



**UMS**  
UNIVERSITI MALAYSIA SABAH

**FACULTY OF BUSINESS, ECONOMICS AND ACCOUNTANCY**

**UNIVERSITI MALAYSIA SABAH**

**BD20203 MONEY AND CAPITAL MARKET**

**SEMESTER 1, 2023/2024**

**SECTION 2**

**GROUP ASSIGNMENT II: IPO ANALYSIS**

**PREPARED FOR : DR DG. SAFRINA AG. BUDIN**

**PREPARED BY:**

<b>NAME</b>	<b>MATRIC NUMBER</b>
ANISHATUL BINTI ABDULLAH	BB22110294
FARISHAH IRWAYU BINTI ASMAD	BB22161010
JENNYLYN LIPONG	BB22110779
NABILAH BINTI SAMSUDDIN	BB22110083
NUR ADILAH BINTI TOMONONG	BB22110582

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## **1.0 THE NATURE OF IPO**

Initial public offering (IPO) refers to the process of offering or also known as selling the shares of a private corporation to the public with a new stock issuance for the first time. An initial public offering (IPO) allows a company to raise equity capital from the general public. Since the move from a private to a public company usually includes the share premium, it can be important for a private investor to fully gain from investment. In the meantime, the public investors are able to participate in the offering.

In Minox International Group Berhad, an initial public offering (IPO) with the company listed on the ace market of Bursa Malaysia Security Berhad comprising a public issue of 90,000,000 new ordinary shares in Minox International Group Berhad. The offering comprises a few parts which is Malaysian Public, eligible directors, employees and persons who have contributed to the success of group, private placement Bumiputera investors approved by the Ministry of Investment, Trade and Industry and also private placement of selected investors.

### **1.1 Total New Shares Issued and The IPO Price**

1. 18,000,000 new shares available for application by a Malaysian public.
2. 10,800,000 new shares available for applications by the eligible directors, employees and persons who have contributed to the success of the group.
3. 45,000,00 new shares by way of private placement Bumiputera investors approved by the Ministry of Investment, Trade and Industry.
4. 16,200,00 new shares by way of private placement of selected investors.
5. Offer for sales of 18,000,000 existing shares by way of private placement to selected investors.

At an issues price of RM 0.25 per share, payable on full upon application

## 2.0 BACKGROUND OF COMPANY

Minox International Group Berhad was established on 18 July 2022 as a private limited company under the Act and on 16 December 2022, the company changed its status to public limited company.

With the addition of MST Stainless Steel Enterprise as a new market in 1998, which ended in April 2005. It is a partnership business that is involved in trading business for stainless steel sanitary valves, tubes and also fittings by Cheong Chee Hoo, a brother of Managing Director now in Minox International Group Berhad and Looi Poo Poo the Executive Director. The company began with small teams of 3 people and they started the project by supplying products to small engineering firms that catered to F&B industry end users. Later then in 2001, Cheong Chee Son joined the company as Sales Assistant which he assisted to build relationships with other suppliers and helped to oversee the business operation in the market.

One of the top dairy companies listed on Bursa Securities' Main Market, Dutch Lady Milk Industries Berhad, gave the business its first project order in 2003. It is also principally involved in the broad variety of dairy products produced and distributed under the different labels. In the same year which is 2003, Cheong Chee Hoo was successfully registered, Minox as a brand and transferred to the Group in 2013. One year later in 2004, to be able to create awareness of branding and marketing, Minox International Group Berhad launched the house brand Minox and started to work with third party manufacturers based in China, Europe and also Taiwan to manufacture their sanitary products which is Miox brand. In the meantime, in 2004 the company effectively entered into the pharmaceutical industry, starting with an order from Duopharma (M) Sdn Bhd to supply stainless steel sanitary tubes and fittings. With a new clients like Biocon Sdn Bhd, Xepa-Soul Pattison (Malaysia) Sdn Bhd, Solution Biologics Sdn Bhd, Millennium Technology Systems Sdn Bhd, Deltaflex Sdn Bhd and Puretech Engineering Sdn Bhd which are currently among their regular clients, that helps the company began to occasionally expand their business in the pharmaceutical industry.

Over the years, from 1998 until 2023, Minox International Group Berhad began as a trading company that supplied a stainless steel sanitary valves, tubes and also fittings for the domestic market to a well-known distributor of these under “MINOX” brand and other related products serving end-customers in different industries both in locally and regionally .

### 3.0 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

#### 3.1 Promoters and Substantial Shareholders.

The following lists the promoters' and significant shareholders' shareholdings in Minox International Group Berhad both before and after the IPO:

Name	Nationality	<sup>(1)</sup> Before IPO				<sup>(2)</sup> After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Promoters and substantial shareholders</b>									
Cheong Chee Son	Malaysian	188,901,800	70.0	-	-	185,061,800	51.4	-	-
Looi Poo Poo	Malaysian	42,833,500	15.9	-	-	37,433,500	10.4	-	-
<b>Substantial shareholder</b>									
Gamal Abdul Nashir <sup>(3)</sup>	Indonesian	24,911,700	9.2	-	-	17,711,700	4.9	-	-

**Table 1.0 : Promoters and substantial shareholders**

Section 3.1 contains the profiles of our Managing Director, Executive Director, and Director of Minox ID, Cheong Chee Son, Looi Poo poo, and Gamal Abdul Nashir, respectively.

#### 3.2 Directors' Shareholdings

The following lists our director's shareholdings in our company both before and after the initial public offering (IPO), assuming that they will fully subscribe for their respective entitlements under the Pink Form Allocations:

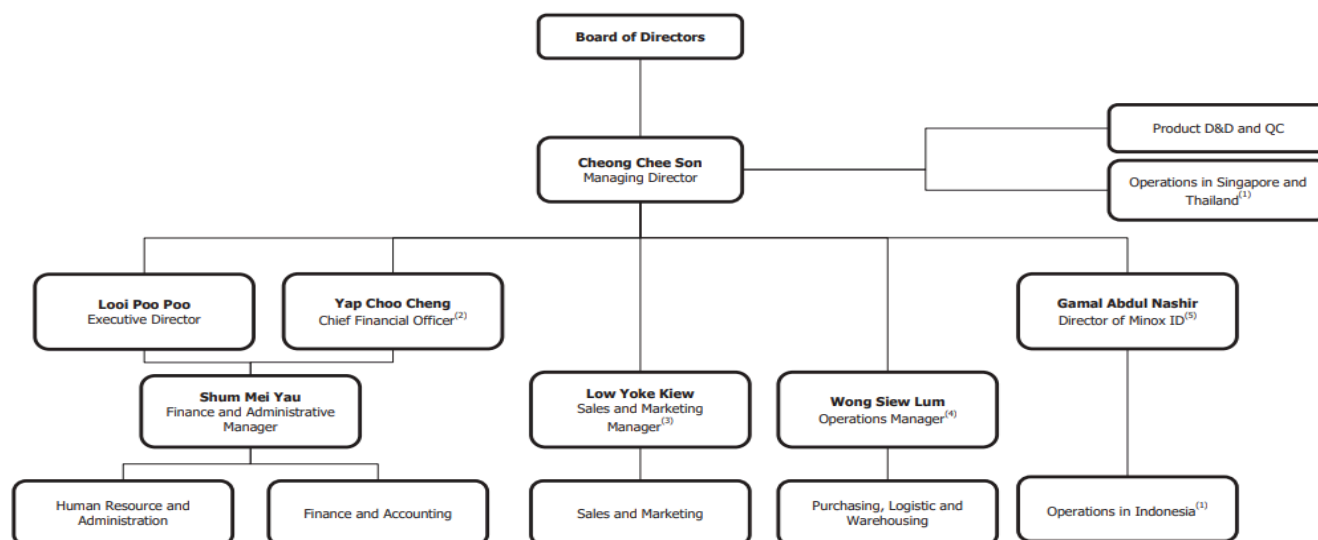
Name	Designation/ Nationality	<sup>(1)</sup> Before IPO				<sup>(2)</sup> After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Alwizah Al-Yafii Binti Ahmad Kamal	Independent Non-Executive Chairperson/ Malaysian	-	-	-	-	450,000	0.1	-	-
Cheong Chee Son	Managing Director/ Malaysian	188,901,800	70.0	-	-	185,061,800	51.4	-	-
Looi Poo Poo	Executive Director/ Malaysian	42,833,500	15.9	-	-	37,433,500	10.4	-	-
Ng Kuan Hua	Independent Non-Executive Director/ Malaysian	-	-	-	-	450,000	0.1	-	-
Wong Yen Lee	Independent Non-Executive Director/ Malaysian	-	-	-	-	450,000	0.1	-	-
Yeoh Aik Cheong	Independent Non-Executive Director/ Malaysian	-	-	-	-	450,000	0.1	-	-

**Table 2.0 : Directors Shareholdings**

The following are our directors' profiles. The 49-year-old Malaysian woman serving as the independent non-executive chairperson is Alwizah Al-Yafii Binti Ahmad Kamal. Her appointment to our Board took effect on November 1, 2022. After the IPO number of shares directly was 450,000 and 0.1%, same with Ng Kuan Hua, Wong Yen Lee and Yeoh Aik Cheong Second, on July 18, 2022, Cheong Chee Son, a 54-year-old Malaysian man, was named to our board. He serves as our managing director, promoter, and significant shareholder. He is in charge of creating the group's business strategy, overseeing business development initiatives, and leading the group's research and development (D&D) efforts to create new products. In addition, he is in charge of the international subsidiaries' strategic orientation in Thailand, Singapore, and Indonesia. Before the IPO, the number of shares directly is 188,901,800 and 70.0%, after the IPO number of shares 185,061,800 and 51.4% Thirdly, the 54-year-old Malaysian woman Looi Poo Poo serves as the executive director, promoter, and major shareholder. Her appointment to our Board took effect on November 1, 2022. She is in charge of managing MST MY and Minox MY's daily operations as well as its administrative and human resource departments. Before the IPO, the number of shares directly was 42,833,500 and 15.9% and after the IPO the number of shares was 37,433,500 and 10.4%. The 45-year-old male Malaysian Ng Kuan Hua served as an independent non-executive director. His appointment to our Board took effect on November 1, 2022. He is a member of the Audit and Risk Management Committee, the Nomination Committee, and the Chairman of the Remuneration Committee, .Our 50-year-old female Malaysian Independent Non-Executive Director is Wong Yen Lee. Her appointment to our Board took effect on November 1, 2022. She is a member of our Audit and Risk Management Committee, our Remuneration Committee, and our Nomination Committee Chair. Our 51-year-old male Malaysian Independent Non-Executive Director is named Yeoh Aik Cheong. His appointment to our Board took effect on November 1, 2022. He is a member of our Nomination and Remuneration Committees as well as the chairman of our Audit and Risk Management Committees.

#### 4.0 KEY SENIOR MANAGEMENT

The management reporting structure of our Group is as follows:



**Graph 1.0: Board of Directors and Managing Director**

#### 4.1 Board Practice

Our Board has adopted the following responsibilities for effective discharge of its functions:

(a) to provide leadership and oversee the overall conduct of our Group's businesses to ensure that our businesses are being properly managed;

(b) to review and adopt strategic plans for our Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;

(c) to review and adopt corporate governance best practices throughout our Group in all its business dealings in respect of our shareholders and other stakeholders and to ensure compliance with applicable laws and regulations;

(d) to ensure that our Company has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the Malaysian Code on Corporate Governance;

(e) to review and approve our annual business plans, annual budget, financial statements and annual reports

(f) to monitor the relationship between our Group and our management, shareholders and stakeholders, and to develop and implement an investor relations programme or effective shareholders' communications policy for our Group;

(g) to ensure that our key senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of our board and key senior management;

(h) to ensure the integrity of our Group's financial and non-financial reporting; and

(i) to appoint our board committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by our Board committees and deliberate on the recommendations thereon.



## 5.0 WHY AND HOW THE IPO PROCEEDS WILL BE UTILISED

The estimated gross proceeds from our Public Issue of RM22.50 million will accrue entirely to us and are planned to be utilised in the following manner:

<b>Utilisation of proceeds</b>	<b>Notes</b>	<b>RM'000</b>	<b>%</b>	<b><sup>(1)</sup>Estimated timeframe for utilisation</b>
Product development and deployment	(a)	4,000	17.8	Within 24 months
Construction of Warehouse 4	(b)	4,000	17.8	Within 24 months
Setting up a new warehouse in Singapore	(c)	5,010	22.3	Within 36 months
Repayment of bank borrowings	(d)	4,500	20.0	Within 6 months
General working capital	(e)	1,590	7.0	Within 12 months
Estimated listing expenses	(f)	3,400	15.1	Within 1 month
<b>Total</b>		<b>22,500</b>	<b>100.0</b>	

**Table 3.0 Utilisation of Proceeds**

Pending the deployment of the proceeds raised from our Public Issue as aforementioned, the funds will be placed in short-term deposits with financial institutions.

### a) Product development and deployment

We currently distribute rubber hoses, valves, installation supplies and equipment, and sanitary-grade tubes and fittings under the "MINOX®" brand of sanitary products. We plan to introduce various vacuum fittings and valves for the semiconductor industry in keeping with our business expansion into that sector. Unions and flange connections are among the new vacuum fittings and valves that will be created and implemented for the semiconductor industry (ball valves). We currently distribute tubes and fittings with specifications designed to withstand pressure from fluid flowing through pipelines during the manufacturing process. These tubes and fittings are primarily used in the food and beverage and pharmaceutical industries. We also supply the semiconductor industry with tubes and fittings like elbows and tees.

On the other hand, the vacuum fittings and valves we plan to create are unions, flange connections and ball valves that are utilized in semiconductor industry production lines for things like electronic components, solar cells, storage media and factories that make light-emitting diodes. Vacuum fittings and valves used in the semiconductor industry typically transport compressed air or gas, unlike the fittings and valves used in the food and beverage and pharmaceutical industries, which have fluid flowing through them. Because of this, our goal is to create vacuum fittings and valves that are extremely leak-tight, with a leak rate of only 10-8 mbar. These vacuum fittings and valves will be manufactured by stainless steel grade 304L (for non-corrosive gas or compressed air) or 316L (for corrosive gas or compressed air), with contaminants-free surface.

**(b) Construction of Warehouse 4**

Similar to LPD, the average utilisation rate of our three Puchong, Selangor warehouses is roughly 85.4%; more information about this is provided in Section 7.3. Given the high usage rate of our three nearby warehouses and in keeping with our company's growth, In order to store our inventory, we plan to build Warehouse 4. On November 4, 2022, our subsidiary MST MY, acting as the buyer, and Documation Sdn Bhd, acting as the seller, entered into a sale and purchase agreement for the purchase of a vacant plot of land at 4, Jalan Industri PBP 9, Taman Industri Pusat Bandar Puchong, 47100 Puchong, Selangor, which is behind our current headquarters. The purchase price was RM11.00 million in cash, which is earmarked for our Warehouse 4.

A combination of bank loans (RM8.50 million) and internally generated funds (RM2.50 million) was used to finance the RM11.00 million cash consideration. The acquisition was finalised on March 13, 2023. As at LPD, we are currently working on getting the planning permission ready to submit to MPSJ by the end of October 2023.

**(c) Establishing a new storage facility in Singapore**

As of right now, LPD operates three warehouses in Singapore, totaling 5,550 square feet of storage space. Two of the warehouses are situated on Yishun Industrial Street, while the third is situated on Old Toh Tuck Road. These Singaporean warehouses have an average utilisation rate of roughly 82.0%, similar to LPD. In light of our company's continuous development and expansion, we plan to open a new warehouse in Singapore. As at LPD, we are currently searching for a suitable property to rent for our new warehouse, which will have a built-up area of about 10,000 square feet. The property is to be found in Tampines, Singapore, which is in near proximity to our existing Singapore warehouses.

The majority of our finished goods are currently kept in Warehouse 3, our distribution centre in Puchong, Selangor, where we also perform quality checks before distributing them to our representative agents in the Philippines, Vietnam, and Singapore, as well as our regional offices in Singapore, Thailand, and Indonesia. These products are delivered by our third-party manufacturers and suppliers. With Singapore's numerous free trade agreements aiming to reduce or eliminate trade barriers, such as tariffs and other trade barriers on all originating goods, we will be able to benefit from lower average cost per unit of sanitary products delivered to overseas customers with this new warehouse. As a result, our financial performance will increase. With the exception of our new warehouse in Tampines, Singapore, and Warehouse 3 (distribution centre) in Puchong, Selangor, all of our Group's warehouses hold inventory for clients in their home nations.

**d) Repayment of bank borrowing**

Based on the interest rates ranging from 4.8% to 7.7% annually for the banking facilities, the anticipated annual interest savings from the repayment of the bank borrowings is roughly RM0.22 million. The actual interest savings, however, might differ based on the current interest rates in effect. As of 30 April 2023, our total outstanding borrowings were RM31.75 million (not including lease liabilities resulting from the rental of a warehouse for RM0.87 million). The total amount of loans taken out by our Group will be RM27.25 million after the suggested repayment.

As stated in Section 12.4, our pro forma gearing level will decrease from 0.44 times (after the Public Issue but before the use of proceeds) to 0.40 times (after the use of proceeds) as a result of the proposed repayment of bank borrowings and the increase in total equity from the issuance of new Shares under our Public Issue.

**(e) Working capital in general**

Our proceeds, totaling RM1.59 million, will be used to top off our current inventory in order to fuel the expansion of our business.

**(f) Estimated listing expenses**

With the exception of item (e), any deviations from the above budgeted amounts will be applied either to or away from the proceeds designated for our working capital needs. Any material change to the intended use of proceeds will require the approval of the shareholders, as required by Rule 8.24 of the Listing Requirements, where applicable.

## 6.0 HOW THE IPO PROCEEDS WILL BE DETERMINE

The quantity of shares offered to the public and the company valuation determine the amount of money raised during an IPO. Hence, this IPO price was agreed by us and in agreement with M&A Securities, who serves as our advisor, sponsor, underwriter, and placement agent, after taking into consideration the following factors:

- (a) An approximate 10.68 times PE multiple was determined using the audited combined EPS of 2.34 sen for FYE 2022, the audited combined PAT attributable to our company owners of RM8.41 million for the same period, and the enlarged share capital of 360,000,000 shares upon listing.
- (b) Pro forma consolidated NA per share as of 30 April 2023 following this IPO and payment of RM0.19, computed using pro forma consolidated NA as of 30 April 2023 of RM68.85 million of 360,000,000 shares at listing.
- (c) Our combined financial track record for FYE 2019 to 2022 and FPE 2023, summarized as follows:

Utilisation of proceeds	Audited				
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023
	RM'000				
Revenue	40,195	38,804	34,359	45,020	16,429
GP	20,777	18,547	22,830	26,598	8,544
PAT attribute to owners of our company	7,505	3,552	7,915	10,304	1,861

**Table 4.0:** Financial track record from 2019 to 2023

- (d) Section 7.15 contains more information about our competitive advantages.
- (e) Our business strategies are explained in more detail in section 7.16.

## 7.0 ANALYSIS ON THE FINANCIAL INFORMATION

FYE ('000)	2019	2020	2021	2022	2023E	2024F
Revenue	40,195	38,804	34,359	45,020	16,429	16,922
Cost of Sales	(19,418)	(20,257)	(11,529)	(18,422)	(7,885)	(7,615)
<b>Gross Profit (GP)</b>	<b>20,777</b>	<b>18,547</b>	<b>22,830</b>	<b>26,598</b>	<b>8,544</b>	<b>9,307</b>
Other income	4,034	1,380	1,762	4,106	630	1015
Selling and Marketing Expenses	(1,940)	(1,515)	(1,384)	(2,081)	(697)	(677)
Administrative Expenses	(11,537)	(11,870)	(11,482)	(14,108)	(5,767)	(5,415)
<b>Profit from Operations</b>	<b>11,334</b>	<b>6,542</b>	<b>11,726</b>	<b>14,515</b>	<b>2,710</b>	<b>4,230</b>
Finance Income	43	23	23	76	37	22
Finance Costs	(1,129)	(997)	(993)	(1,098)	(475)	(338)
<b>Profit Before tax (PBT)</b>	<b>10,248</b>	<b>5,568</b>	<b>10,756</b>	<b>13,493</b>	<b>2,272</b>	<b>3,914</b>
Tax Expenses	(2,060)	(1,381)	(2,418)	(2,944)	(361)	(677)
<b>Profit After tax (PAT)</b>	<b>8,188</b>	<b>4,187</b>	<b>8,338</b>	<b>10,549</b>	<b>1,911</b>	<b>3,237</b>
Other Comprehensive income/(loss)	484	(335)	(156)	(230)	(1,449)	(1,692)
<b>Total Comprehensive income for the</b>	<b>8,672</b>	<b>3,852</b>	<b>8,182</b>	<b>10,319</b>	<b>3,360</b>	<b>4,929</b>
<b>Financial year/period</b>						
Share Capital ('000)	270,000	270,000	270,000	270,000	270,000	270,000

## 1.TREND ANALYSIS

FYE ('000)	2019	2020	2021	2022	2023	AVERAGE
Revenue		-3.46	-11.46	31.03	-63.51	-11.85
Cost of Sales		4.32	-43.09	59.79	-57.20	-9.04
<b>Gross Profit (GP)</b>		-10.73	23.09	16.50	-67.88	-9.75
Other income		-65.79	27.68	133.03	-84.66	2.57
Selling and Marketing		-21.91	-8.65	50.36	-66.51	-11.67

Expenses						
Administrative Expenses		2.89	-3.27	22.87	-59.12	-9.16
<b>Profit from Operations</b>		-42.28	79.24	23.78	-81.33	-5.15
Finance Income		-46.51	0.00	230.43	-51.32	33.15
Finance Costs		-11.69	-0.40	10.57	-56.74	-14.56
<b>Profit Before tax (PBT)</b>		-45.67	93.18	25.45	-83.16	-2.55
Tax Expenses		-32.96	75.09	21.75	-87.74	-5.96
<b>Profit After tax (PAT)</b>		-48.86	99.14	26.52	-81.88	-1.27
Other Income - Revaluation Surplus		-169.21	-53.43	47.44	530.00	88.70
<b>Total Comprehensive income</b>		-55.58	112.41	26.12	-67.44	3.88

## 2. COMMON SIZE ANALYSIS

FYE ('000)	2019	2020	2021	2022	2023	AVERAGE
Revenue	100	100	100	100	100	100
Cost of Sales	-48.31	-52.20	-33.55	-40.92	-47.99	-44.60
<b>Gross Profit (GP)</b>	51.69	47.80	66.45	59.08	52.01	55.40
Other income	10.04	3.56	5.13	9.12	3.83	6.34
Selling and Marketing Expenses	-4.83	-3.90	-4.03	-4.62	-4.24	-4.32
Administrative Expenses	-28.70	-30.59	-33.42	-31.34	-35.10	-31.83
<b>Profit from Operations</b>	28.20	16.86	34.13	32.24	16.50	25.58
Finance Income	0.11	0.06	0.07	0.17	0.23	0.13
Finance Costs	-2.81	-2.57	-2.89	-2.44	-2.89	-2.72
<b>Profit Before tax (PBT)</b>	25.50	14.35	31.30	29.97	13.83	22.99
Tax Expenses	-5.13	-3.56	-7.04	-6.54	-2.20	-4.89
<b>Profit After tax (PAT)</b>	20.37	10.79	24.27	23.43	11.63	18.10
Other Income - Revaluation Surplus	1.20	-0.86	-0.45	-0.51	-8.82	-1.89
<b>Total Comprehensive income</b>	21.57	9.93	23.81	22.92	20.45	19.74

**3. FINANCIAL RATIO ANALYSIS**

<b>FYE ('000)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024F</b>
a) Liquidity ratio						
b) Profitablity ratio						
Gross Profit Ratio	51.69	47.80	66.45	59.08	52.01	
PBT Ratio	25.50	14.35	31.30	29.97	13.83	
Net Profit Ratio	20.37	9.93	23.81	22.92	20.45	
c) Efficiency ratio						
d) Gearing ratio						
e) Market valuation ration						
Offer Ratio (RM)	0.25					
Net EPS (RM)	0.03	0.02	0.03	0.04	0.01	0.01
Net EPS (sen)	3.03	1.55	3.09	3.91	0.71	1.20
Price-Earning Ratio (PER)	8.24	16.12	8.10	6.40	35.32	16.5
<b>DECISION</b>						
Offer Price	0.25					
NTAB (RM)	0.17	DON'T BUY				
Estimated price based on Market PER @ 20x	0.78	BUY				
Average PER @ 12x (RM)	0.08	DON'T BUY				
Industry PER @	0.10	DON'T BUY				

## **8.0 EVALUATION ON THE IPO PRICE (UNDERPRICED, OVERPRICED OR FAIRLY PRICED)**

An essential part of the IPO process is played by investment bankers. To arrive at an appropriate valuation, they evaluate the company growth prospects, industry position, financials, and other pertinent factors. Their objective is to determine an offer price that will draw in investors and give the business the needed funding (CFI, 2022). As a result, this section will compare the offer price of Minox International Group Berhad to the market price and evaluate if it is underpriced, overpriced or fairly priced.

The current price of Minox International Group Berhad is RM0.25 while net tangible assets (NTAB) is priced at RM0.18. This shows that NTAB which is RM0.17 is traded at a lower price than the current price which is RM0.25. Hence, the price of Minox International Group Berhad is overpriced in terms of its tangible asset value. This is because the stock may be deemed overpriced if the current market price exceeds the net tangible assets per share, indicating that investors are willing to pay a premium for the company's assets. Additionally, when an investment trades for more than its inherent value, it is considered an overvalued asset.

In addition, with Minox International Group Berhad net EPS ratio of 0.03, the estimated price based on the market is RM0.78 and the average is RM0.08 compared to the company current price of RM0.25. Based on that, Minox International Group Berhad may be underpriced compared to both the estimated market price as well as its average price. Given that the market price may eventually match the company's fundamentals more closely, investors may see this as a chance for possible gains.

To conclude, investors are typically more likely to take part in an IPO that is underpriced. This is due to their perception that it is an opportunity to purchase shares below their perceived value, with the hope that the stock price will rise soon after the initial public offering. Vice versa, buyers might be reluctant to join an IPO that is overpriced. If the stock price falls short of their expectations, they might worry about possible losses. However, since a fairly priced IPO corresponds with the company's perceived value, investors might find it appealing.



## 9.0 REFERENCES

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## 10.0 APPENDICES

<b>MINOX INTERNATIONAL GROUP BERHAD</b>						
<b>FYE ('000)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024F</b>
Revenue	40,195	38,804	34,359	45,020	16,429	16,922
Cost of Sales	(19,418)	(20,257)	(11,529)	(18,422)	(7,885)	(7,615)
<b>Gross Profit (GP)</b>	<b>20,777</b>	<b>18,547</b>	<b>22,830</b>	<b>26,598</b>	<b>8,544</b>	<b>9,307</b>
Other income	4,034	1,380	1,762	4,106	630	1015
Selling and Marketing Expenses	(1,940)	(1,515)	(1,384)	(2,081)	(697)	(677)
Administrative Expenses	(11,537)	(11,870)	(11,482)	(14,108)	(5,767)	(5,415)
<b>Profit from Operations</b>	<b>11,334</b>	<b>6,542</b>	<b>11,726</b>	<b>14,515</b>	<b>2,710</b>	<b>4,230</b>
Finance Income	43	23	23	76	37	22
Finance Costs	(1,129)	(997)	(993)	(1,098)	(475)	(338)
<b>Profit Before tax (PBT)</b>	<b>10,248</b>	<b>5,568</b>	<b>10,756</b>	<b>13,493</b>	<b>2,272</b>	<b>3,914</b>
Tax Expenses	(2,060)	(1,381)	(2,418)	(2,944)	(361)	(677)
<b>Profit After tax (PAT)</b>	<b>8,188</b>	<b>4,187</b>	<b>8,338</b>	<b>10,549</b>	<b>1,911</b>	<b>3,237</b>
Other Comprehensive income/(loss)	484	(335)	(156)	(230)	(1,449)	(1,692)
<b>Total Comprehensive income for the</b>	<b>8,672</b>	<b>3,852</b>	<b>8,182</b>	<b>10,319</b>	<b>3,360</b>	<b>4,929</b>
<b>Financial year/period</b>						
Share Capital ('000)	270,000	270,000	270,000	270,000	270,000	270,000

<b>1. TREND ANALYSIS</b>						
<b>FYE ('000)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>AVERAGE</b>
Revenue		-3.46	-11.46	31.03	-63.51	-11.85
Cost of Sales		4.32	-43.09	59.79	-57.20	-9.04
<b>Gross Profit (GP)</b>		-10.73	23.09	16.50	-67.88	-9.75

Other income		-65.79	27.68	133.03	-84.66	2.57
Selling and Marketing Expenses		-21.91	-8.65	50.36	-66.51	-11.67
Administrative Expenses		2.89	-3.27	22.87	-59.12	-9.16
<b>Profit from Operations</b>		-42.28	79.24	23.78	-81.33	-5.15
Finance Income		-46.51	0.00	230.43	-51.32	33.15
Finance Costs		-11.69	-0.40	10.57	-56.74	-14.56
<b>Profit Before tax (PBT)</b>		-45.67	93.18	25.45	-83.16	-2.55
Tax Expenses		-32.96	75.09	21.75	-87.74	-5.96
<b>Profit After tax (PAT)</b>		-48.86	99.14	26.52	-81.88	-1.27
Other Income - Revaluation Surplus		-169.21	-53.43	47.44	530.00	88.70
<b>Total Comprehensive income</b>		-55.58	112.41	26.12	-67.44	3.88

<b>2.COMMON SIZE ANALYSIS</b>						
<b>FYE ('000)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>AVERAGE</b>
Revenue	100	100	100	100	100	100
Cost of Sales	-48.31	-52.20	-33.55	-40.92	-47.99	-44.60
<b>Gross Profit (GP)</b>	51.69	47.80	66.45	59.08	52.01	55.40
Other income	10.04	3.56	5.13	9.12	3.83	6.34
Selling and Marketing Expenses	-4.83	-3.90	-4.03	-4.62	-4.24	-4.32
Administrative Expenses	-28.70	-30.59	-33.42	-31.34	-35.10	-31.83
<b>Profit from Operations</b>	28.20	16.86	34.13	32.24	16.50	25.58
Finance Income	0.11	0.06	0.07	0.17	0.23	0.13
Finance Costs	-2.81	-2.57	-2.89	-2.44	-2.89	-2.72
<b>Profit Before tax (PBT)</b>	25.50	14.35	31.30	29.97	13.83	22.99
Tax Expenses	-5.13	-3.56	-7.04	-6.54	-2.20	-4.89
<b>Profit After tax (PAT)</b>	20.37	10.79	24.27	23.43	11.63	18.10
Other Income - Revaluation	1.20	-0.86	-0.45	-0.51	-8.82	-1.89

Surplus						
<b>Total Comprehensive income</b>	21.57	9.93	23.81	22.92	20.45	19.74

<b>3. FINANCIAL RATIO ANALYSIS</b>						
<b>FYE ('000)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024F</b>
a) Liquidity ratio						
b) Profitability ratio						
Gross Profit Ratio	51.69	47.80	66.45	59.08	52.01	
PBT Ratio	25.50	14.35	31.30	29.97	13.83	
Net Profit Ratio	20.37	9.93	23.81	22.92	20.45	
c) Efficiency ratio						
d) Gearing ratio						
e) Market valuation ration						
Offer Ratio (RM)	0.25					
Net EPS (RM)	0.03	0.02	0.03	0.04	0.01	0.01
Net EPS (sen)	3.03	1.55	3.09	3.91	0.71	1.20
Price-Earning Ratio (PER)	8.24	16.12	8.10	6.40	35.32	16.5
<b>DECISION</b>						
Offer Price	0.25					
NTAB (RM)	0.17	DON'T BUY				
Estimated price based on Market PER @ 20x	0.78	BUY				
Average PER @ 12x (RM)	0.08	DON'T				

		BUY				
Industry PER @	0.10	DON'T BUY				