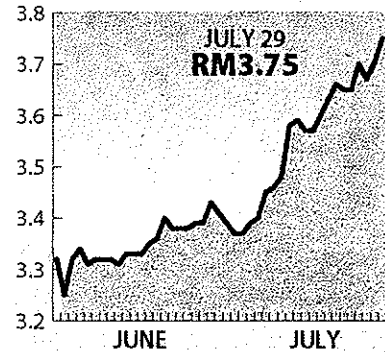


## PLUS Expressways: Buy, target price RM4.13

### PLUS EXPRESSWAYS



ECM Libra Investment Research has raised PLUS Expressway's target price by 4 per cent to RM4.13 (from RM3.98) after it agreed to sell its stake in Indonesian highway company PT Cimanggis Cibitung Tollways (CCTW) to PT Bakrie & Brothers Tbk.

"While the sum invested in the project is not alarming as the concession agreement has yet to be executed with no works been carried out, we are happy to note that PLUS is able to recoup its investment and withdraw itself from the project unscathed," said ECM Libra in its report this week.

CCTW was announced as the winning bidder for the Cimanggis-Cibitung toll road project in September 2007. PLUS had

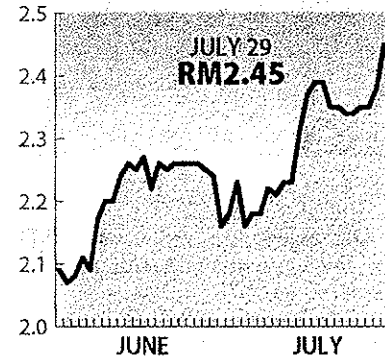
the biggest stake in the joint venture with 60 per cent, followed by PT Capitalinc Investment Tbk with a 25 per cent stake and Bakrie with 15 per cent.

The Cimanggis-Cibitung toll road is a 25.4km stretch that forms part of the Jakarta Outer Ring Road 2. With an initial concession period of 35 years, the project has seen some hurdles with the negotiations of the terms of the concession agreement such as land cost capping as well as toll rates.

"We make no changes to our earnings estimates as gain from the disposal is negligible and no contributions from the Cimanggis-Cibitung toll road have been imputed.

## Wah Seong: Buy, target price RM2.90

### WAH SEONG CORP



ECM Libra Investment Research has cut Wah Seong Corp's target price by 15 per cent as it thinks the group's growth will take much longer without an acquisition.

Still, the group won a US\$15 million (RM48.15 million) pipe coating deal recently, from ILVA S.p.A, an Italian company, for the PTT Offshore Gas Spur Lines Project off Thailand.

Work will be undertaken at Wasco's coating plant in Kuantan, Pahang, and is expected to commence in the third quarter of 2010.

"While the job is small, its still good news for the company as all oil and gas stocks are typically news (contract news specifically) flow driven. Wah Seong, it would seem, has

been pretty dry of contract flow over the past quarter but in actual fact they have been getting small jobs not just for pipe coating but also for their engineering segment.

"To note, Wah Seong typically does not announce smallish jobs on Bursa but it's good to see them at least highlighting some of these small awards through their own web portal to keep investors informed and more importantly, interested.

"In view that the group's expansion plans have seen a setback (Socotherm M&A that fell through), we are lowering our target price on the stock given that expansion will now be a lengthier process (likely up to 24 months) than earlier envisioned.