



# Trading ideas: EA Holdings, CBIP, BToto, Borneo Oil

Tuesday, 18 March 2014

KUALA LUMPUR: JF Apex Research expects EA Holdings Bhd (EAH), CBIP, Berjaya Sports Toto and Borneo Oil to see some trading activity on Tuesday.

It said EAH had proposed a renounceable rights issue exercise while CBIP's unit won a RM46mil contract in Papua New Guinea to build a palm oil mill.

JF Apex Research also said Berjaya Toto's latest quarterly net profit fell 15% on-year while Borneo Oil was appointed as contractor to prospect and mine alluvial and lode gold in Lipis, Pahang.

Overnight on Wall Street, US stocks rallied, with the Dow industrials rebounding after a five-day losing streak, as voting in Crimea passed without violence.

It added economic reports also showed US manufacturing output jumped the most in six months in February.

Similarly, European stocks closed higher, recovering from last week's slump as investors responded to positive US data and shrugged off the referendum result in Crimea at the weekend.

On Monday, the FBM KLCI surged 10.04 points to close at 1,815.16.

"Following the rebound in the US, we expect the KLCI to be positive today with an eye on its resistance of 1,825," it added.

EAH said the vendors would also deposit shares equivalent to RM11.2mil, representing 20% of the total profit guarantee based on the issue price of 10 sen per EAH share, into several pledged Central Depository System accounts.

As at the latest practicable date, it said Cepak's order book stood at RM53.89mil which would provide earnings visibility up to July 2017, while Cepak group has also participated in project tenders with a total estimated value of RM99.03mil.

EAH said Cepak was well-positioned in the water industry for its M&E engineering services and had also broadened its market reach by creating synergies with award-winning WY Consultancy, which it acquired in 2014.

"The management of Cepak Group believes that it has the necessary resources to carry out its order book and is well positioned to secure more projects moving forward," it said based on the group's prospects and positive outlook of the construction industry.

EAH said the proposed acquisition would be fully satisfied by the issuance of 470.4 million EAH shares at an issue price of 10 sen per share, which will be implemented after the entitlement date of its proposed bonus issue.

The proposed bonus issue involves up to 267.36 million new ordinary EAH shares of 10 sen each, to be credited as fully-paid up on the basis of one bonus share for every five existing shares on an entitlement date to be determined later.