

DAILY DIGEST

Monday 9 July 2018

ITEMS	Close			ITEMS	Close		
	6-Jul	5-Jul	Chg		6-Jul	5-Jul	Chg
INDICES				FOREX			
FBM SHARIAH	11,963.30	12,132.22	-1.39%	RM/USD	4.0400	4.0430	-0.07%
FBM KLCI	1,663.86	1,690.65	-1.58%	COMMODITIES			
FBM EMAS	11,798.99	11,970.89	-1.44%	CPO/tonne (RM)	2,266.00	2,284.00	-0.79%
DJIA	24,456.48	24,356.74	0.41%	Oil/barrel (US\$)	73.80	72.94	1.18%
S&P 500	2,759.82	2,736.61	0.85%	Gold/ounce (US\$)	1,255.20	1,257.88	-0.21%
NASDAQ	7,688.39	7,586.43	1.34%	Rubber SMR20/kg (sen)	524.00	521.50	0.48%

Corporate News

MyEG to market CIMB Bank Philippines' products soon

MyEG will market CIMB Bank Philippines Inc's financial products on its associate I-Pay MYEG Philippines Inc's digital services and platforms to eligible individuals in the Philippines soon. IPMPI has entered into a MoA with CIMBPH for the purpose. The MoA will be effective for three years from the date CIMBPH commences its banking operations, which is expected to be in the near future. (Source: *The Edge*)

Petronas maintains it has exclusive ownership over petroleum resources in M'sia

Petronas has maintained its stance that it has exclusive ownership of the petroleum resources in Malaysia and is the sole regulator of the upstream sector in the country. Petronas will closely monitor the situation, including seeking views and guidance from the Government of Malaysia, being the sole shareholder of Petronas, in carrying out our duties. Petronas was responding to a statement made by the Office of the Chief Minister of Sarawak yesterday on the state government's intent to exercise its power under relevant state laws relating to oil and gas activities in Sarawak. (Source: *The Edge*)

Sunway Property bags BCI Asia Awards for eighth straight year

Sunway Property, has won the Top 10 Developers award at the BCI Asia Awards for the 8 year running, beating peers from 7 countries. Winners are judged by the extent of their sustainability, both socially and environmentally, as established by BCI Asia's comprehensive project leads research, and confirmed green building ratings awarded through World Green Building Council (WGBC) accredited certifications. With this criteria, firms with a greater portfolio of sustainable projects will have higher odds to make it into the Top 10. (Source: *The Edge*)

Selangor Dredging's associate company to buy 17 Singapore land plots for RM180m

Selangor Dredging (SDB) announced today its associate company plans to buy 17 parcels of adjacent properties in the prime District 13 in Singapore for S\$60.26m (RM180.06m), where the latter intends to develop exclusive mid-rise apartments. Tiara Land Pte Ltd, a wholly-owned subsidiary of Champsworth Development Pte Ltd, which is a 50% associated company of SDB International SB, which is in turn a wholly-owned subsidiary of SDB, has accepted options to acquire the properties, which are close to Potong Pasir MRT, Woodleigh MRT and Boon Keng MRT. (Source: *The Edge*)

UMW forms JV with Japan's Komatsu under heavy equipment business

UMWC, has agreed to form a JV with Japan's Komatsu Ltd under its heavy equipment business. Under the proposed JV, UMW and Komatsu expect to further strengthen and expand market penetration of Komatsu's products in Malaysia, Brunei, Singapore, Myanmar and Papua New Guinea. UMW and Komatsu inked a transaction agreement today to establish a JV company for the purpose, which will be looking to capture new growth areas and firming up Komatsu's existing presence with the introduction of new products and services. (Source: *The Edge*)

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IHH Healthcare submits fresh bid for India's Fortis in new round

IHH Healthcare has submitted a new binding offer to the board of directors of Fortis Healthcare Ltd to acquire the struggling Indian hospital chain and its affiliates. Fortis had on May 29 initiated a fresh bidding process and invited selected bidders, including IHH, to submit fresh proposals. As such, the latest proposal supersedes and replaces the earlier ones by IHH. IHH has issued the offer letter to Fortis' board, which represents its only binding offer. *(Source: The Edge)*

Sunway sets up VC fund to accelerate its digital transformation

Sunway has established a new VC fund, Sun SEA Capital LP, with a proposed investment of US\$5m. The new VC fund and subsequent investment will enable the group to accelerate its digital transformation through investments into synergistic digital start-ups, and conduct external fundraising to grow the start-ups. Sunway City SB has signed an initial exempted limited partner agreement to set up the new VC fund. *(Source: The Edge)*

Petronas buys first ever US oil cargo, due in Sept

Petronas has bought its first ever US oil cargo of 1m barrels of Mars crude, expected to arrive at its Malacca refinery in September, 2 sources with knowledge of the matter. One of the 2 crude distillation units at the Malacca refinery will process the US sour crude that will replace oil from the Middle East. *(Source: Reuters)*

Lion Industries offers RM638m to take over Megasteel assets, debts

Lion Industries has proposed to acquire the flat steel assets including a manufacturing plant in Banting, Selangor from Megasteel SB for RM537.73m, as part of its plans to expand into the flat steel business. The proposed acquisitions will widen its steel product base to include the manufacturing of flat steel products. The proposals are also part of a debt settlement scheme to be undertaken by Megasteel, with the lenders and creditors. *(Source: The Edge)*

Green Packet partners HK-based content provider to offer digital contents in Asean

Green Packet is partnering Hong Kong-based Funsea Entertainment Co Ltd to undertake the business related to offering digital contents such as games, movies and music to telecommunications operators or master content providers in Asean. The JV is a strategic decision by the group to deepen its involvement in content creation and distribution, particularly in Southeast Asian. Its wholly-owned subsidiary in Singapore, NGT Networks Pte Ltd, has entered into a JV agreement and shareholders agreement with Funsea for the purpose. *(Source: The Edge)*

CDRC to mediate Perdana Petroleum's debt restructuring

BNM has agreed to mediate more sustainable financing terms between Perdana Petroleum and its financiers. The approval from BNM's corporate debt restructuring committee will help the company to renegotiate with its specific financiers, financing facilities on terms that can be sustained in the face of this challenging period for the oil and gas industry. *(Source: The Edge)*

Barakah gets contract extension from Petronas Gas

Barakah Offshore Petroleum announced today a 1-year contract extension from Petronas Gas to carry out repair and maintenance works on the Sabah Sarawak Gas Pipeline. The scope of the contract includes inspection, testing, repair and maintenance of the pipes and related infrastructures to maintain the pipeline integrity. The contract was for 2 years from Dec 1, 2015 to Nov 30, 2017, with an option to extend for another year. *(Source: The Edge)*

Serba Dinamik eyes more projects in Central Asia

Serba Dinamik is looking to explore new territories in Central Asia, with hopes of securing some projects in new countries in the region this financial year. The projects would be centred around Central Asia countries such as Turkmenistan, Uzbekistan and Kazakhstan. The group had a project in Turkmenistan previously, while they have recently secured a first project in Kazakhstan. The group has an order book of RM6.6bn, which is expected to last for the next 2 to 3 years. *(Source: The Edge)*

JMR Conglomeration expands landbank in Penang via share subscription

JMR Conglomeration has expanded its landbank in Seberang Perai Tengah, Penang through subscription of an additional 4.49m new shares in its subsidiary TAG Steel SB (TSH) for RM4.49m. TSH currently owns a 26,657 sq m piece of freehold land in Seberang Perai Tengah, Penang, near the Autocity, Juru, which is expected to be developed into a mixed development project. The subscription is in line with its strategy to acquire and expand its existing landbank in strategic locations with high development value, in order to sustain its business as a property developer. (Source: *The Edge*)

SCGM plans sale of Johor properties to reduce debts

SCGM's wholly-owned subsidiary Lee Soon Seng Plastic Industries SB (LSSPI) plans to dispose of 3 of its properties in Johor to raise funds to pare down its bank borrowings. LSSPI is looking for prospective buyers for the properties in Kulai, Johor, but did not specify the total price of the 2 freehold plots and 1 leasehold land that are on sale. The properties comprise industrial and agricultural land, as well as a factory and warehouse. LSSPI is in the process of moving into a new factory measuring 658,365 square feet in Kulai, which has the capacity to cater for future expansion. (Source: *The Edge*)

Tony Tiah's MGO for TA Enterprise could trigger takeover for TA Global

Shareholders of TA Global Bhd stand to receive an MGO from Datuk Tony Tiah Thee Kian if his interest in TA Enterprise crosses the 50% mark. This is because of TA Enterprise's 60.17% stake in property developer TA Global, in which Tiah and persons acting in concert (PACs) control another 15.34%. TA Enterprise said it has received a supplemental notice from Tiah on his takeover offer on July 2, saying that in the event that his offer turns unconditional, it would trigger an obligation to undertake another MGO for TA Global shares, for an offer price of 31.01 sen/share. (Source: *The Edge*)

Wah Seong to distribute Ammann's construction products

A unit of Wah Seong has entered into a distributorship agreement with Switzerland-based Ammann BauAusrüstung AG's to be an exclusive dealer for the sales and services of its construction products within West Malaysia. Their 60%-owned indirect subsidiary WDG Resources SB has inked the agreement with Ammann to distribute its products including Pavers, Heavy Compaction and Light Compaction. The distributorship is expected to contribute positively to the earnings of Wah Seong over the period of the distributorship agreement. (Source: *The Edge*)

Sime Darby Property's new launches record strong take-up rate

Sime Darby Property said it sold as much as 90% of its new launches within 1 week, suggesting resilient demand for both its residential and commercial products despite the soft property market. This refers to the final phase of its landed home series in Denai Alam situated at the heart of City of Elmina, dubbed Semanea Hills, which comprises a total of 162 units, as well as commercial units at 3 Avenue in Bandar Bukit Raja. (Source: *The Edge*)

Kumpulan Powernet signs MoU with Angkatan Koperasi to develop affordable housing project

Kumpulan Powernet is teaming up with Angkatan Koperasi Kebangsaan Malaysia to jointly develop an affordable housing project at a location yet to be identified. Kumpulan Powernet believes that the collaboration will give the group an advantageous platform for further benefit and better prospect in the future. Kumpulan Powernet's wholly-owned subsidiary Powernet Properties SB has entered into a MoU with Angkatan Koperasi's unit MyAngkasa Bina SB for the purpose. (Source: *The Edge*)

Vertice in talks to venture into smart hotels with Smuzcity

Vertice is contemplating to venture into the smart hotel business, which will be unmanned and cashless, via a strategic partnership with a local company Smuzcity. Vertice's wholly-owned unit Vertice Construction SB inked a MoU with Smuzcity today to negotiate on forming the strategic alliance. Under the deal, the parties want to collaborate for opportunities for qualified real properties to be considered for a structured smart hotel chain business. Via the MoU, Vertice will provide its knowledge and experience in the construction industry to contribute towards works for the design, construction and renovation for the chain of hotels. (Source: *The Edge*)

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Top Glove initiates legal action against Aspion directors, Adventa Capital

Top Glove and its wholly-owned unit Top Care SB have initiated a writ action against two directors of Aspion SB for a sum of no less than RM714.86m. Top Glove and Top Care also initiated 2 separate originating summons against Aspion's former parent company Adventa Capital Pte Ltd to restrain the latter from disposing of its assets in Malaysia and Singapore by the same amount. In the writ action, Top Glove alleged Aspion directors were in a conspiracy to defraud the company by tricking it into acquiring Aspion from Adventa Capital for RM1.37bn earlier this year. (Source: *The Edge*)

KUB to dispose entire interest in A&W for RM34m

Restoran Kualiti SB, a wholly-owned subsidiary of KUB Malaysia Bhd, entered into a SPA today with Inter Mark Resources SB for the disposal of its entire 100% interest in A&W (Malaysia) SB for RM34m. The proposed disposal is expected to record a one-off estimated net gain of about RM18.9m, including the reimbursement of intercompany balances of RM4m. The RM34m comprises of RM30m for A&W's entire equity interest and RM4m for reimbursement of intercompany balances. (Source: *The Edge*)

Protasco's unit to pay RM2.96m claim to sub-contractor

HCM Engineering SB, a wholly-owned unit of Protasco, is instructed to pay its sub-contractor a total of RM2.96m for a payment claim requested in February. Protasco has received an adjudication decision for the claim, following a dispute with Kuasatek (M) SB over the mechanical and electrical work packages under a project previously awarded to HCM Engineering. Kuasatek had on Feb 20 filed a notice of adjudication pursuant to Section 8 of Construction Industry Payment Adjudication Act 2012 against HCM Engineering for a sum of RM3.27m. (Source: *The Edge*)

MISC bags US\$441m 16-year charter contract

MISC has secured a 16-year charter contract with an estimated contract value of US\$441m (RM1.78bn), commencing latest by Sept 1 this year. MISC has signed a long-term charter contract with Hess Exploration and Production Malaysia BV (HESS) for the lease of a floating, storage and offloading facility (FSO) known as FSO Mekar Bergading on a bareboat basis. The contract is pursuant to a sale and charter agreement in respect of the FSO with HESS, which resulted in MISC acquiring ownership of the FSO from HESS. (Source: *The Edge*)

Prasarana mulls taking over LRT 3

Prasarana Malaysia is considering taking over the construction of the LRT 3 from its project delivery partner to curb its spiraling cost. The government is reviewing the project as cost has ballooned from the initial estimate of RM9bn in 2015 to more than RM15bn. Construction at the site had already reached 10%, with most of the work contracts awarded. It is estimated that more than RM15bn worth of construction jobs had been farmed out to contractors, including a RM1.1bn underground package awarded to IJM in March. (Source: *The Star*)

Enonmetall plans to invest RM100mil in steel racking and M&E ops

Enonmetall is investing more than RM100m this year and 2019 in its steel racking and machinery and equipment business. About 70% of the budget would go into the construction of 10 palm oil solvent extraction plants for a government-linked company in the plantation business. This is a built-operate-transfer project which will take effect this year. It is expected the project start generating sales contribution from 2019. (Source: *The Star*)