

Monday 18 June 2018

ITEMS	Close			ITEMS	Close		
	15-Jun	14-Jun	Chg		15-Jun	14-Jun	Chg
INDICES				FOREX			
FBM SHARIAH	-	12,473.71	n.a	RM/USD	3.9875	3.9848	0.07%
FBM KLCI	-	1,761.78	n.a	COMMODITIES			
FBM EMAS	-	12,378.78	n.a	CPO/tonne (RM)	-	2,334.00	n.a
DJIA	25,090.48	25,175.31	-0.34%	Oil/barrel (US\$)	65.06	66.89	-2.74%
S&P 500	2,779.66	2,782.49	-0.10%	Gold/ounce (US\$)	1,279.55	1,302.30	-1.75%
NASDAQ	7,746.38	7,761.04	-0.19%	Rubber SMR20/kg (sen)	-	539.50	n.a

15May (Friday) Public Holiday Malaysia Eid Fitri

Corporate News

MyEG launches Volvo Car Leasing

MyEG has launched Volvo Car Leasing, a leasing service that will let customers enjoy stress-free Volvo ownership, minus the usual financial strain of a hire-purchase agreement. The launch follows the Leasing Service Agreement signed between its sub-subsidiary MyEG Fintech and Volvo Car Malaysia SB on May 2. The agreement has no fixed value and it is dependent on the number of customers who take up the service. The agreement shall commence upon signing and shall continue unless and until terminated by either party by giving 90 days' written notice. (Source: *The Edge*)

Asdion's 49%-owned associate bags Engisoul distribution right in Indo-China

Asdion's 49%-owned associate Renox Stainless Steel Co Ltd has obtained the right to distribute automotive clean-in-place (CIP) equipment for the food and beverage industry in Indo-China for 3 years. Renox had entered into an agreement with Thai turnkey engineering solution firm Engisoul Co Ltd for the CIP equipment distributor right. Under the deal, Renox will receive USD100,000 per unit for each unit sold. The contract is expected to contribute positively to the group's earnings and NAPS for the FY2019. (Source: *The Edge*)

Pharmaniaga not only supplier to public health facilities — MoH

Pharmaniaga is not the sole concession holder supplying medicines to public health facilities. Approximately 33.4% (RM1.1bn) of MoH pharmaceutical purchases was from the concessionaire company, while 66.6 % (RM2.2bn) were purchases by the facilities through central contracts or quotations. It is strictly incorrect to state that Pharmaniaga acts as a monopoly as the sole concession holder because there are also other vendors supplying directly to all MoH health facilities. The statement was in response to an article on a news site urging the government to review Pharmaniaga's role in the public healthcare system. The article quoted Galen Centre for Health and Social Policy saying it was rare for countries to rely on a single concessionaire company to supply biopharmaceutical products for a long period of time. (Source: *The Edge*)

Nova MSC lands RM15m building information services contract in Singapore

Nova MSC has secured a 20-month contract from Singapore's Public Utilities Board to provide building information modelling services worth SGD5.17m. The contract was awarded to its wholly-owned unit, novaCITYNETS Pte Ltd. Under the contract, novaCITYNETS shall supply, deliver and implement a building information modelling checking system for building plan submission over about 20 months and thereafter maintain the project for the next 20 months. The contract will contribute positively to its overall results for the FY2019. Nova MSC provides application software to the government and healthcare firms. (Source: *The Edge*)

MISC's unit bags USD645m contract from Petrobras

The charter contract awarded to its wholly-owned petroleum shipping unit AET Tanker SB recently is valued at

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USD645m over a charter period of 10 years. On May 25, AET Tanker was awarded a contract to own and operate four specialist DP2 Suezmax size shuttle tankers from Petr leo Brasileiro SA, or Petrobras, of Brazil for operations in international and Brazilian waters. The firm charter period is expected to commence in 2020. These new vessels will be in addition to the 2 AET DP2 ships currently on charter in the Brazilian Basin for Petrobras. (Source: *The Edge*)

Dialog buys remaining 20% stake in two Langsat terminals for RM62.6m

Dialog has taken full control of 2 firms that provide centralised tankage and tank terminal facilities to the oil, gas and petrochemical industry, after acquiring the remaining 20% stake in both firms for RM62.6m. Its wholly-owned subsidiary Dialog Terminals SB paid RM43m for the stake in Langsat Terminal (One) SB (LGT1) and RM19.6m for the stake in Langsat Terminal (Two) SB (LGT2). The vendor is Puma Energy Asia Pacific B.V. Dialog Terminals is also assuming Puma's portion of shareholder's loan to LGT1 and LGT2, including principal and accrued interest, amounting to RM24.3m and RM8.1m respectively. (Source: *The Edge*)

Sapura Energy discovers ninth gas well offshore Sarawak

Sapura Energy has discovered its 9th gas exploration well in offshore Bintulu, Sarawak following the completion of its drilling campaign within Block SK408 in 2017. The 9th well was discovered by its wholly-owned subsidiary, Sapura Exploration and Production (Sarawak) Inc, and its 2 partners, Sarawak Shell and Petronas Carigali SB. Codenamed Populut-1, the 9th well encountered high quality reservoir within the Block SK408 production sharing contract. The well's discovery comes after the group's recent announcement of its development plans for Gorek, Larak and Bakong fields as phase one in the Block SK408. (Source: *The Edge*)

RM5.9b second phase of KTM track upgrade to be reviewed

The 2nd phase of the construction involving the Klang Valley Double Track (KVDT) to upgrade KTM Bhd (KTMB) tracks worth RM5.9bn will be reviewed. The project was awarded through direct negotiation and was "too much" to stomach. The cost of RM5.9bn for the 2nd phase of the rehabilitation programme is too much and it is supposed to take 7 years to complete. Meanwhile, the 1st phase of the KVDT, which cost RM1.4bn, will see its completion date postponed to November 2019 from August the same year. Thus, KTMB commuters can expect delays from 15 minutes to 30 minutes or longer during peak hours, and 30 minutes to 1 hour or longer during off peak hours. (Source: *The Edge*)

Metronic Global awarded RM5m in adjudication proceedings against Ahmad Zaki

Metronic Global's wholly-owned subsidiary Metronic Engineering SB has been awarded 4.73m Saudi Arabian riyals (RM5m) in an adjudication proceeding against Ahmad Zaki Resources. The claim is in relation to disputes over non-payment for works done and costs incurred by Metronic Engineering for the Al Faisal University Campus Development Project in Riyadh, Saudi Arabia. Metronic Engineering had commenced the adjudication proceeding under Construction Industry Payment and Adjudication Act 2012 (CIPAA) against Ahmad Zaki. The adjudicator, in his adjudication decision on June 7, ruled that Ahmad Zaki must make the payment within 30 days. (Source: *The Edge*)

Bina Darulaman bags RM70m road maintenance contract in Kedah

Bina Darulaman has won a 1-year extension of its state road maintenance contract with the Kedah government, worth RM70m. Its wholly-owned subsidiary BDB Infra SB entered into a supplementary agreement with the state government for the extension. The government, through the Public Works Department (JKR), has agreed to pay BDB Infra for the work to be undertaken in the Kota Setar/Padang Terap, Kuala Muda/Sik, Kubang Pasu, Kulim/Bandar Baharu, Pendang/Yan and Baling districts. (Source: *The Edge*)

Mah Sing donates RM3m to Tabung Harapan

Mah Sing has donated RM3m to Tabung Harapan Malaysia at the Finance Ministry in Putrajaya. This is a CSR effort above and beyond what they are doing with Mah Sing Foundation which is more focused on teaching the nations' young via their educational programmes. For the 1st time in Malaysia's history, they are seeing a groundswell of support to crowd-raise funds for the country. Everyone is inspired to help in their own way and as a public-listed company growing with the nation and serving the people's needs, they are glad to be part of this effort. (Source: *The Edge*)

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George Kent 1Q net profit rises 16.49% to RM21.54m

George Kent's net profit for the 1QFY18 rose 16.49% yoy to RM21.54m from RM18.5m, driven mainly by its metering business. Revenue for the quarter, however, fell to RM99.76m from RM129.42m previously. EPS rose to 3.8 sen from 3.3 sen previously. The group had achieved yet another record set of 1Q results. Construction projects were executed well and on time. The group is heartened to see a compounded growth of 24% from its metering business over the last 3 years. With a strong balance sheet, the group will increase its resources substantially, in terms of manpower and financial resources, to accelerate the growth in its metering and other water-related businesses and investments through M&As and strategic partnerships. *(Source: The Edge)*

Bermaz Auto's profit more than doubles in 4Q; pays special dividend

Bermaz Auto's net profit for 4QFY18 came in 2.6 times higher at RM57.19m compared with RM22.21m in the previous year, thanks to higher domestic sales of its well-received CX-5 and CX-9 models that were launched in the last quarter of 2017. This brought EPS for the quarter to 4.93 sen, from 1.93 sen per share in 4QFY17; revenue grew 61% yoy to RM570.59m from RM354.03m. The group has recommended a 4th interim dividend of 2.30 sen per share and a special dividend of 2.70 sen per share, totalling a payout of 5 sen per share, which will be payable on July 26. *(Source: The Edge)*

Petronas completes its first LNG break bulking ship-to-ship transfer

Petronas LNG Ltd (PLL), a subsidiary of Petronas, has delivered its 1st liquefied natural gas (LNG) cargo through its maiden break bulking ship-to-ship (STS) transfer in Brunei Bay. This is part of its latest offering as a global LNG portfolio solutions provider. The cargo from Malaysia LNG SB (MLNG), Bintulu was transferred from the mother vessel Seri Bijaksana to the daughter vessel SS Lucia Ambition. The cargo from SS Lucia Ambition and remaining cargo in Seri Bijaksana will subsequently be delivered to respective buyers. Petronas added that the STS strengthens its supply portfolio in Bintulu, which has had no missed deliveries since 1983. *(Source: The Edge)*

Supermax secures Japanese licence for contact lens business

Supermax, whose shares surged nearly 9% to a record high, announced that its 70%-owned Japanese unit Aime Supermax KK has been granted the product licence for its contact lenses by the Pharmaceutical and Medical Device Authority of Japan. A formal notification was received by Aime KK, which is 100% owned by Aime Supermax. The product licence effectively enables the Supermax Group via SuperVision Optimax SB to export the first Malaysian brand contact lens to Japan, one of the world's largest markets for contact lenses. This is a breakthrough for both SuperVision Optimax and Malaysia, to be the 1st Malaysian contact lens to export to Japan. PMDA conducts one of the most stringent clinical evaluations in the world. *(Source: The Edge)*

Gas Malaysia announces natural gas tariff hike

Gas Malaysia the revision of natural gas base tariff for the non-power sector in Peninsular Malaysia to RM31.92/MMBtu from RM30.90/MMBtu from July 1 to Dec 31, 2018. The government has approved the natural gas tariff hike. The government had given its approval, via a letter dated June 12, 2018 from the Energy Commission, for Gas Malaysia to affect the revision of the natural gas tariff. The Energy Commission is also known as Suruhanjaya Tenaga. Gas Malaysia mention that the government has prescribed the incentive based regulation framework which sets the base tariff for a regulatory period of 3 years from January 2017 and allows changes in the gas costs to be passed through via the gas cost pass through (GCPT) mechanism every 6 months. *(Source: The Edge)*

Petra Energy gets 1-year contract extension from Petronas Carigali

Petra Energy has received a 1-year extension on its contract from Petronas Carigali SB for the provision of hook-up, commissioning and topside major maintenance services. The contract was previously awarded to Petra Energy by Petronas Carigali for a duration of 5 years from May 21, 2013 to May 20, 2018. The extension granted was from May 21, 2018 to May 20, 2019. Petra Energy previously mention when announcing the 5-year contract in 2013 that no firm contract value was stated in the letter of award as the contract is on a call-out basis where work orders will be issued at the discretion of the client based on a standard schedule of rates over the duration of the contract. *(Source: The Edge)*

Hap Seng Plantations' RM1.18bn Kretam acquisition falls through

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Hap Seng Plantations plan to acquire a 55% stake in Kretam for RM1.18bn has fallen through. It decided not to proceed with the deal after it found the results of the due diligence of Kretam to be unsatisfactory and unacceptable. It has exercised its right to terminate the share sale agreements with immediate effect, with which the group will not extend the proposed mandatory general offer for all the remaining Kretam shares not included in the deal, for a cash consideration of 92 sen per share. In February, Hap Seng Plantations announced its intention to acquire the 55% stake in Kretam, comprising 1.28bn shares, at 92 sen per share in cash. *(Source: The Edge)*

Datasonic to relook RM100m profit mark in FY19 following govt change

Datasonic will have to relook at its initial expectation of surpassing RM100m mark of net profit in FY19 after the change of government following the PH coalition's victory in GE14. Nevertheless, MD, Datuk Abu Hanifah Noordin believes that Datasonic's offering will remain appealing to the new government. They have to relook at it (RM100m profit mark for FY19) and rely on the new government; of course, those projects that they want to push through will still be the initiatives they want to proceed with, but as he mentions that they are dealing with new people, they have various priorities, constraints and objectives, which are different from the previous government. *(Source: The Edge)*

Asdion associate to distribute Evoguard's valves in Thailand's F&B market

Asdion's 49% associate Renox Stainless Steel Co Ltd has inked a distribution agreement with Evoguard of the Krones Group AG in Germany to distribute Evoguard's commercial valves in Thailand's F&B market. The agreement grants Renox the right to distribute the said products for a year and 6 months. Krones Group AG which is headquartered in Neutraubling, Germany is the world's leading manufacturer of Filing and Packaging Technology. Evoguard is Kronex's subsidiary and specialises in high performance valves and pumps. Thailand is 1 of the focus countries for Evoguard as most of their clients or indirect clients from Krones Group AG are in Thailand. *(Source: The Edge)*

Matrix Concepts donates another RM2m to Tabung Harapan Malaysia

Matrix Concepts has donated a further RM2m to Tabung Harapan Malaysia, fulfilling its promise and bringing its total contribution to the fund to RM5m. The developer had 1st donated RM3m to the fund. Chairman Datuk Mohamad Haslah Mohamad Amin mention that the company had managed to raise the funds from its employees, contractors, suppliers and business associates within a fortnight. He had handed over a cheque bearing the amount to Negeri Sembilan Chief Minister Aminuddin Harun at Wisma Negri in Seremban. *(Source: The Edge)*

Nexgram streamlines business, disposes of 6 subsidiaries

Nexgram has disposed of its entire equity interest in 6 subsidiaries, in an effort to streamline its business activities with the intention to focus on property development. The company sold its stake in Nextnation Network SB, Dubaitech Marketing SB, Tech Bonanza SB, Taffu Media SB and Divamas Promotions SB for a total of RM1,000. Nextnation and Dubaitech are principally engaged in programming services and software development while Tech Bonanza is engaged in the business of providing multiple gateways for technology enabling and content provisioning services. Taffu Media and Divamas are both in the business of media advertising, publishing and printing services. *(Source: The Edge)*

Yinson in talks to supply FPSO unit to Nigerian O&G company

Yinson has entered a head of terms to engage in exclusive negotiations for the potential supply and charter of a floating production storage and offloading (FPSO) unit to a Nigerian O&G company. The FPSO unit will process the hydrocarbons from the Anyala & Madu fields under Oil Mining Leases 83 & 85. The group mention its indirect wholly-owned subsidiary Yinson Production Pte Ltd (YPPL) had entered a head of terms with its associate Yinson Operations & Production West Africa Ltd (YOPWAL) and 1st Exploration & Petroleum Development Company Ltd (First E&P) to negotiate the potential supply and charter of the FPSO unit. *(Source: The Edge)*