

14,000 shares were traded. Over the past six months, it saw an average volume of 41,197 shares. The company's proposed private placement of 3.03 million new shares at RM3.85 per share has also received the go-ahead from its shareholders.

Thong & Kay Hian Securities, in a research report, has placed a target price of RM5.60 per Inti share. This is based on 13 times financial year (FY) 2001 earnings. The research house expects Inti's debt-to-cash position to improve to RM10.8 million FY2000, a 55.4 per cent decline from the year before. "This is attributed to strong net operating cash flow and new capital of RM11.7 million that would be raised from private placement," says the report.

Apart from its ability to tap into the local education market and its growing popularity with foreign students, analysts applaud Inti's regional expansion plans. It has agreed to develop a private college in Thailand with St Theresa Professional Development Co.

Locally, it owns a 70 per cent stake in Venture Ritz Sda Bhd, which manages all education programmes in International College Penang. It also has a 51 per cent stake in a joint venture with the Penang Development Council and IJM Corporation to develop the Penang International Education and Technology Centre.

Thong & Kay Hian expects total enrolment at Inti (of which 20 per cent are foreigners) to grow from about 10,000 in FY2000 to 11,000 in 2001 and 14,000 in FY2002.

The research house expects Inti to make a profit of RM23.6 million in FY2000 and RM27.3 million in FY2001. This is an earnings per share (EPS) of 39.4 sen and 45.5 sen, respectively.

DKB's forecasts are more bullish. Inn expects Inti to make a profit of RM27.7 million and RM31.3 million in FY2000 and FY2001, respectively.

Meanwhile, the industry outlook continues to improve. Analysts say they expect the

number of local students requiring private tertiary education to grow by a compounded annual growth rate (CAGR) of 8.6 per cent over the next 10 years. "The number should increase from around 3.1 million students currently to 4.0 million in the next decade," says Thong & Kay Hian.

"At the moment, only 17 per cent of Malaysians in the 17 to 25 age-group receive tertiary education. The government wants to raise this to 40 per cent before 2020," notes Inn in a research report.

The Malaysian government's concentrated efforts to promote the country as a regional education hub, particularly in

China and Indonesia, should also boost the industry.

Still, competition is stiff. Although a continued growth in the industry should help boost earnings for Stamford and Systematic, the companies have struggled with declining profits or losses in the past few years.

Stamford only swung to profitability in FY2000 ended June 30, after three years for losses, while Systematic reversed the decline in its profits in FY1999 ended December.

Stamford has said that it intends to raise the number of its colleges in the country either on its own or through joint ventures. It has educational centres in Selangor, Kuala

Lumpur, Penang, Melaka, Sabah and Sarawak. It reported a profit of RM1.73 million in FY2000 ending June from a loss of RM6.67 million the year before.

Systematic, meanwhile, reported a profit of RM4.01 million in FY1999, up from RM519,000 the year before.

Apart from introducing two new degree programmes in collaboration with a Canadian university, the group also has intentions to franchise its Systematic Advanced Diploma in Accounting (SADA) programme abroad.

Systematic last traded at RM2.83 on Oct 11 while Stamford ended Wednesday at RM1.80. ■