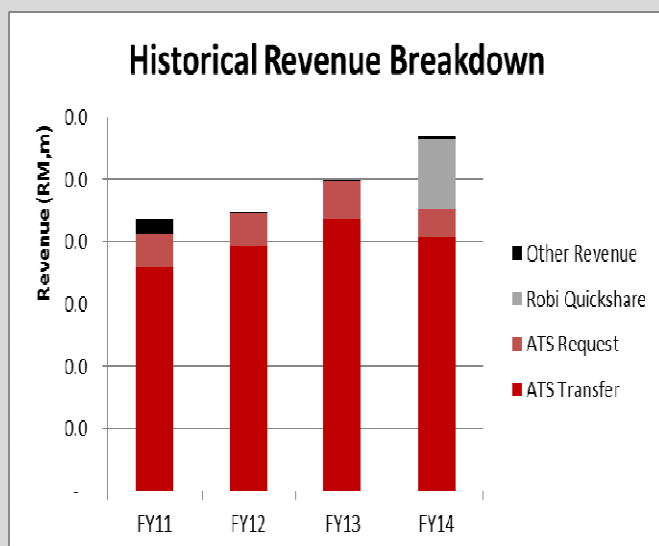
SEDANIA's turnover recorded a 3-year CAGR of 8.4% to RM11.4m in FY14, mainly driven by the: (i) increase in revenue contributions from ATS Solutions, and (ii) new revenue contribution from Robi Quickshare since FY14 (c.RM2.3m). In FY14, revenue from ATS Transfer services accounted for c.71% to the Group's topline, followed by c.20% contribution from Robi Quickshare and c.8% from ATS Request segment.

The group's FY14 revenue rose by 14.8% YoY to RM11.4m mainly underpinned by the new revenue contribution from Robi Quickshare. However, its EBITDA margin declined to 60.3% in FY14 from 73.6% in FY13 as a result of: (i) higher staff cost (due to the expansion to the Bangladesh market), (ii) higher marketing expenses (as a result of the ATS World Cup Campaign event), and (iii) listing expenses of RM0.9m. The lower EBITDA led the group's net profit to decline 6.9% YoY to RM6.4m in FY14. Stripping off the RM0.9m listing expenses, the group's core net profit would grow by 6.4% to RM7.3m in FY14.

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Revenue Breakdown



Source: Company, Kenanga Research

Moving forward, we are expecting the Group's Core Net Profit (after stripping off the RM1.3m listing expenses) to grow by 2.8% YoY to RM7.5m in FY15 and RM6.8m (-8.9% YoY) thereafter, mainly underpinned by: (i) a 10%-12% YoY growth in revenue for FY15- FY16 (where we expect the mobile contents and solutions' players to enjoy a multiplier effect on the back of 3%-4% YoY revenue growth in the overall telecommunication sector), (ii) effective tax rate of 2% in FY15 as aligned with its historical trend, and (iii) statutory corporate tax rate of 25% post FY16 (assuming no extension in its MSC Status, which set to expire on 9 May 2016).

We fairly value the stock at RM0.41/share based on a targeted FY16E PER of 12.0x. The targeted PER is in line with the FBM Small Cap PER of 11.9x. We view this valuation to be justified in view of its profitability as compared to its industry peers which are mostly in the red.

However, the fair valuation could enhance to RM0.48 (based on an unchanged PER of 12x against FY16 EPS of 4.0 sen) if and when SEDANIA prove able to extend its MSC Status, which could lower its effective tax rate to ~2%, judging from its historical track records.

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Income Statement						Financial Data & Ratios					
FYE Dec (RM m)	2012A	2013A	2014A	2015E	2016E	FYE Dec (RM m)	2012A	2013A	2014A	2015E	2016E
Revenue	9.0	9.9	11.4	12.5	14.0	Growth					
EBITDA	4.8	7.3	6.9	6.7	8.6	Turnover (%)	2.6%	10.9%	14.8%	10.1%	11.9%
Depreciation	0.5	0.3	0.3	0.4	0.4	EBITDA (%)	24.0%	53.0%	-6.0%	-3.0%	29.7%
Operating Profit	4.3	7.0	6.5	6.3	8.2	Operating Profit (%)	28.6%	62.4%	-6.3%	-3.7%	30.7%
Other Income	0.0	0.0	0.0	0.0	0.0	PBT (%)	28.8%	62.6%	-6.2%	-3.6%	30.7%
Interest Exp	0.0	0.0	0.0	0.0	0.0	Core Net Profit (%)	61.0%	59.8%	6.4%	2.8%	-8.9%
Associate	0.0	0.0	0.0	0.0	0.0	Profitability (%)					
Exceptional Items	0.0	0.0	0.9	1.3	0.0	EBITDA Margin	53.3%	73.6%	60.3%	53.1%	61.6%
PBT	4.3	7.0	6.5	6.3	8.2	Operating Margin	48.0%	70.4%	57.5%	50.3%	58.7%
Taxation	0.0	0.1	0.2	0.1	1.4	PBT Margin	47.9%	70.3%	57.4%	50.3%	58.7%
Minority Interest	0.0	0.0	0.0	0.0	0.0	Core Net Margin	47.8%	68.9%	63.8%	59.6%	48.6%
Net Profit	4.3	6.8	6.4	6.2	6.8	Effective Tax Rate	0.2%	2.0%	2.7%	2.0%	17.3%
Core Net Profit	4.3	6.8	7.3	7.5	6.8	ROA	N.A.	43.1%	29.1%	22.3%	18.9%
						ROE	N.A.	45.7%	29.9%	22.5%	19.9%
Balance Sheet						DuPont Analysis					
FYE Dec (RM m)	2012A	2013A	2014A	2015E	2016E	Net Margin (%)	47.8%	68.9%	55.9%	49.3%	48.6%
Fixed Assets	1.7	1.4	2.7	6.3	6.6	Assets Turnover (x)	N.A.	0.6x	0.5x	0.5x	0.4x
Intangible Assets	0.0	0.0	0.0	0.0	0.0	Leverage Factor (x)	N.A.	1.1x	1.0x	1.0x	1.1x
Other FA	0.0	0.0	0.0	0.0	0.0	ROE (%)	N.A.	45.7%	29.9%	22.5%	19.9%
Inventories	0.0	0.0	0.0	0.0	0.0	Leverage					
Receivables	12.5	11.5	13.8	15.1	16.9	Debt/Asset (x)	N.A.	0.0	0.0	0.0	0.0
Other CA	2.0	0.0	0.0	0.0	0.0	Debt/Equity (x)	N.A.	0.0	0.0	0.0	0.0
Cash	2.9	3.0	5.5	6.2	12.6	Net Cash/(Debt)	N.A.	2.9	5.5	6.2	12.6
Total Assets	19.1	15.9	21.9	27.7	36.2	Net Debt/Equity (x)	N.A.	0.2	0.3	0.2	0.4
Payables	0.0	0.0	0.3	0.0	0.0	Valuations					
ST Borrowings	0.1	0.1	0.1	0.0	0.0	EPS (sen)	2.1	3.4	3.2	3.1	3.4
Other ST Liability	2.3	0.8	0.2	0.2	1.8	GDPS (sen)	0.0	0.0	0.0	0.0	0.0
LT Borrowings	0.1	0.0	0.0	0.0	0.0	NTA (RM)	N.A.	0.1	0.2	0.3	0.3
Other LT Liability	0.0	0.0	0.0	0.0	0.0	PER (x)	17.7	11.1	11.9	12.3	11.1
Minorities Int.	0.0	0.0	0.0	0.0	0.0	Gross Div. Yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Net Assets	16.6	15.0	21.3	27.5	34.3	P/NTA (x)	N.A.	2.5	1.8	1.4	1.1
Share Capital	2.0	2.0	14.9	14.9	14.9	EV/EBITDA (x)	N.A.	10.0	10.3	10.5	7.3
Reserves	14.6	13.0	6.5	12.7	19.5						
Equity	16.6	15.0	21.3	27.5	34.3						
Cashflow Statement											
FYE Dec (RM m)	2012A	2013A	2014A	2015E	2016E						
Operating CF	NA	5.7	4.1	4.8	7.1						
Investing CF	NA	2.7	0.0	(4.0)	(0.7)						
Financing CF	NA	1.2	12.8	(0.1)	0.0						
Change In Cash	NA	9.6	16.9	0.7	6.4						
Free CF	NA	4.3	4.1	0.8	6.4						

Source: Kenanga Research

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Stock Ratings are defined as follows:**Stock Recommendations**

- OUTPERFORM : A particular stock's Expected Total Return is MORE than 10% (an approximation to the 5-year annualised Total Return of FBMKLCI of 10.2%).
- MARKET PERFORM : A particular stock's Expected Total Return is WITHIN the range of 3% to 10%.
- UNDERPERFORM : A particular stock's Expected Total Return is LESS than 3% (an approximation to the 12-month Fixed Deposit Rate of 3.15% as a proxy to Risk-Free Rate).

Sector Recommendations***

- OVERWEIGHT : A particular sector's Expected Total Return is MORE than 10% (an approximation to the 5-year annualised Total Return of FBMKLCI of 10.2%).
- NEUTRAL : A particular sector's Expected Total Return is WITHIN the range of 3% to 10%.
- UNDERWEIGHT : A particular sector's Expected Total Return is LESS than 3% (an approximation to the 12-month Fixed Deposit Rate of 3.15% as a proxy to Risk-Free Rate).

*****Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

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