

MALAYSIA CORPORATE TOP STORIES

*Companies in the news*

# Top Glove, MAHB, Pantech, Fajarbaru, Yinson, Serba Dinamik, I-Bhd and BToto

Justin Lim / theedgemarkets.com

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KUALA LUMPUR (June 18): Based on corporate announcements and news flow today, companies that may be in focus on Wednesday (June 19) may include the following: Top Glove Corp Bhd, Malaysia Airports Holdings Bhd (MAHB), Pantech Group Holdings Bhd, Fajarbaru Builder Group Bhd, Yinson Holdings Bhd, Serba

Dinamik Holdings Bhd, I-Bhd and Berjaya Sports Toto Bhd (BToto).

**Top Glove Corp Bhd's** net profit for the third quarter ended May 31, 2019 slumped 36.5% year-on-year (y-o-y) to RM74.67 million from RM117.57 million, on the back of a surge in price of natural rubber latex. Quarterly revenue, however, rose 8.1% y-o-y to RM1.19 billion from RM1.10 billion, backed by growth in sales volume.

The group declared a first interim dividend of 3.5 sen per share, to be paid on July 16.

"As our product is closely linked with a commodity, short-term volatility is to be expected, which may affect our margins during certain financial quarters.

"However, this is only in the interim. In our business, we expect to perform better in the following quarter and over the longer term," said executive chairman Tan Sri Lim Wee Chai.

The Malaysian Aviation Commission (Mavcom) has revised upward slightly, the rate of return to 10.88% for **Malaysia Airports Holdings Bhd (MAHB)** on the airport operator's assets in its latest consultation paper released yesterday.

This is higher than the 9%-11% rate of return proposed in the first consultation paper in October last year, but lower than the 12.7% to 14% range submitted by MAHB itself.

Mavcom is also proposing to allow MAHB to introduce a transfer PSC to be applied for both domestic and international connections under all three scenarios.

The transfer PSC will apply to flights that are scheduled to depart within 24 hours of arrival at the transit airport. MAHB is proposing a transfer PSC of RM3 and RM17 for domestic and international transit, respectively.

The US Department of Commerce has cleared **Pantech Group Holdings Bhd's** unit Pantech Steel Industries Sdn Bhd (PSI) of circumventing the anti-dumping duty order on butt-weld fittings from China.

As a result, PSI will immediately commence shipments of its carbon steel butt-weld fittings to the US once again.

"This is expected to have a positive impact on the group's revenue going forward, with contribution from PSI projected to normalise by the third quarter of financial year ending Feb 28, 2020," Pantech said.

**Fajarbaru Builder Group Bhd** is partnering a Chinese company to participate in the bidding on request for proposal (RFP) by the Energy Commission of Malaysia to develop and operate large scale solar photovoltaic plants (LSS3) for Peninsular Malaysia.

It has entered into a memorandum of understanding with China Gezhouba Group Overseas Investment Co Ltd (CGG) to bid for the LSS3 through a joint venture company with 55% ownership by Fajarbaru and 45% by CGG.

"The MoU will also enable Fajarbaru and CGG to share experience and expertise to undertake the implementation and completion of engineering, procurement, construction and commissioning works of the bid," Fajarbaru said.

**Yinson Holdings Bhd** has secured a four-year extension of its floating production storage and offloading (FPSO) charter contract worth US\$137.5 million (RM574.1 million).

Yinson said its indirect unit Adoon Pte Ltd has entered into an addendum with Addax Petroleum Development (Nigeria) Ltd to further extend the contract for the charter of FPSO Adoon with retrospective effect from Oct 17, 2018 to Oct 16, 2022.

The original contract for the FPSO Adoon was awarded on Oct 17, 2006, for a period of eight years, with an option to renew for up to eight years.

**Serba Dinamik Holdings Bhd** said its units have secured the seven contracts, which it expected to contribute positively to the group's earnings for the financial year ending Dec 31, 2019 (FY19).

First of all, Serba Dinamik International Ltd (SDIL), a unit of Serbak Dinamik, has won a three-year operations and maintenance (O&M) contract from Pavilion Qatar Engineering Co WLL worth US\$60 million or RM250.62 million.

Secondly, Serba Dinamik Sdn Bhd (SDSB) has secured five O&M contracts from Petronas Chemicals Fertiliser Sabah Sdn Bhd, Malaysia Refining Company Sdn Bhd, Malaysia LNG Sdn Bhd, Kebabangan Petroleum Operating Company Sdn Bhd (KPOC) and PC Myanmar (Hong Kong) Ltd.

SDSB also secured one engineering, procurement, construction and commissioning (EPCC) contract from Petroliam Nasional Bhd (Petronas).

**I-Bhd**, which is likely to see contribution from its property development segment affected this year as the property developer did not have any launches in 2018, has lined up property launches worth RM800 million in gross development value (GDV) over the next six months.

It is also planning to upgrade and relocate some of its theme park rides and attractions at i-City, Selangor, in order to attract new groups of visitors, as well as to free up land for property development.

It also noted there will still be considerable property investments in the coming five years, as the target is to establish a RM1 billion investment property portfolio.

**Berjaya Sports Toto Bhd (BToto)** doubled its net profit to RM70.18 million for the fourth quarter ended April 30, 2019 (4QFY19), from RM35.18 million in the previous year's corresponding quarter, helped by lower prize payout and a decline in operating expenses.

Revenue for the quarter rose 8% to RM1.51 billion, from RM1.4 billion a year earlier.

It declared a fourth interim dividend payment of 4.5 sen per share amounting to RM60.6 million, bringing total dividend distribution to RM215.5 million for the 12 months to April 30, representing 78% of the group's profit.

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