

## 'No longer feasible to produce biodiesel'

FROM P1 Govt

An industry executive said the players are still waiting for the government to come back on the results of the consultant's study, conducted a few months ago.

Since the problem began, a large corporation saw "significant" impact on its production of oleo chemicals in Malaysia,

said its executive who declined to be named.

He added it probably could not sustain its operations for long if CPO cost remains high.

As for biodiesel, the source said some players have converted their plants to produce oleo chemicals as it is no longer feasible to produce biodiesel.

## A330s allow company to explore new areas

FROM P1 MASkargo

The maiden voyage to Osaka will take off on Oct 29. Other new routes will include Kuala Lumpur to Europe, via Shanghai and Karagandy, with the first flight scheduled on Oct 2. Taipei flights will commence in November 2011.

On its service into China, which accounts for 35% of its revenue, Shahari said the A330s would allow MASkargo to efficiently serve the market, which is currently experiencing changes following its government's initiative to promote its inland areas, like Chendu and Chongqing, for manufacturing activities.

He said the A330s would allow the company to explore new potential areas that could not be served by its B747s.

Commenting on the current global economic uncertainties and the escalating fuel prices, Shahari said the new freighters

would enable the company to cushion some of the impact by further improving its efficiencies and cost management.

"The airline industry experienced about 35% increase in fuel price over the last year, necessitating MASkargo to cut capacity on our leased 747-200F freighter network due to the high cost of operations, mainly as a result of the high fuel burn rate.

"The A330 freighters provide us the opportunity to grow our capacity as we are able to serve more markets with greater frequency while significantly reducing our operating cost and maximising profit potential through growth even in the current challenging business environment," he added.

The A330-200F is badged as the world's most modern mid-sized freighter that can carry up to 70 tonnes of payload with a range capacity of up to 4,000nm.

## Nov 23 deadline for bipartisan panel



Buffett argues for raising taxes for the 'mega rich' in the US

FROM P1 Obama

"Tax increases, I think, are off the table, and I don't think they're a viable option for the joint committee," he said.

The bipartisan panel has a Nov 23 deadline to reach agreement on a plan. On taxes, the group is likely to consider setting targets for major changes to be considered over the next year, before income-tax cuts first enacted under President George W Bush are set to expire at the end of 2012.

With the nation's jobless rate at 9.1%, the economy is a top issue for both parties in next year's elections for president and Congress. Obama is confronting skepticism from voters about his policies as public opinion polls show his approval ratings are dropping.

A majority of Americans don't believe his jobs plan will help lower the unemployment rate, a Bloomberg National Poll conducted from Sept 9-12 shows. The poll found 62% disapprove of his handling of the economy. The president's overall job-approval rating was 45%,

the lowest since he was inaugurated in January 2009.

Gross domestic product climbed at a 1% annual rate in the second-quarter, down from a 1.3% prior estimate, according to revised Commerce Department figures released last month. Combined with the 0.4% annual rate of growth in the first three months of the year, the past two quarters were the weakest of the recovery that began in mid 2009.

Buffett has served as an informal advisor to the president since Obama's 2008 election campaign and conferred with the president before his Sept 8 address to Congress. Buffett plans to hold a Sept 30 fundraiser in New York City for Obama's re-election bid.

Obama has cited Buffett to counter critics of his policy proposals, particularly on taxes.

During his bus tour last month through rural areas of Minnesota, Iowa and Illinois, Obama quoted from a *New York Times* opinion article in which Buffett wrote that the nation's richest individuals have been "coddled long enough by a billionaire-friendly Congress". Buffett argued for raising taxes for the "mega rich" in the US.

Capital gains from most assets held for longer than a year are taxed at a top rate of 15%, while wage income is taxed at a top rate of 35%. The difference between those two accounts for Buffett's lower rate.

About 8.4 million US households had assets of US\$1 million or more, excluding primary residences, according to a March report by Spectrem Group, a Chicago-based consulting firm. It also showed that the number of US millionaires increased by 8% in 2010. — Bloomberg

# Dataprep targets China, Indo-China for new projects

Firm and partners are exploring more job opportunities beyond its traditional services

by FARAH ADILLA

DATAPREP Holdings Bhd is looking to secure jobs and set up its offices in China and the Indo-China region in an effort to increase its presence overseas.

Its chief executive officer Ahmad Rizan Ibrahim said the company is optimistic on talks to secure a number of projects overseas.

"The investments of our offices overseas might be subjected to the value of projects we are able to secure there," he told reporters after Dataprep's annual general meeting (AGM) in Petaling Jaya last Thursday.

Ahmad Rizan said the com-



(From left) Dataprep chief operating officer Tan Hock Chye, Ahmad Rizan, head of service delivery Ng Keok Ang and head of technology and solutions integration Poh Eng Soon at the company's AGM in Petaling Jaya

pany, together with its partners, is looking forward to explore more opportunities beyond the traditional services

that it currently provides.

He said the company is keen on several initiatives under the Economic Transfor-

mation Programme (ETP) which are going to be announced soon by Multimedia Development Corp Sdn Bhd. He named Digital Malaysia as one of them.

"We are looking forward to provide services under telecommunication services across the nation and social networking," he said.

In addition, the company is optimistic the ETP will create more jobs opportunities for the company.

He said the company is already involved in a major project under the ETP, which is

the designing, installing and commissioning of the cashless bus ticketing system for Rapid KL buses.

## Ekuias invests RM68.2m in Burger King, RM30m in San Francisco Coffee franchises

by FARAH ADILLA

GOVERNMENT-LINKED private equity fund management company Ekuiti Nasional Bhd (Ekuias) has invested RM68.2 million in the local franchise of Burger King and another RM17.5 million for a 90% stake in the holding company of the owner and operator of San Francisco Coffee in Malaysia.

The investment in Burger King involves a capital injection of RM60 million into Cosmo Restaurants Sdn Bhd, the Malaysian franchisee for the brand,

according to a joint statement released by Ekuias.

It said the investment also involves an acquisition of some minority shareholders' existing stakes in Cosmo for a total equity stake of 74.1%.

"The investment shall be utilised to finance capital expenditure and working capital to aggressively grow the existing Burger King business from its current base of 24 outlets nationwide," it said.

Cosmo has been holding the franchise for Burger King in Malaysia since 1997, which currently is majority-owned by

CIMB Private Equity Sdn Bhd.

Ekuias also acquired a 90% equity stake in Lyndarhim Ventures Sdn Bhd (LVSB), the owner and operator of San Francisco Coffee, for a total investment of RM17.5 million, out of which RM14.5 million will be injected as new capital into the company.

The statement said an additional RM12.5 million investment has also been allocated by Ekuias to further expand the specialty coffee operations regionally, as well as to invest in additional food and beverage (F&B) brands.

"The two investments will provide the platform for Ekuias to build a leading Malaysian F&B group with a diversified portfolio of holdings in established local and global F&B brands, across all segments," it said.

Ekuias chairman Raja Tan Sri Arshad Raja Tun Uda said with an overall market size of RM23 billion, out of which the chained F&B sector is estimated to be worth RM5.6 billion, the Malaysian food service industry is certainly sizeable and offers significant growth potential.

## Cypark bags RM30m landscaping job in Putrajaya

by MOHD RASHDAN JAMALUDIN

ENVIRONMENTAL technology and engineering specialist Cypark Resources Bhd has secured a RM30 million contract from Putrajaya Holdings Sdn Bhd for the construction of road, bridge, drainage and landscaping works for the federal government administrative centre in Putrajaya.

In a filing to Bursa Malaysia last Thursday, Cypark said the project, to be completed in

September 2013, is expected to contribute positively to the company's earnings for its financial years ending Oct 31, 2012, and 2013.

The company's non-independent non-executive chairman and founder Tan Sri Razali Ismail said environmental landscaping project continues to be one of Cypark's important business segment.

On the progress of Cypark's 8MW solar plant works at its Integrated Pajam Renewable Energy Park (REPark), Razali

said the project implementation is well under way and is targeted to be commissioned by December.

Cypark has also received the approval to lease the Pajam closed landfill site and develop the REPark for a period of 21 years.

The approval was given together with two other sites in Negri Sembilan and Cypark is now poised to deliver its 50MW within three years of the renewable energy project delivery plan with potential conces-

sion revenue of above RM60 million annually.

"On the international front, Cypark has been pre-qualified as one of the five international companies invited to tender for a very large scientific landfill closure, reclamation, resource extraction and 15-year post-closure maintenance project in Maharashtra, India.

"Cypark plans to tender for the project in collaboration with a reputable partner company, which is listed on the Mumbai Stock Exchange," he said.

## Benchmark index may be facing downside risks

FROM P1 Uncertainty

OSK Research Sdn Bhd research head Chris Eng.

Unlike in the past when Bursa Malaysia's stocks had a bias to rise leading to the general election, the uncertain political picture in Malaysia now may lead to a sell-off.

Global investment bank JPMorgan Chase & Co also believes Najib's announcement is a sign that elections could be held soon.

The bank remains positive on Malaysia over the longer-term, believing it to be a relative outperformer with little threat from inflationary pressures, supported by rising

private investment and infrastructure spending by the government.

JPMorgan believes the country will also benefit from strong commodity prices while the nation's stocks are "under-owned", according to a Bloomberg report.

While the fundamentals may be supportive, the benchmark FBM KLCI trend chart suggests it is facing downside risks with no signs of a trend reversal yet, unless it could break out of two immediate resistance levels at 1,457-point and 1,470-point, according to Hong Leong Investment Bank Bhd (HLIB).

The 30-stock benchmark index is trading at a 12-month low at the 1,430-point level. Further selling could see it test support at 1,423 and 1,410. For the week just ended, the FBM KLCI index fell 33 points to close the four-day trading week at the 1,430-point level.

With the government set to table Budget 2012 on Oct 7, tobacco counters like British American Tobacco (M) Bhd and JT International Bhd fell on expectations of a hike in tobacco duty while national power outfit Tenaga Nasional Bhd (TNB) owned up to a harsher operating balance sheet on rising cost of power

generation.

With stocks off their highs, HLIB remains upbeat on the earnings growth prospect of UEM Land Bhd, which fell eight sen to RM1.90 a share last Thursday.

The world's largest rubber glove maker Top Glove Corp Bhd saw its stock price still vulnerable to further selling in the absence of demand-boosting newsflow, according to HLIB.

National auto company Proton Holdings Bhd's proposed plan to jointly develop engines in the country with Mitsubishi Motor Corp could give the stock a lift.