DAILY DIGEST

Monday 27 August 2018

ITEMS	Close			ITEMS	Close		
	24-Aug	23-Aug	Chg		24-Aug	23-Aug	Chg
INDICES				**FOREX**			
FBM SHARIAH	12,881.79	12,940.50	-0.45%	RM/USD	4.1085	4.1050	0.09%
FBM KLCI	1,808.59	1,810.87	-0.13%	**COMMODITIES**			
FBM EMAS	12,741.49	12,791.41	-0.39%	CPO/tonne (RM)	2,219.00	2,238.00	-0.85%
DJIA	25,790.35	25,656.98	0.52%	Oil/barrel (US$)	68.72	65.91	4.26%
S&P 500	2,874.69	2,856.98	0.62%	Gold/ounce (US$)	1,205.90	1,185.05	1.76%
NASDAQ	7,945.98	7,878.46	0.86%	Rubber SMR20/kg (sen)	552.00	541.50	1.94%

Corporate News

Tomei's 2Q net profit slumps as sales weaken

Lower sales in both retail and the manufacturing and wholesale segments have dragged the net profit of Tomei's 2Q down 93% yoy. The softening of international gold prices also affected gross margin in its manufacturing and wholesale segment. For the quarter ended June 30, 2018, Tomei's net profit slumped to RM394,000 from RM5.64m a year ago, as revenue fell 23% to RM129.58m from RM169.17m. EPS retreated to 0.28 sen from 4.07 sen. *(Source: The Edge)*

Utusan falls into PN17 after defaulting on loan repayments

Utusan Melayu has been classified as a Practice Note 17 company as it has defaulted in its principal and profit payment to Maybank Islamic and Bank Muamalat Malaysia, totalling RM1.18m, and is unable to provide a solvency declaration to Bursa Malaysia. The pursuant to the PN17, the company is required to submit a regularisation plan to the SC if the plan will result in a significant change in business direction or policy of the company, or to Bursa Malaysia if the plan will not result in a significant change in the business direction or policy of the company within 12 months from today. *(Source: The Edge)*

E&O posts lower 1Q net profit as forex, JV losses weigh

Eastern and Oriental (E&O)'s net profit for the 1QFY19 fell 34% from a year ago, despite a 15% rise in revenue, as it was impacted by unrealised foreign exchange losses and losses from JVs. Net profit for the 1QFY19 declined to RM14.12m from RM21.24m, even as revenue rose to RM199.99m from RM173.44m, on stronger property segment turnover. *(Source: The Edge)*

Petrol One appeals against delisting decision

Practice Note 17 entity Petrol One Resources said it has submitted an appeal to Bursa Malaysia Securities against the latter's decision to delist its securities from the Main Market of the local bourse. The appeal was submitted to Bursa Securities today against the suspension and delisting of its securities, which was initially slated for this Friday (Aug 24). *(Source: The Edge)*

Perak Transit's 2Q earnings rise 31% on higher contribution from public transport hub operations

Perak Transit's net profit grew 31.29% yoy to RM10.13m for the 2QFY18 from RM7.72m on higher contribution from its integrated public transportation terminal, and petrol station operations. Its EPS came in at 0.79 sen compared with 0.61 sen a year ago. Its quarterly revenue rose 24.89% to RM31.25m compared with RM28.22m in 2QFY17. *(Source: The Edge)*

Eita Resources 3Q net profit doubles, declares interim and special dividend

Eita Resources's net profit for the 3QFY18 doubled to RM3.65m from RM1.81m a year ago, in tandem with higher revenue, unrealised forex gain on fair value valuation of forward exchange contracts and reversal of provision for allowance for doubtful debts. The revenue grew by 11.3% to RM67.8m in 3QFY18 from RM61m in 3QFY17, mainly due to higher revenue from the services segment but mitigated by lower revenue from the manufacturing and marketing and distribution segments. *(Source: The Edge)*

Gamuda gets offer letter from Air Selangor to buy SPLASH

Gamuda Bhd said today it has received a letter of offer from Pengurusan Air Selangor Sdn Bhd for the acquisition of SPLASH. Gamuda said the letter of offer, received through its 80%-owned subsidiary Gamuda Water SB, sets out the termination of the existing operations and maintenance agreement (OMA) of the Sungai Selangor Water Treatment Plant Phase 3 (SSP3) between Gamuda Water and SPLASH, as well as settlement of the outstanding Gamuda Water's receivable from SPLASH via a termination and settlement agreement to be entered into between Air Selangor, SPLASH and Gamuda Water. *(Source: The Edge)*

Taliworks has till Aug 27 to accept Air Selangor's terms of settlement

Taliworks has received a letter of offer from Pengurusan Air Selangor Sdn Bhd, as part of the latter's acquisition of Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (SPLASH) via its wholly-owned subsidiary Sungai Harmoni SB. The offer sets out the key terms of settlement between Air Selangor, SPLASH and Sungai Harmoni relating to Sungai Harmoni's outstanding receivables arising from its existing operations and maintenance of the Sungai Selangor Water Treatment Plant Phase 1 (SSP1), as well as the key terms in respect of the new operations and maintanence agreement (OMA) between Air Selangor and Sungai Harmoni. *(Source: The Edge)*

WCE 1Q net profit up 4% on higher contribution from associates

WCE's net profit rose 3.8% to RM9.27m in its first financial quarter ended June 30, 2018 (1QFY19), from RM8.93m a year ago, mainly due to higher contribution from its associates which has increased to RM9.7m in the current quarter, compared to RM6.7m in preceding year's corresponding quarter. The higher profit recorded by the associate during the quarter is due to higher work progress from the current ongoing projects, as well as the completion of Phase 7B1 Penduline in the current quarter. *(Source: The Edge)*

Petronas Chemicals eyeing acquisitions to boost specialty business

The chemical manufacturing unit of Malaysia's state energy firm Petronas is actively looking to acquire companies to expand its specialty chemical business, its chief executive officer said on Tuesday. Petronas Chemicals is looking to grow aggressively in specialty chemicals, which are raw materials used to manufacture consumer products such as high-performance tyres and LCD televisions. CEO Sazali Hamzah said acquisitions would be a key step towards expanding the higher-margin specialty chemicals business. The hunt for acquisitions comes as parent company, Petronas, relies more on its downstream business to boost revenue amid analyst estimates that it will produce less oil in the future. *(Source: The Edge)*

Sime Darby Plantation to collaborate with China's COFCO on palm oil ventures

Sime Darby Plantation (SDP) has signed a MoU with COFCO Group Co. Ltd (COFCO) to collaborate on a number of palm oil related ventures. The MoU includes a joint research on the health benefits of palm oil, developing capabilities to manufacture specialty oils and fats, and establishing joint sales and marketing activities to promote high value differentiated palm products in China. Through these initiatives, both SDP and COFCO hope to create greater demand for certified sustainable palm oil and increase trade volumes between the two companies. The MoU signing was held at the China World Summit Wing in Beijing, and was witnessed by Malaysian Prime Minister Tun Dr Mahathir Mohamad, who was in China for a five-day official visit. *(Source: The Edge)*

Sime Darby Plantations forays into coconut oil production in Papua New Guinea

Sime Darby Plantation has acquired 100% in coconut oil exporter Markham Farming Co Ltd (MFCL) for US$52.6m (approximately RM215.6m) cash as it seeks to expand its operations in Papua New Guinea. Its wholly-owned unit New Britain Palm Oil Ltd (NBPOL) inked a SPA with Markham Agro Pte Ltd for the acquisition. MFCL is the largest coconut oil exporter in Papua New Guinea and the acquisition enables Sime Darby Plantations to expand its lauric oils business into coconut oil production. *(Source: The Edge)*

Pestech bags RM58m Sibiyu substation job from Sarawak Energy

Pestech's subsidiary Pestech SB has bagged a RM57.95m contract from Sarawak Energy's unit Syarikat Sesco for the Sibiyu 132/33kV substation project. The project will contribute positively towards the revenue and earnings of Pestech in accordance to the stages of progress to be recognised in the FY19. It is also expected to contribute positively to the company's future earnings and net asset per share. The project, which is expected to last for 28 months from Sept 3, 2018, is about 35 minutes from Bintulu Airport in the Kemena Land District in Sarawak. *(Source: The Edge)*

Tropicana Corp 2Q net profit down 18% on lower revenue

Lower sales have dragged Tropicana's net profit for the 2QFY18 lower by 18.24% to RM38m from RM46.48m a year ago. Tropicana attributed the lower earnings to the fixed general and administrative expenses, which it had to incur despite lower revenue, adding that the group also saw additional staff costs since 2QFY18 in preparation for the commencement of operations at the W Hotel in Kuala Lumpur City Centre. Quarterly revenue was 35.9% lower at RM281.43m, from RM439.06m in 2QFY17. *(Source: The Edge)*

Maybulk's 2Q net loss jumps to RM151m on POSH's impairment loss

Maybulk saw its 2Q net loss expand about 14 times yoy to RM151.27m from RM10.75m, as it recognised an impairment loss from the disposal of its former associate, Singapore-listed PACC Offshore Services Holdings Ltd (POSH). Revenue for the 2QFY18 retreated 19% to RM57.49m from RM70.69m. On May 11, Maybulk's shareholders approved of the disposal of the 21.23% stake the group held in POSH. After accounting for Maybulk's share of POSH results, the carrying amount of POSH was written down to its fair value, less costs to sell, resulting in an impairment loss of RM147.66m. *(Source: The Edge)*

Hibiscus' Anasuria Cluster has 24.4 mmbbls of oil reserve, 17.5 bscf of gas reserves

An independent evaluation of Hibiscus Petroleum Bhd's 50%-owned Anasuria Cluster off the North Sea in UK has revealed an estimated 24.4m barrels of oil reserves (mmbbls) and 17.5bn standard cubic feet of gas reserves. The evaluation was done by Leap Energy Partners Sdn Bhd (Leap Energy), which was appointed by Hibiscus' wholly-owned subsidiary Anasuria Hibiscus UK Ltd (AHUK) on May 28 this year. The result is based on July 1, the effective date. AHUK holds a 50% interest in the Anasuria Cluster which is made up of Teal, Teal South and Guillemot fields, and 19.3% interest in the Cook field. *(Source: The Edge)*

CCK 2Q net profit up 12.77% on higher selling prices

CCK Consolidated posted a 12.77% increase in 2Q net profit to RM6.21m from RM5.5m a year ago, on the back of higher selling prices of table eggs and dressed chickens, as well as a higher share of results from an associate. Revenue for the 2Q18 was up 6.85% at RM166.57m from RM155.89m previously led by growth in the retail segment. Cumulative net profit for the first 2Q jumped 52.56% to RM18.62m from RM12.2m in the January-June period last year. Revenue rose 7.37% to RM320.22m from RM298.25m. The group is confident the performance for the rest of the year will be positive. (*Source: The Edge)*

Gamuda gets till Sept 3 to accept SPLASH deal

Gamuda has been given an extension of time until Sept 3 by Pengurusan Air Selangor SB to revert on the offer for its 40%-owned associate company SPLASH. Prior to this, Gamuda was required to revert on the offer by Aug 27. Splash is a wholly-owned subsidiary of Splash Holdings, in which Gamuda owns a 40% stake, while Kumpulan Perangsang Selangor Bhd owns 30%; the remaining 30% is held by Sweet Water SPV SB. *(Source: The Edge)*

MMC Corp's 2Q profit slumps on lower contributions from ports, Malakoff

MMC's net profit slumped 66% to RM20.08m in the 2QFY18, from RM59.81m a year ago, due largely to lower contribution from Johor Port Bhd and Northport (Malaysia) Bhd. The conglomerate also attributed the decline in earnings to the lower share of profit from its 36.5%-owned Malakoff due to lower contribution from Segari Energy Venture SB's (SEV) plant, and lower fuel margin recorded at coal plants. *(Source: The Edge)*

Cahya Mata Sarawak records strong 2Q net profit owing to improved results of its associates

Sarawak State infrastructure facilitator Cahya Mata Sarawak Bhd (CMSB) saw its net profit for the 2QFY18 leap by 59.5% to RM91.63m from RM57.43m mainly attributed to the increase in share of results of its associates. EPS stood notably higher at 8.53 sen compared with 5.35 sen per share in the previous year's corresponding quarter. *(Source: The Edge)*

Opcom's 1Q net profit up 20.5%

Fiber optics cable company Opcom's net profit rose 20.5% to RM833,000 in the 1QFY19 compared with RM691,000 in the previous year on lower sales, distribution, finance and operating costs. Opcom's quarterly revenue, however, fell to RM17.85m from RM22.46m a year ago due to lower supply of fiber optic cables, trading of industrial materials and engineering services work. *(Source: The Edge)*

Bintai Kinden bags RM1.6m job from TNB

Bintai Kinden has bagged a contract worth RM1.63m from TNB. Bintai Kinden received the contract via its wholly-owned unit Kejuruteraan Bintai Kindenko Sdn Bhd, which has been appointed as the contractor for reconfiguration and retrofitting works for a 132kV bulk supply to the main intake substation at KLCC2, Kuala Lumpur. *(Source: The Edge)*

Southern Steel's 4Q net profit jumps to RM35.2m on higher sales volume, net margin

Southern Steel Bhd's 4Q net profit grew by more than 6 times to RM35.21m from RM5.57m a year earlier, on higher sales volume and net margin. EPS in the quarter ended June 30, 2018 rose to 8.12 sen from 1.3 sen previously. Quarterly revenue increased 35.69% to RM888.64m from RM654.92m. *(Source: The Edge)*