



Headline : Stocks to watch CIMB, DRB-Hicom, Deleum, Eversendai, Handal, Ingenuity Solutions, Maybank

Media : The Edge Online

Day/Date : 16 August 2012

Page :

Links : <http://www.theedgemaalaysia.com/business-news/218780-stocks-to-watch-cimb-drh-hicom-deleum-eversendai-handal-ingenuity-solutions-maybank.html>

Stocks to Watch CIMB, DRB-Hicom, Deleum, Eversendai, Handal, Ingenuity Solutions, Maybank

Business & Markets 2012

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Thursday, 16 August 2012 00:08

KUALA LUMPUR (Aug 16): The FBM KLCI could scale higher ground on Thursday, on the back of a firmer gross domestic product (GDP) growth in the second quarter of 2012 (2Q).

Bank Negara Malaysia (BNM) on Wednesday said Malaysia's GDP grew at an annual pace of 5.4% in 2Q, adding that the financial account of Malaysia recorded a turnaround with inflows of RM5.4 billion during the second quarter (1Q2012: outflow of RM10.3 billion). Meanwhile, the local index shrugged off global growth concerns and reversed its losses on Wednesday to close at a fresh record high of 1,653.78.

Among the stocks that could be in focus are on Wednesday are CIMB Group Holdings Bhd, DRB-HICOM BHD [], DELEUM BHD [], Eversendai Corporation Bhd, Handal Resources Bhd, INGENUITY SOLUTIONS BHD [] and MALAYAN BANKING BHD [] (Maybank).

CIMB posted a record net profit of RM2.12 billion for the first half ended June 30, 2012, up 12.3% year-on-year. The banking group declared an interim net dividend of 5 sen per share amounting to a net payment of RM372 million.

In a statement Wednesday, CIMB group chief executive Datuk Seri Nazir Razak said 1st performance was underpinned by continued strong growth at CIMB Niaga and CIMB Singapore and outperformance at corporate banking and treasury markets. "Overall, our top line grew very well to offset higher operating and credit costs which were anticipated," he said.

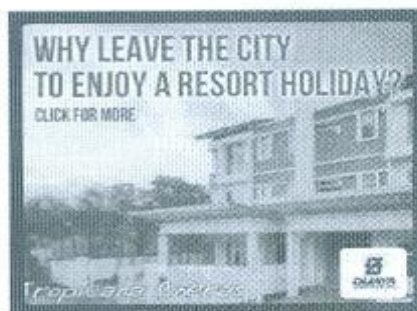
DRB-Hicom's unit Gadek (Malaysia) Bhd has received BNM's approval to commence preliminary negotiations in relation to the possible disposal on its equity interests in Uni.Asia General Insurance Bhd (UAG) and Uni.Asia Life Assurance Bhd (UAL). UAG and UAL are respectively 68.1%- and 100.0%-owned by Uni.Asia Capital Sdn Bhd (UAC), which is in turn a 51.0%-owned subsidiary of Gadek. The remaining 49.0% equity interest in UAC is held by United Overseas Bank (Malaysia) Bhd (UOB).

In a filing on Wednesday, DRB-Hicom said Gadek had received expressions of interest from certain parties to explore the possibility of acquiring an equity interest in UAG and UAL. It said Gadek, UOB and the relevant parties would be required to obtain the prior approval of the Minister of Finance, with the recommendation of BNM, pursuant to the Insurance Act, 1996 before entering into any agreement to effect the above disposal.

Deleum's pre-tax profit for the six months ended June 30, 2012 rose to RM30.7 million from RM19.7 million in the same period of 2011. Deleum said the increase was largely due to higher operating profit of RM8.9 million, which came from the power, machinery and oilfield services segments, as well as an increase in share of associates' results by RM2.2 million.

The group declared a first interim single-tier dividend of five sen. Deleum said the oil and gas industry would remain positive in the light of the intensified activities by Petroliaam Nasional Bhd (Petronas) and other oil majors.

Eversendai is eyeing several companies ranging from oil and gas entities to manufacturing companies in a bid achieve its RM2 billion in revenue by 2016, Bernama reported the company's group managing director Datuk A K Nathan as saying. "Apart from our core business, we have to acquire some other businesses related to our core. I foresee within the next couple of months we will be announcing the new acquisitions," he said after the company's annual general meeting on Tuesday.



Bhd for its fifth contract of the year, taking its total contracts secured year-to-date to RM350 million. In a statement Wednesday, Handal said the LoA was awarded to its wholly-owned subsidiary Handal Offshore Services Sdn Bhd (HOSSB) to undertake integrated crane services for Carigali Hess's offshore facilities for three years effective immediately.

Meanwhile, following an unusual market activity (UMA) query by Bursa Securities, Ingenuity Solutions said it was unaware of the cause of the sharp rise in the price and high volume of the shares. In reply to the UMA query on Wednesday, Ingenuity Solutions said after due inquiry with its directors and major shareholders, it was unaware of its cause, adding there was no corporate development relating to its business and affairs that had not been previously announced which could have accounted for it, including those at the stage of negotiations or discussions.

It was also unaware of any other possible explanation to account for the UMA, with the exception that it had entered into an agreement with ZTE (Malaysia) Corporation Sdn Bhd to appoint the company as the sole local vendor for ZTE mobile devices in Malaysia. Earlier on Wednesday, Ingenuity Solutions had announced that its joint venture company with Ninetology Marketing Sdn Bhd, NineZTE Sdn Bhd, had been appointed by ZTE (Malaysia) Corporation Sdn Bhd to act as a sole local vendor for ZTE mobile devices.

Also, the company said it had March 2 announced on proposed private placement, proposed ESOS, proposed increased in authorised share capital and proposed amendments to the memorandum and articles of association. Ingenuity Solutions was the most actively-traded counter, with 124.14 million shares done. The stock gained four sen to 23 sen.

Finally, Maybank is scheduled to announce its financial results for the first half ended June 30, 2012.