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Star's Cityneon jumps 16.5% on relisting

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KUALA LUMPUR: STAR PUBLICATIONS (M) BHD []'s subsidiary Cityneon Holdings Ltd, which relisted its shares on the Singapore Exchange (SGX) yesterday, climbed 10 cents or 16.53% to close at 70.5 cents after it announced on Monday it had more than doubled its order book to S\$110 million (RM269 million).

The company, which is principally engaged in the provision of exhibition and event management services, traded to an intra-day high of 84 cents and a low of 70.5 sen on a turnover of 2.66 million shares with a total value of S\$2.03 million. It has been suspended since November 2008 after a voluntary cash offer by Star which resulted in it not meeting the free float requirement. Cityneon undertook a successful placement of 8.54 million shares or 9.6% of its existing issued share capital to meet the listing requirement.

Star had owned about 69% of Cityneon's existing issued share capital prior to the placement while directors Ko Chee Wah and Lim Poh Hock controlled 29%. The shareholdings after the placement see Star holding 59%, Ko and Lim (29%) and the public (12%).

The shares traded at a price-to-earnings multiple of 31.61 times at yesterday's close. The company has a market capitalisation of S\$62.41 million. Analysts believed the strong interest in Cityneon was mainly due to the announcement of its strong order book which includes two new contracts at the World Expo Shanghai 2010 involving an S\$11 million deal to build the Qatar pavilion and a S\$13 million contract for the Indonesian pavilion.

Another reason for the increase, according to an analyst, is that punters were flocking to the counter expecting that it would be doing some catching up following a long break, adding that the market had been monitoring Cityneon's projects for some time including that of the Singapore F1 but had no opportunity to trade until yesterday.

"It has credible earnings visibility. Traders were not anticipating the stock to lose ground but an opportune time to accumulate," the analyst added.

Cityneon had said that its order book for 2012 would be more than twice its revenue

for the financial year ended Dec 31, 2008 (FY08) and was expecting to charge about 70% of the order to revenue for FY09.

For FY08, Cityneon's revenue rose 14.9% to S\$47.88 million from S\$41.67 million in FY07 while net profit dipped 34.5% to S\$2.53 million from S\$3.87 million.

<http://www.theedgemaalaysia.com/business-news/150275-stars-cityneon-jumps-165-on-relisting.html>