

14767/09/2012(030761)

Tuesday, 15 March 2016



“Cash Rich Pesticide Maker”

Imaspro Corporation Berhad (Imaspro) is engaged in the manufacturing, distribution and trading of pesticides, plant micronutrients and other agrochemicals in Malaysia and abroad. Having more than 32 years of experience in trading & manufacturing agrochemical industry, Imaspro has penetrated into over 30 countries with its top export markets being Bulgaria, Indonesia, Vietnam and Australia. We initiate coverage on Imaspro with a **BUY** call and target price of RM2.26 based on 30% discount on selected small-cap plantation stocks PER of 24x, for a resultant PER of 17x. Upside potential is a good 16%.

Investment Highlights:

i. Constantly on the lookout for off-patent products.

Over the years, Imaspro has gained first-mover advantage to register some well-known off-patent pesticides namely Diafenthiuron (used to control the damage from whitefly), Cyhalofop-butyl (used for rice crop protection), Imidacloprid (used for flies control) and Temephos (used to fight mosquitos), to name a few.

ii. **Open up new market in Myanmar.** As at 30 June 2015, Imaspro has registered 17 products in Myanmar and these are expected to fully contribute to the group's earnings in FY17. To recap, Imaspro had already obtained license in 2011 from Myanmar authorities to introduce its products (weed killer, insect and fungus pesticides) in the country. The management anticipates similar earnings contribution in Myanmar as in Vietnam in the coming quarters, indicating a potential sales turnover of RM5 million per year.

BUY (TP:RM2.26)

Current Price (RM)	RM1.94
New Target Price (RM)	RM2.26
Previous Target Price (RM)	N.A
Previous Recommendation	BUY
Upside/(Downside) To Target	16%
Dividend Yield (FY16)	2%

Stock Code

Bloomberg	IMAS MK
-----------	---------

Stock Information

Listing	MAIN MARKET
Sector	Agricultural Chemical
Shariah Compliance	Yes
Issued Shares (mn)	80.0
Market Cap (RM mn)	155.2
YTD Chg in Share Price	1.0%
Beta (x)	N.A
52-week Hi/Lo (RM)	2.05 1.40
3M Average Volume (shrs)	0.12mn
Estimated Free Float	8.5%

Major Shareholders

Swiss Revenue Sdn Bhd	42%
Yu Kuan Chon	17%
Lembaga Tabung Haji	5%

iii. Hefty Cash Hoard. Imaspro has been making steady profits over the past 42 quarters (approx. 10.5 years) since its listing in 2006, accumulating a hefty cash pile of RM65.7 million as at 31 Dec 2015. This translates into RM0.82 cash/per share or making up 42% of its current price of RM1.94. The latest Q2 FY16 result revealed that the cash and bank balances were 3.6x higher than the group's total liabilities, implying remarkably strong balance sheet for small-cap company like Imaspro.

iv. Potential Acquisition in the Making. We understand that Imaspro had pushed itself for organic growth few years back without yielding encouraging results. Nevertheless, sitting on a huge cash pile gives Imaspro a second chance to grow bigger from merger & acquisitions or other synergistic corporate exercise. According to the management, Imaspro is currently undergoing negotiation with a target company in the same industry which would likely to come into fruition the earliest by FY16, assuming the deal is well on track. However, we are yet to factor in any potential corporate exercise in our earnings model for the time being.

v. Selected Risk Factors.

- Shortage of raw materials.
- Fluctuations in raw material prices.
- Change in agricultural practices.

vi. Earnings Outlook. Moving forward, we expect razor thin earnings growth for FY16 given the risk of economic slowdown and bleak CPO price outlook that may rein in demand for Imaspro's products. However, we anticipate better years ahead for Imaspro in FY17/18 as the management projects a double-digit growth in the top-line spurred by clear prospect in new markets like Myanmar as well as proven equivalent of Imaspro's glyphosate products in the EU countries.

vii. Valuation and Recommendation. We assign a target PER of 17x based on a 30% discount to plantation PER of 24x and pegged to FY17 EPS of 13.5 sen, arriving at price target of RM2.59 which we deem reasonable given: 1) new growth to be seen in Myanmar market, 2) recovery of plantation industry amid lower stockpile, 3) adverse weather condition (e.g. El Nino) that causes more active pest activity that will push demand for Imaspro's products. We initiate Imaspro with a **BUY** call with 16% upside to its last closing price of RM1.94.

Company profile

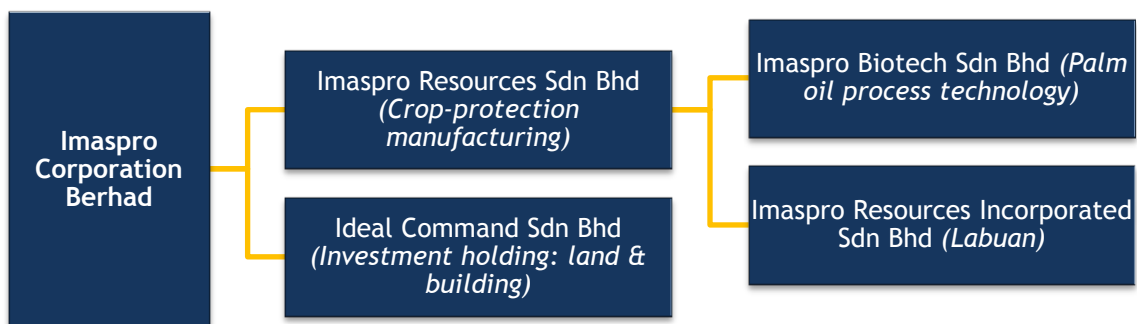
Imaspro was incorporated in June 2004 in Malaysia. It principally engages in the manufacturing of pesticides and plant micronutrients, distribution and agency of pesticides and other agrochemicals. The business activities are mainly operated by its two wholly-owned subsidiaries named Imaspro Resources Sdn Bhd (IRSB) and Imaspro Command Sdn Bhd (ICSB). The history of the business can be traced back in 1983 when Protrade Sdn Bhd was incorporated and subsequently changed its name in 1993 to IRSB before Mr. Tong Chin Hen, the current managing director, took over IRSB. Imaspro was listed on the Second Board on 20 January 2006 at an IPO price of RM0.75

Imaspro mounted on regional expansion and had its first venture in export markets in 1993. In 1996, Imaspro ventured into repacking of pesticides and widened its manufacturing operations to include herbicides, insecticides and fungicides in 1998. This had transformed Imaspro from a small trading company to a seasoned player in the industry, offering a wide range of strictly-compliance agrochemical products.

While 50% of Imaspro’s products are sold locally, another 50% are marketed in 30 countries such as Bulgaria (13%), Indonesia (9%) and others (28%) including Vietnam, Australia and Lebanon. There are 2 main distribution channels with one targeting end-users (local government agencies) and another distributing via intermediaries to third parties including dealers, distributors, importers and wholesalers.

Today, company’s administrative headquarters is based in Klang, Selangor, which is approximately 50km from Kuala Lumpur, while its manufacturing plant is in Port Klang. Besides, there is a 43-acre BioScience Research Center in Melaka (R&D Centre) to facilitate profiling of new pesticides and evaluating new pesticides formulation for optimal bio-efficiency.

Figure 1: Organization chart



Source: Company

Business overview

Manufacturing of pesticides and plant micronutrients. Imaspro’s manufacturing activities are carried out in its plants situated in North Port, Klang and categorized into: 1) manufacturing of glyphosate related herbicides; 2) manufacturing of non-glyphosate related herbicides; 3) manufacturing of plant micronutrients, insecticides, etc.

While most of the products are manufactured in-house which has an estimated production capacity of >20 million liters/annum, the manufacturing activities are also carried out via other mediums such as 1) outsourcing whereby Imaspro supplies active ingredients to third parties to manufacture the required pesticides based on the Group’s specified formulations and brand names as well as 2) repackaging whereby Imaspro purchases the finished goods in bulk which accord to the Group’s formulation and repack them in its own premises.

Trading & agency. Capitalising on strong track record over the past 32 years in the industry, Imaspro has an extensive network of intermediaries made up by dealers, distributors, importers and wholesalers in both local and overseas markets. Imaspro has also been appointed as an agent for a range of products comprising herbicides, insecticides and other agrochemicals for some noted MNCs namely Dow AgroSciences (South Africa) Pty Ltd, Bayer CropScience (M) Sdn Bhd and Nissan Chemical Industries (Japan) Ltd.

Figure 2: Distribution strategy

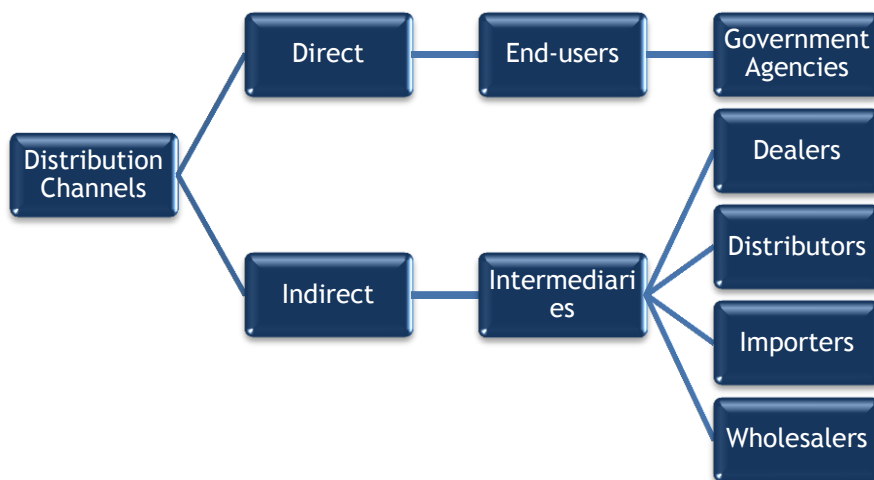
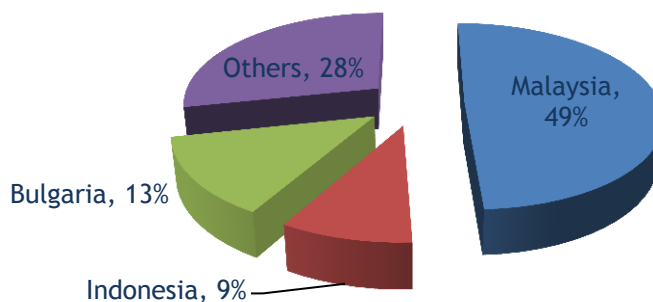


Figure 3: Geographical sales breakdown for FY15



Generic agrochemical products provider

In this highly regulated pesticide industry, all kinds of pesticides are required for registration before they're manufactured and sold to the market. As at 30 June 2015, Imaspro had 332 products worth some RM20 million registered under its name in 23 countries comprising result-proven herbicides, insecticides, fungicides and other agrochemical products. Out of the 332 products, 144 are registered overseas including the world's most populous countries such as China, USA and Indonesia.

Given the nature of time-consuming and arduous process for product registration, it generally takes 2-5 years to gain approval from the authority before it's sold to the markets. This forms high barriers to entry for new players while long established players with proven track record like Imaspro are set to enjoy competitive advantage among its peers.

Figure 4: Principal products

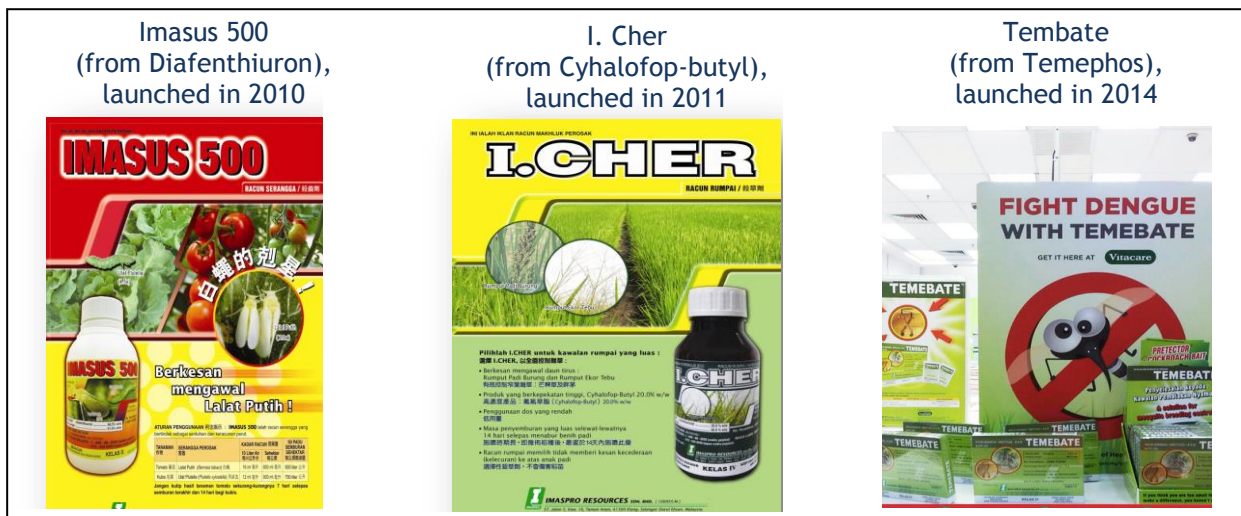
Product range	Descriptions
Herbicides	Used in weed control to suppress and kill the weeds or other unwanted vegetation. This product segment contributes >50% of the total revenue, specifically from the glyphosate-based herbicides which is strongly absorbed by soil particles, preventing it from excessive leaching by non-target plants.
Insecticides	Used to eliminate insects and bugs in various crop areas such as plantation crops, cash crops, fruit orchards and paddy fields. Imaspro has jointly owned the 'oil-in-water' insecticides, the first palm-based solvent which has been granted 100% tax free Pioneer Status in Malaysia until Dec 2017.
Fungicides	Used to kill or inhibit fungi or fungal spores which caused serious damage particularly in agriculture.
Plant micronutrients	Used for plant growth, plant metabolism and their external supply, in minute amount ranging from 5-200ppm or less than 0.02% dry weight

Source: Company, M&A Securities

Constantly on the lookout of off-patent products

Under Mr. Tong's stewardship, Imaspro has been actively on the lookout for expired pesticides and file for registrations. Over the years, Imaspro has gained first-mover advantage to register some well-known off-patent pesticides namely Diafenthiuron (used to control the damage from whitefly), Cyhalofop-butyl (used for rice crop protection), Imidacloprid (used for flies control) and Temephos (used to fight mosquitos) to name a few.

Figure 5: Selected Off-Patent Products



Source: Company

Lean & capable in-house R&D

The company's continuous R&D emphasis on product development is also yielding positive results. There is at least 1 new product introduced by Imaspro every year since 2008, including the world renowned Envo-Cyper 100, a hi-loading bio-palm based insecticide jointly developed with Malaysian Palm Oil Board in 2008 and the world's first bio-palm based herbicides for weed control Q-Weeder introduced in 2013.

In 2015, Imaspro launched Preminator Cockroach Bait with the concept of 'attract and kill' by mixing the bait with attractive food which would allow the bait toxicant to be brought back to the cockroach's nesting site and further destroying its colony.

At the helm of hands-on management team, there were only 7 personnel in R&D department out of the total 89 manpower as at 31 Dec 2015. The company allocates approximately 1% of its annual sales turnover to R&D activities to re-engineer and improve agrochemical products based on existing and off-patent formulations.

Hefty cash hoard

Imaspro has been making profits over the past 42 quarters (approx. 10.5 years) since its listing in 2006, accumulating a hefty cash pile of RM65.7 million as at 31 Dec 2015. This translates into RM0.82 cash/per share or making up 42% to its current price of RM1.94. Imaspro managed to survive in the Global Financial Crisis (2008) & European Sovereign Debt Crisis (2010) when the company suffer to pass on the increase of raw material prices to beleaguered customers from Eastern Europe and subsequently which subsequently, led to a 23% fall in export sales. Moreover, it has also been committed to its yearly dividend payout of 0.35 sen without a miss, thanks to its traditionally low debt level and prudent cost control practice over the years. The latest quarter result revealed that the cash and bank balances alone were 3.6x higher than the group's total liabilities.

Earnings Outlook

Open up new market in Myanmar

Agriculture is the backbone of Myanmar's development where 70% of its 54 million people make their living from agriculture. However, most farms are found with low productivity and low returns weighed by several constraints including poor quality of seeds and misuse of fertilizers and pesticides. This opens up a window of opportunity for Imaspro to tap into the 12.8 million hectares of cultivated land in Myanmar where the supply of fertilizers and pesticides has proven to be a problem.

As at 30 June 2015, Imaspro has registered 17 products in Myanmar and these are expected to fully contribute to the group's earnings in FY17. To recap, Imaspro had already obtained license in 2011 from Myanmar authorities to introduce its products (weed killer, insect and fungus pesticides) into the country. The management anticipates similar earnings contribution in Myanmar as in Vietnam in the coming quarters, indicating a potential sales turnover of RM5 million per year.

Poised for a comeback

The prolonged weak CPO prices would see a ray of hope to rebound with the occurrence of El Nino phenomenon, expecting a significant cut of production in 2 major CPO producing countries - Indonesia & Malaysia. In Figure 6, the CPO price once dived to the lowest level (after 2008 crisis) of RM1,867/tonne in August 2015 before rebounding to recent high of RM2,639/tonne (YTD +2.1%). The recovery in CPO prices will lift demand for agrochemical products to improve the fresh fruit bunch (FBB) yields.

Figure 6: 5-year CPO Prices



Source: Bloomberg

Moreover, the adverse weather conditions that generates warmer and wetter environment will favour pest activity and improve the demand of pesticides in the consumer market where Imaspro has been catering to and will continue to focus on in the coming future.

Potential Acquisition In The Making

We understand that Imaspro had pushed itself for organic growth a few years back by investing in human capital to expand its business portfolio, yet it has gone in vain ultimately. Nevertheless, sitting on a huge cash pile gives Imaspro a second chance to grow into a bigger player from merger & acquisitions or other synergistic corporate exercises. According to the management, Imaspro is undergoing negotiation with a target company in the same industry which would likely to come into fruition at the earliest by FY16, should the deal and planning stay well on track. However, we are yet to factor in any potential corporate exercise into our earnings model for the time being.

Industry overview

Agrochemicals play a key role in the growth and development of the local agriculture industry as it is the largest user of pesticide. According to Deputy Agriculture and Agro-Based Industry Minister Datuk Seri Tajuddin Abdul Rahman, Malaysia has been dependant on food imports with at least RM18 billion spent on rice, vegetables, fruits, etc in 2014. Better corp quality and corp yield which requires proper usage of agrochemicals can mitigate food shortages and help achieve food self-sufficiency.

As such, under the 11th Malaysia Plan, the Government is promoting the agro-food subsector to meet the targeted self-sufficiency level of key food commodities (e.g. 100% for rice, 95% for vegetables, 50% for beef). The palm oil subsector, on the other hand, is projected to expand by 3% underpinned by increasing number of matured plantations especially in East Malaysia. To sum up, the agriculture sector is projected to grow by 3.5% p.a. (versus that of 2.4% in 10th MP) through the modernisation of the sector supported by greater innovation and R&D initiatives.

There are a number of major end-user sectors of pesticides where demand is generated from, for instance 1) plantations including oil palm, rubber, pepper, tobacco, and cocoa; 2) horticultural including flowers, fruits and vegetables; 3) crops including paddy, corn and sugar cane; 4) landscaping including golf courses, hotel resorts and others

The demand is fetched from both local and overseas MNCs in this moderately competitive market due to its high barrier to entry. On the local front, Imaspro is facing competition from Agricultural Chemical (M) S/B, Ancom Crop Care S/B, Kenso Corporation (M) S/B, Halex (M) S/B, Hextar Chemicals S/B, Zagro Chemicals S/B and Serba Kimia S/B to name a few. Some famous MNCs are also holding the cards including Monsanto (M) S/B, Syngenta Crop Protection S/B, Dow Agroscience (M) S/B, Du Pont Malaysia S/B, Nufarm Malaysia S/B, etc.

We reckon Imaspro has been performing remarkably well in the face of both local and foreign competitors which have much bigger market share and more diversified product portfolio. In fact, Imaspro delivered a 3-year CAGR in net profit of 25%, staying in net cash position for 10 consecutive years since listing. Growing steadily, as at 1 Dec 2015, Imaspro has added another 33 products (+230% y-o-y) into its portfolio.

Selected Risks

- 1) **Shortage of raw materials.** As most of the raw materials come from overseas and hence, any shortages in supply of raw materials can cause disruption in the manufacturing process, resulting delays in the delivery. However, Imaspro has built strong network for sourcing of raw materials across the globe to prevent this from happening.
- 2) **Fluctuations in raw material prices.** The price of petroleum-based raw materials such as mineral oil based surfactants and solvents fluctuate in tandem with the movements of crude oil prices which may hamper profit margins. Being an individual buyer of these raw materials, Imaspro has virtually no control over the prices of raw materials. Notwithstanding that, the company can factor in the cost increase into the selling price which is a practise in the industry.
- 3) **Change in agricultural practices.** The worsening global warming phenomenon has caused a shift from the conventional farming to a more environmentally-friendly organic farming techniques which would cut down or eliminate the use of chemical pesticides. Nevertheless, the group has developed product portfolio which can be used by organic farmers such as the water-based insecticide Aquamos.

Earnings Review

Imaspro's 2H FY16 revenue touched RM38 million, down RM6.1 million or 13.8% y-o-y due to the delay in the occurrence of El Nino, causing its overseas customers to stock up at a later stage as well as a setback in local demand. The impact was however, was cushioned by prudent cost control by the management that ultimately delivered the 6-month ended 2015 PBT of RM5.5 million, suggesting a merely 0.5% y-o-y fall. We reckon the earnings down-cycle will not last as the adverse weather will, however, boost demand for the pesticide usage in the coming quarters.

Moving forward, the earnings growth in FY16 could be razor thin given the economic slowdown and bleak CPO prices that rein in the demand for Imaspro's products. However, we anticipate better years for Imaspro in FY17/18 when the management projects double-digit growth in the top-line given a clear prospect in new markets like Myanmar as well as proven equivalent of Imaspro's glyphosate products in the EU countries. We expect it's bottom-line to hit RM10.8 million and RM11.2 million in FY17 and FY18, respectively.

Valuation & Recommendation

Imaspro's revenue base is well diversified across various agriculture sector as well as consumer market. Its long established track record and recession-proof business models under B2B , B2G and B2C strategies offers investors more defensive and far cheaper exposure to the plantation sector, with minimal exposure to the volatile commodity prices. Imaspro is currently trading at an undemanding FY17 PER of 14x, representing 41% discount to the local plantation sector PER (comprising 7 small-cap plantation companies with annual revenue of <RM120 million) of 24x.

Initiation Coverage - Imaspro Corporation Bhd

Due to limited comparability, we only see two closest peers to Imaspro namely Ancom Berhad and Halex Holdings Berhad of which their consensus estimates are not available. We then assign a target PER of 17x based on a 30% discount to mid-small capitalisation players plantation PER of 24x and pegged to FY17 EPS of 13.5 sen, arriving at price target of RM2.26 with 16% upside to its last closing price. We initiate imaspro with a **BUY** call, cautiously optimistic on its FY16 earnings result while upbeat on FY17/18 earnings prospects given its: 1) new growth to be seen in Myanmar market, 2) recovery of plantation industry amid lower stockpile, 3) adverse weather condition (eg. El Nino) causes more active pest activity will potentially pick up the demand of Imaspro's products.

Figure 7: Peers Comparison

Company	Year End	Price (RM)	EPS (sen)		P/E (x)		P/B (x)		ROE (%)	Target Price (RM)	Call
			2014	2015	2014	2015	2014	2015			
Imaspro	Jun	1.91	12	12	16	16	1	1	8	2.59	BUY
Ancom	May	0.36	3	-1	12	-1	0	1	0	NR	NA
Halex	Dec	0.51	2	2	26	26	1	1	2	NR	NA
Average			6	4	18	14	1	1			

Source: Bloomberg, M&A Securities

Figure 8: Financial Forecast

FYE Jun (RM million)	FY14A	FY15A	FY16F	FY17F	FY18F
Revenue	108	105	105	116	121
EBITDA	13	15	14	16	16
D&A	-2	-2	-2	-2	-2
EBIT	11	13	12	14	14
Net interest income	0	0	0	0	0
PBT	11	13	12	14	14
Tax	-2	-3	-2	-3	-3
PAT	9	10	9	11	11
MI	0	0	0	0	0
PATMI	9	10	9	11	11
EPS	11	13	12	13	14
EBITDA margin	12%	14%	13%	13%	13%
EBIT margin	10%	12%	11%	12%	12%
PBT margin	10%	12%	11%	12%	12%
Net profit margin	8%	9%	9%	9%	9%
PER (x)	17	16	17	14	14
P/BV (x)	1	1	1	1	1
Dividend (sen)	4	4	4	4	4
Dividend yield	2%	2%	2%	2%	2%

Source: Company, M&A Securities

Figure 9: Cash Flow Statement

FYE JUN (RM million)	FY14A	FY15A	FY16F	FY17F	FY18F
Pretax profit	11	13	12	14	14
D&A	2	2	2	2	2
Tax paid	-3	-2	-3	-2	-2
Changes in WC	2	11	0	-4	-6
Others	4	0	1	1	1
Operating cashflow	16	24	12	9	8
Capex	-6	-1	-2	-2	-3
Others	0	-8	0	0	0
Investing cashflow	-6	-9	-2	-2	-3
Dividend paid	-3	-3	-3	-3	-3
Others	0	2	0	0	0
Financing cashflow	-3	-1	-3	-3	-3
Net cash flow	7	13	7	4	2
Cash beginning	27	33	47	54	58
Cash ending	33	47	54	58	60

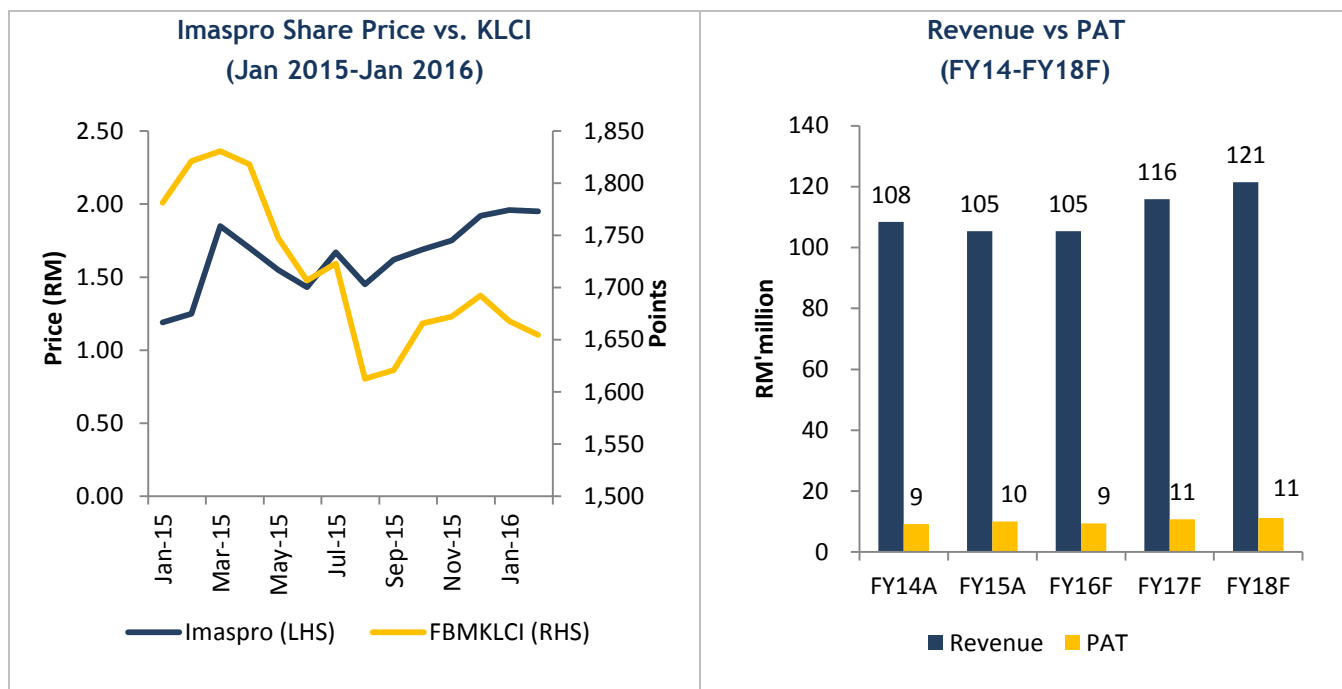
Source: Company, M&A Securities

Figure 10: Balance Sheet

FYE JUN (RM million)	FY14A	FY15A	FY16F	FY17F	FY18F
Non-current assets					
PPE	24	23	24	25	26
Investment property	0	8	1	1	2
Total non-current assets	24	32	24	26	28
Current assets					
Inventories	23	16	19	19	21
Trade and other receivables	36	35	35	38	40
Cash and bank balances	33	47	54	58	60
Tax recoverable	0	0	1	1	1
Total current assets	92	97	108	116	122
Current liabilities					
Trade and other payables	5	6	6	7	7
ST borrowings	0	0	0	0	0
Others	0	0	0	0	0
Total Current Liabilities	5	7	6	7	7
Non-current liabilities					
LT borrowings	0	1	2	2	2
Deferred taxation	1	1	1	1	1
Total non-current liabilities	1	3	3	3	3
Equity					
Share capital	40	40	40	40	40
Reserves	70	79	84	92	100
Total Equity	110	119	124	132	140

Source: Company, M&A Securities

Initiation Coverage - Imaspro Corporation Bhd



Source: Bloomberg, M&A Securities

Appendix : Pest control products

EVENTUS

- ✓ Water-based insecticide
- ✓ Broad-spectrum pest control
- ✓ To control mosquitoes, cockroaches and flies



TEFENOX

- ✓ Premix of pyrethroid and insect growth regulator (IGR)
- ✓ Water-based insecticide
- ✓ Suitable for residual spray
- ✓ Effective against both the American and German Cockroach either on adults, nymphs or eggs



BIFENSTA

- ✓ Good persistency
- ✓ Strong binding properties of bifenthrin with organic materials
- ✓ Effective with long residue control
- ✓ Form a barrier to repel termites from penetrating the treated zone



PREMINATOR

- ✓ It is a systemic insecticide
- ✓ Non-repellent, Termites will forage the treated zone without notice and get infected mutely
- ✓ Not only kills termites but also provides good termites colony management



ENDMOS-Q

- ✓ Water-based insecticide
- ✓ Aqua formulation as organic solvent is substitute by water
- ✓ Usage of palm-based solvents and emulsifier
- ✓ Less flammable



AQUAMOS

- ✓ An advanced water-based insecticide
- ✓ Do not contaminate the environment and do not irritate the operators and the publics
- ✓ Recommended for ULV spray and thermal fogging application



FLYERZ

- ✓ Dust-free granule
- ✓ Homogenous preparation
- ✓ Tailor-made recipe to attract flies
- ✓ Granule's shape, size and rough surface specially engineered for flies to hold on and consume



PREMINATOR COCKROACH BAIT

- ✓ It is systemic insecticide
- ✓ Scientifically designed to optimize the attraction and kill cockroaches
- ✓ Long lasting
- ✓ Minimum 2 years shelf life



M&A Securities

STOCK RECOMMENDATIONS

BUY	Share price is expected to be $\geq +10\%$ over the next 12 months.
TRADING BUY	Share price is expected to be $\geq +10\%$ within 3-months due to positive newsflow.
HOLD	Share price is expected to be between -10% and $+10\%$ over the next 12 months.
SELL	Share price is expected to be $\geq -10\%$ over the next 12 months.

SECTOR RECOMMENDATIONS

OVERWEIGHT	The sector is expected to outperform the FBM KLCI over the next 12 months.
NEUTRAL	The sector is expected to perform in line with the FBM KLCI over the next 12 months.
UNDERWEIGHT	The sector is expected to underperform the FBM KLCI over the next 12 months.

DISCLOSURES AND DISCLAIMER

This report has been prepared by M&A SECURITIES SDN BHD. Readers should be fully aware that this report is for informational purposes only and no representation or warranty, expressed or implied is made as to the accuracy, completeness or reliability of the information or opinion contained herein. The recommendation and opinion are based on information obtained or derived from sources believed to be reliable.

This report contains financial forecast/projection based on our assumptions which may defer from the actual financial results announced by the companies under coverage. All opinions, estimates and assumptions are subject to change without notice. Analysts will initiate, update and cease coverage solely at the discretion of M&A SECURITIES SDN BHD.

Investors are to be cautioned that value of any securities invested may fluctuate from time to time. We advise investors to seek financial, legal and other advice for investing based on the recommendation of our report as we have not taken into account each investors' specific investment objectives, risk tolerance and financial position.

This report is not, and should not be construed as, an offer to buy or sell any securities or other financial instruments. M&A SECURITIES SDN BHD can accept no liability for any consequential loss or damage whether direct or indirect. Investment should be made at investors' own risks.

M&A SECURITIES SDN BHD and INSAS GROUP of companies, their respective directors, officers, employees and connected parties may have interest in any of the securities mentioned and may benefit from the information herein. M&A SECURITIES SDN BHD and INSAS GROUP of companies and their affiliates may provide services to any company and affiliates of such companies whose securities are mentioned herein. This report may not be reproduced, distributed or published in any form or for any purpose.

M & A Securities Sdn Bhd (15017-H)
(A wholly-owned subsidiary of INSAS BERHAD)
A Participating Organisation of Bursa Malaysia Securities Berhad

Principal Office:
Level 1,2,3 No.45 & 47
The Boulevard, Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur
Tel: +603 - 2282 1820 Fax: +603 - 2283 1893
Website: www.mnaonline.com.my