

Publication: **MartinTFWong**

Date: **8th August, 2019**

Headline: **Malton, ECM Libra, Khee San, Advance Synergy, Sunway REIT, Malaysia Smelting Corp, PUC, Metronic, Berjaya Land, Barakah Offshore, AirAsia Group, AAX And MAHB**

Malton, ECM Libra, Khee San, Advance Synergy, Sunway REIT, Malaysia Smelting Corp, PUC, Metronic, Berjaya Land, Barakah Offshore, AirAsia Group, AAX and MAHB

KUALA LUMPUR (Aug 8): Based on corporate announcements and news flow today, stocks in focus on Friday (Aug 9) may include Malton Bhd, ECM Libra Financial Group Bhd, Khee San Bhd, Advance Synergy Bhd, Sunway Real Estate Investment Trust, Malaysia Smelting Corp Bhd, PUC Bhd, Metronic Global Bhd, Berjaya Land Bhd, Barakah Offshore Petroleum Bhd, AirAsia Group Bhd, AirAsia X Bhd and Malaysia Airports Holdings Bhd.

Malton Bhd's joint venture unit could be on the brink of losing its qualification to bid for the construction of a superstructure above the airport express train station located near the main train station in Taipei.

Malton said if the JV unit fails to sign an investment agreement for the project with the Taipei city authorities by tomorrow (Aug 9), its qualification as the best applicant for the project would be waived.

Last December, Malton's JV with Hong Kong-listed Nan Hai Corp Ltd was selected to enter into the next phase of the bidding process for the project.

However, Malton today said the JV is unable to sign the agreement as Taiwan's Investment Commission did not allow the JV to remit NT\$1 billion to Taiwan to establish a special purpose vehicle as required for the project.

ECM Libra Financial Group Bhd is buying three hotels, together with the lands where they are built on, from Tune Hotels Sdn Bhd for RM62.04 million.

These hotels are Tune Hotel @ Danga Bay (218 rooms), The Chow Kit - An Ormond Hotel (113 rooms) and MoMo's Kuala Lumpur (99 rooms).

ECM Libra said the transaction values the Danga Bay property at RM16.45 million and RM45.59 million for the KL properties.

Khee San Bhd (KSB) alleged that Bank of China (M) Bhd (BOC) had committed breach of conduct after the lender took legal action against the candy manufacturer and its wholly-owned subsidiary Khee San Food Industries Sdn Bhd (KSF) due to a default on loan repayment amounting to RM14.62 million.

KSB said it had on Tuesday (Aug 6) received a writ of summons together with the statement of claim dated Aug 1 from BOC.

KSB said the writ of summons was in fact filed one day prior to the meeting held with the bankers on Aug 2, while BOC kept silent on the filing of the writ throughout the meeting.

Advance Synergy Bhd's indirect wholly-owned unit Cherating Holiday Villa Bhd (CHV) is planning to buy back a resort hotel in Cherating, Kuantan from Amanah Raya Bhd for RM22.97 million.

Advance Synergy said the sale and purchase agreement, entered between CHV and Amanah Raya, will enable saving on lease rental and thus increase the profitability of CHV.

CHV is currently the lessee of the property, the company said it previously sold the property to AmanahRaya (as Trustee for the Common Fund) on for RM21.87 million cash on June 23, 2006 under the sale and leaseback arrangement with AmanahRaya.

Boosted by new income contribution from newly acquired Sunway university and college campus, as well as higher retail contribution, Sunway Real Estate Investment Trust (REIT) posted an 11% rise in net property income (NPI) to RM111.18 million for the fourth quarter ended June 30, against RM100.27 million last year.

Net realised income for the quarter increased 6.1% to RM67.16 million from RM63.31 million previously.

Sunway REIT declared an income distribution per unit (DPU) of 2.28 sen for the quarter, which will be paid on Sept 10. It was the REIT's fourth income distribution for the year and increased total payout for FY19 to 9.59 sen.

In the fourth quarter, revenue rose 6.8% to RM145.56 million against RM136.25 million a year ago.

For the full year, the REIT's NPI grew 4.7% to RM439.7 million, while net realised income was up marginally by 0.1% to RM282.34 million. Revenue rose 3.5% to RM580.3 million.

Malaysia Smelting Corp Bhd's (MSC) net profit tripled year-on-year to RM7.48 million or 1.9 sen per share in the second quarter ended June 30, 2019 (2QFY19) from RM2.46 million or 0.6 sen per share a year ago. The better earnings were due mainly to higher profit generated by the tin mining segment.

However, its quarterly revenue came in 11.5% lower at RM289.08 million against RM326.82 million in 2QFY18, as a result of lower sales volume of refined tin.

MSC's improved 2Q earnings brought its net profit for the first half of FY19 to RM16.09 million, more than double compared with RM7.04 million in the previous corresponding period. Revenue for the period stood 12.8% lower at RM596.53 million compared with RM683.77 million before.

PUC Bhd has proposed to raise up to RM15.58 million via a private placement to fund its working capital as well as digital infrastructure design and development for its Presto mobile application.

PUC said today's proposed placement involves the issuance of up to 229.06 million shares, representing 10% of the total number of issued shares, to third parties yet to be identified.

The issue price has yet to be determined but will be issued based on a discount of not more than 10% to its five-day volume weighted average market price up to and including the last trading day immediately preceding the price-fixing date.

Based on an illustrative issue price of 6.8 sen per placement share, PUC is expected to raise up to RM15.58 million.

Engineering systems provider **Metronic Global Bhd** has proposed to undertake a private placement to raise up to RM9.41 million, the bulk of which, or RM9.25 million, is to be used for the development of smart city solutions in Malaysia, in partnership with a Chinese company.

Metronic said it would issue up to 156.83 million shares in the placement, or 10% of its 1.57 billion issued capital, assuming all outstanding warrants are exercised and all employees' share option scheme are fully granted.

It said the estimated proceeds to be raised are based on six sen per placement share, or a discount of not more than 10% to 6.56 sen, which was the group's five-day volume-weighted average market price (VWAP), up to and including July 31.

Berjaya Land Bhd (BLand) has redesignated its executive director (ED) Syed Ali Shahul Hameed as the company's chief executive officer (CEO) effectively today (Aug 8).

Syed Ali will be replacing Datuk Pee Kang Seng @ Lim Kang Seng, who has resigned today due to other work commitments and responsibilities.

The 48-year-old Indian national, who was appointed to the board in March, first joined Berjaya Land on Sept 4, 1997. He was a Director of Property Development and Complexes, Property Division, and is responsible for overseeing all the engineering aspects of all the BLand Group's properties in Malaysia and overseas.

Barakah Offshore Petroleum Bhd's independent non-executive chairman Datuk Mohamed Sabri Mohamed Zain, 63, stepped down "due to personal reasons".

The Practice Note 17 company did not provide further explanation on Mohamed Sabri's resignation. Mohamed Sabri was appointed as chairman in 2014.

Low-cost carrier **AirAsia Group Bhd** and its affiliate **AirAsia X Bhd (AAX)** will start charging a passenger service charge (PSC) of RM73, from RM50 currently, for non-Asean international departures from klia2 starting midnight.

Malaysia Airports Holdings Bhd (MAHB) will implement a passenger reconciliation system (PRS) in both terminals of the Kuala Lumpur International Airport (KLIA) by December 2019 to increase efficiency by allowing real-time validation of passenger information at screening checkpoints. The PRS includes the open-gate concept at boarding lounges in klia2.