

PRESS CUTTINGS

October 2019
Issue 10/2019

Heavy metal pollution detected

Illegal quarry suspected to be behind the contamination at nearby river

Quarry workers defy order

Work still going on at illegal mine despite Penang govt injunction

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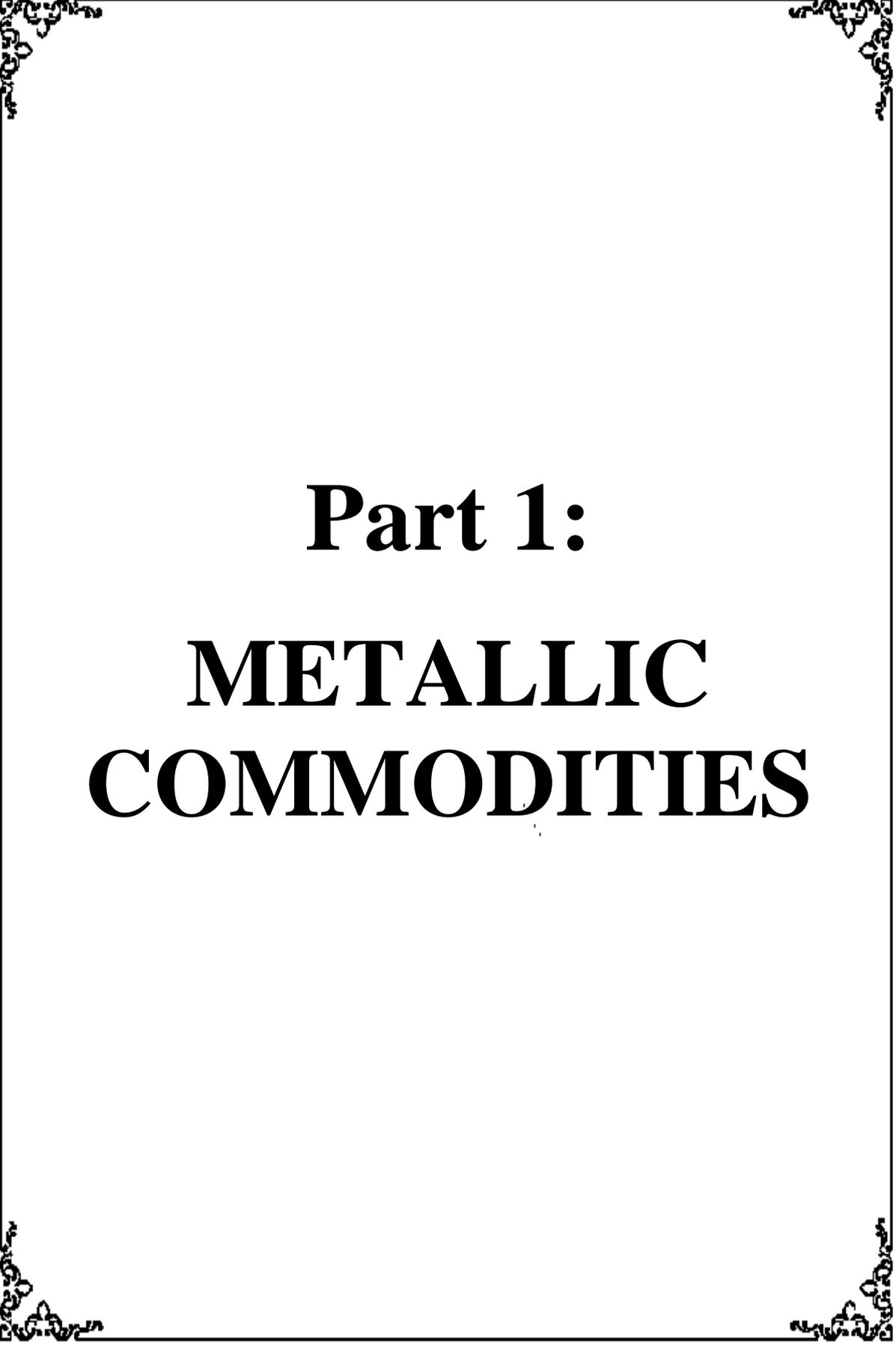
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Part 1:

**METALLIC
COMMODITIES**

Heavy metal pollution detected

Illegal quarry suspected to be behind the contamination at nearby river

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Red alert:
The dire condition of a small river near the quarry during the follow-up on the new 'Botak Hill' issue in Teluk Bahang, Penang.

By **IMRAN HILMY** and **N.TRISHA**
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GEORGE TOWN: A quarry illegally mining tens of thousands of tonnes of granite in Teluk Bahang without approval is under suspicion of causing a spike in heavy metals at a nearby river.

State Environment Committee chairman Phee Boon Poh revealed that officials found heavy metals at a nearby river that is only about 2km from the sea.

Declining to reveal the degree of the contamination for now, Phee said the state had launched an investigation on the quarry after it ignored stop-work orders from the city council.

"We are still investigating the source of the heavy metals. After our papers are complete, we will take the quarry owner to court," he said.

Yesterday, *The Star* exposed the active quarry, which was supposed to have shut down in 2002.

Phee said on top of checking for the heavy metals, the state was also measuring how badly the quarry was polluting the air in Teluk Bahang as part of the investigation.

He said the daily plumes of granite and laterite dust from the quarrying could pose a

major threat to air quality to the Teluk Bahang folk.

Meanwhile, many residents living near the quarry were shocked when told the quarry was operating without a licence.

A villager, who only wanted to be known as Noh, said the quarry was active decades ago and remembered it stopped operation many years back.

But then a few months ago, the sound of heavy machinery operating could be heard in the quarry even late into the night.

"We still hear the rumbling at night. We don't know what they are doing, but I suspect work is still being done," he said, adding that he and his neighbours had been grumbling about the dust recently.

He said sometimes, lorries and other heavy vehicles would go in and out of the site in the wee hours of the morning.

Most of the villagers approached by *The Star*

were hesitant as they worry that something might happen to them if they talk to the press, but all agreed that the authorities had to do something.

"During heavy rain, the water in the nearby river would turn red. If it is not raining, dust will cover everything," said a villager.

Parents of schoolchildren at SK(C) Lok Hua, which is along the dirt road leading to the quarry, said the lorries and heavy vehicles posed a danger to their children.

"Lorries would speed by in front of the school early in the morning. It is very dangerous for our children," said a parent.

Penang Island City Council (MBPP) mayor Danak Yew Tung Seang said after the quarry operator ignored MBPP's stop-work order, the city council lodged a police report last month.

"The police are carrying out their investigations and we will follow up with whatever action that needs to be taken.

"We issued a stop-work order on Feb 14 this year.

"On and off, we checked on the quarry. Sometimes, they stopped work and other times, they were seen to be continuing with the work," he said at a press conference held during a briefing on assessment rates at Penang Chinese Chamber of Commerce along Light Street.

When asked on MBPP's powers to seize the land, Yew said they were considering legal action.

"The police requested for some time to carry out their investigations, so that joint action can be carried out by both parties.

"We have been working with the police from last month to ensure more effective action can be taken.

"We are giving the police another week or two to carry out their own investigations before we move forward," he said.

Steel players join forces

Ann Joo and Southern Steel plan to combine businesses and list JV firm

By GANESHWARAN KANA
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PETALING JAYA: Two leading steel players are combining their steel bars and billets businesses in a RM1.65bil partnership deal, with the ultimate aim to list the soon-to-be-established joint-venture (JV) company on Bursa Malaysia.

The proposal by the country's largest steel company by market capitalisation, Ann Joo Resources Bhd, and Southern Steel Bhd is mooted at a time when the local steel industry is hit by weak demand and depressed selling prices.

The JV is aimed at creating South-East Asia's highly-competitive long product steel manufacturer.

An equity analyst told *StarBiz* that the move could boost the utilisation rates of production plants owned by Ann Joo and Southern Steel as well as reduce the manufacturing costs by achieving greater economies of scale.

"The decision to team up for the manufacturing of long product steel will be key in improving the financials of Ann Joo and Southern Steel, both of which are currently in the red," he said.

However, the proposal seemed to have received mixed reactions from investors.

Ann Joo's shares dropped by about 4.88% or six sen to RM1.17 yesterday, following the announcement that a memorandum of understanding has been signed by Ann Joo and Southern Steel to form a JV.

However, Southern Steel stock rose by

“ The decision to team up for the manufacturing of long product steel will be key in improving the financials of Ann Joo and Southern Steel, both of which are currently in the red. ”

An equity analyst

4.08% or four sen to RM1.02.

The counters were suspended in the morning session from 9am to 12.30pm prior to the announcement.

Under the proposal, Ann Joo will be disposing of its entire interest in Ann Joo Integrated Steel Sdn Bhd, Ann Joo Steel Bhd and Siga Makmur Industri Sdn Bhd to the yet-to-be-established JV for RM907.5mil.

As for Southern Steel, it would dispose of Southern Steel Rod Sdn Bhd, Southern Steel Mesh Sdn Bhd, Southern PC Steel Sdn Bhd and Danstil Sdn Bhd to the JV for RM742.5mil.

Post-completion of the corporate exercise, the JV company will become a 55% subsidiary of Ann Joo and a 45% associate of Southern Steel.

As an integral part of the proposal, the JV company will apply for listing on the Main Market or "any other agreed recognised markets" as soon as the profit track record for the listing of the JV is achieved for the financial year ending Dec 31, 2020 (FY20).

In the event the profit track record is not achieved by end-FY20, the JV's listing will be applied once the profit track record is achieved at a later date.

In a filing with Bursa Malaysia yesterday, Ann Joo said the JV would offer synergistic benefits to itself and Southern Steel.

"The proposal seeks to realise various benefits, including the ability to leverage on each party's market reach, product range and human capital to drive the business in both domestic and export markets and contribute significantly to the infrastructure development and industrial sectors of Malaysia," said the company.

Ann Joo added that the JV company would be able to improve the working capital position of its combined operations and achieve a strong balance sheet to support long-term expansion opportunities.

"The pro forma effects of the proposal on the net assets, gearing, earnings and earnings per share of the company will be included in the detailed announcement of the proposal to be made on Bursa Securities at a later date upon the execution of the definitive agreements to effect the proposal," it said.

Meanwhile, in a separate filing with the stock exchange, Southern Steel said the combined businesses under the JV will create an enlarged group with an extended range of

steel manufacturing services to enhance business sustainability.

"Southern Steel will continue to participate in the growth of its steel manufacturing business and be able to develop high grade steel products through the JV company.

"The enlarged JV company is expected to enhance its ability to compete in the international market place and be a major contributor to the industrial development of Malaysia," said Southern Steel.

Upon completion of the corporate exercise, Southern Steel will no longer be able to consolidate the earnings from the disposed assets, as the JV will become a 45%-associated company of Southern Steel.

However, Southern Steel pointed out that it would continue to recognise its share of profits from the disposed assets as well as the share of profits from Ann Joo's disposed assets via its shareholdings in the JV company through "share of profit in associated companies".

In recent times, Ann Joo and Southern Steel have been affected by the steel industry's challenging operating environment.

Southern Steel posted net losses of RM34.85mil in the fourth quarter ended June 30, 2019 compared with a net profit of RM35.20mil a year ago.

As for Ann Joo, in the second quarter ended June 30, 2019, it posted net losses of RM37.75mil compared with a net profit of RM20.70mil a year ago.

In the first half, it registered net losses of RM44.35mil compared with a net profit of RM82.14mil in the previous corresponding period.

Gold edges up as markets eye Fed's decision on rates

BENGALURU: Gold inched up, after a near 1% jump in the previous session, as investors awaited a US Federal Reserve rate decision later in the week, while progress in US-China trade talks curbed appetite for safe haven assets.

Spot gold rose 0.2% to US\$1,506.95 per ounce. US gold futures were up 0.3% at US\$1,509.60 per ounce.

"All eyes are on the Fed meeting now, but what investors are really looking forward to is some clarity on whether the central bank will continue to remain dovish for the rest of this year," said John Sharma, an economist with National Australia Bank, adding that the current take on gold is "wait and see".

The Fed is scheduled to meet on Oct 29 and Oct 30, with traders seeing a 90.4% chance for a 25 basis point rate cut, according to CME Group's FedWatch tool. The US central bank has already lowered interest rates twice this year.

"Gains (if the Fed cut rates this week) may be limited as trade tensions are not as tense as they were over the summer," AxiTrader market strategist Stephen Innes said in a note.

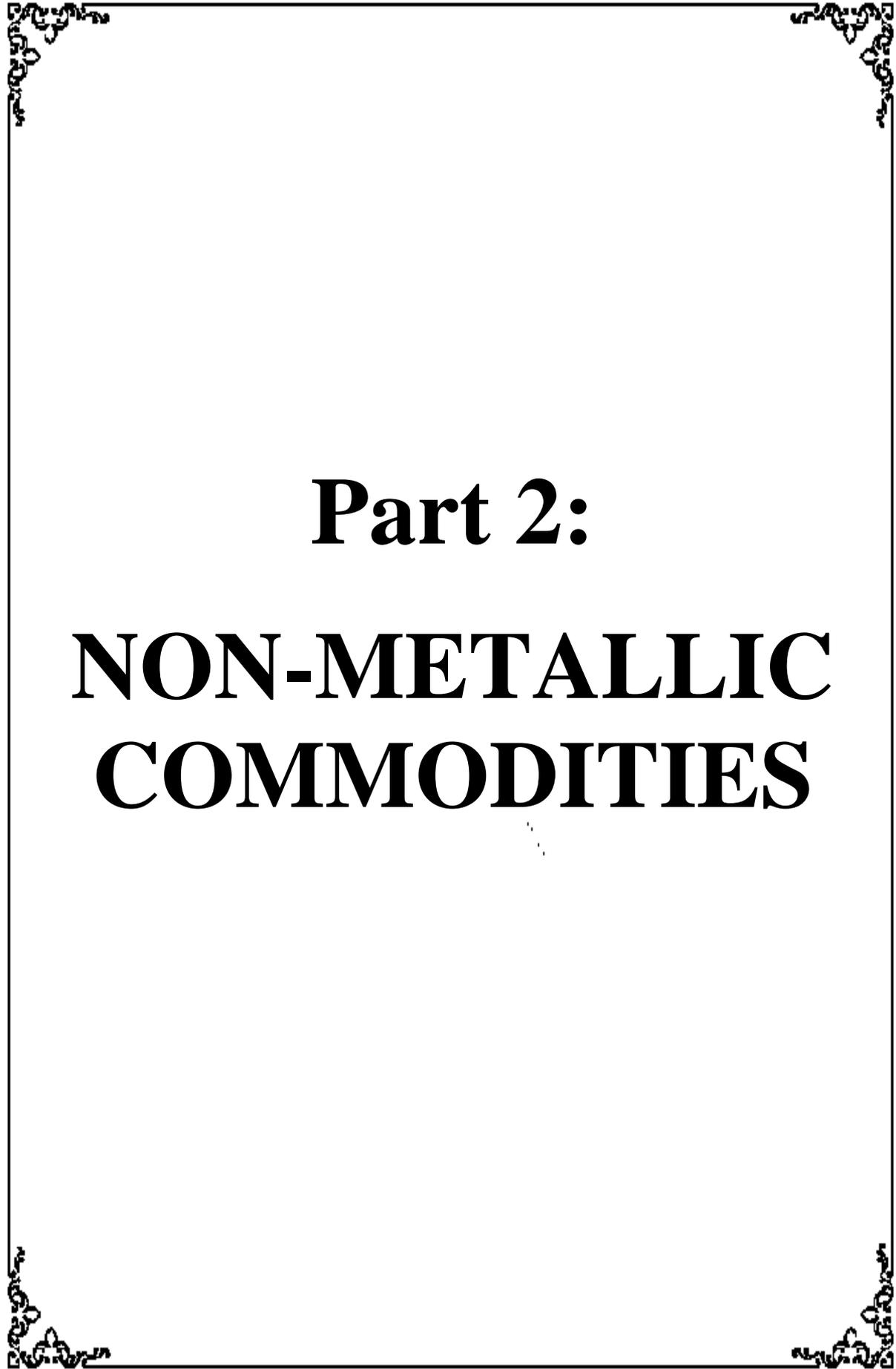
NAB's Sharma said "any development on the trade war front will just have an interim effect on gold."

"The situation is far more complicated to be solved in a hurry."

Gold prices were also being weighed by a strong dollar, which makes the metal expensive for buyers holding other currencies.

The dollar index, which measures the greenback against a basket of other currencies, was slightly up yesterday after rising nearly 0.6% last week.

Elsewhere, silver rose 0.4% to US\$18.09 per ounce. Platinum was up 0.2% at US\$927.73 per ounce, while palladium rose 0.8% to US\$1,777.08 per ounce. — Reuters



Part 2:

**NON-METALLIC
COMMODITIES**

Source : The Star
Date : 11 October 2019 (Friday)

Quarry workers defy order

Work still going on at illegal mine despite Penang govt injunction

By N. TRISHA and RENA LIM
newsdesk@thestar.com.my

GEORGE TOWN: The quarry illegally mining thousands of tonnes of granite in Teluk Bahang is still seemingly operational despite a stop-work order by the Penang Island City Council (MBPP).

A check by *The Star* on Tuesday saw workers moving about in the quarry and loud knocking sounds could be heard periodically from about 200m away where a school - SJK(C) Eok Hua - is located.

State Environment Committee chairman Phee Boon Poh said the state would look into it and if work was still being carried out, action would be taken.

"MBPP's probe into the quarry has been completed and they are submitting it to the relevant parties.

"If they are still operating despite the stop-work order, then we need to investigate what they are doing down there," he said.

Former Tanjung Bungah assemblyman Teh Yee Cheu questioned the MBPP's handling of the issue.

He said there was a need to know if the MBPP did anything to ensure the quarry had stopped entirely.

"We were informed that the MBPP issued stop-work twice to the operator," he said when met outside the school on Tuesday.



Work goes on: Aerial view of the illegal granite quarry in Teluk Bahang.

On Oct 1, *The Star* exposed the active quarry, which was supposed to have been shut down in 2002.

MBPP mayor Datuk Yew Tung Seang was quoted as saying after the quarry operator ignored MBPP's stop-work order, the city council lodged a police report last month.

Officials from the state government also found heavy metals in a river about 2km from the sea.

Teh, who is now Parti Sosialis Malaysia central committee member, raised two concerns, one being

the quarry where the granite was being cut into square blocks and the hill clearing above the site.

"We would like to know if the blocks are for export and if the hill cutting above the quarry site is a separate development.

"We are not sure if MBPP is aware of the quarry and the hill cutting.

"We have noticed the hill clearing and would like to know if it is true.

"We also want the council to disclose full details of the stop-work order and reasons for it," he said.

Teh said when he was a state assemblyman in 2016, he posed a written question to then Chief Minister Lim Guan Eng about the number of quarries in Penang.

"In the reply, this quarry was not mentioned among the 28 in the state.

"Why was it not mentioned if a stop work order was issued to the operator?" asked Teh, who was joined by Parti Rakyat Malaysia (PRM) Penang committee member Chua Cheong Wee under their Socialist Progressive Front Initiative.

Source : The Star
Date : 14 October 2019 (Monday)

Explosion rocks Philippine jail

Incident caused by improvised explosive device, say police

MANILA: An explosion struck Quadrant IV in the east sector of the Maximum Security Compound of the New Bilibid Prison in Muntinlupa City, National Capital Region Police Office (NCRPO) chief Maj Gen Guillermo Eleazar said.

"Demolition is still ongoing and we started with one quadrant. The

fourth quadrant is on the left.

"At around 10am on Friday, there was an explosion in Quadrant IV.

"It was not demolished but there was an explosion," Eleazar told reporters in an interview after a ceremony for the distribution of ATM and PhilHealth cards to police trainees at the NCRPO headquarters

in Taguig City.

He noted that the initial findings showed that the blast was caused by an improvised explosive device.

He added that two hand grenades and two blasting caps were seized inside shanties near Quadrant IV following the incident.

NCRPO's Explosive Ordnance

Division was investigating the incident, he said.

According to the NCRPO chief, no one was hurt because inmates already evacuated the area.

Eleazar said those who dwelled in Quadrant IV were "violent extremist offenders". — Philippine Daily Inquirer/ANN



Rocky mishap: Authorities inspecting the rubble of a house that was destroyed by falling rocks due to the explosion in Purwakarta. — The Jakarta Post/ANN

Source : The Star
Date : 14 October 2019 (Monday)

'Mining firm should lose permit after cliff blast'

JAKARTA: Lawmaker and former Purwakarta regent Dedi Mulyadi has called on the Purwakarta regency administration in West Java to revoke the permit of a stone mining company that recently blew up a cliff, causing large fragments to fall on residents' houses.

The incident happened on Tuesday in the regency's Sukamulya village, Tegalwaru district, when stone mining company PT Mandiri Sejahtera Sentra set off an explosion on a 500m cliff in the Cihandeuleum hamlet.

The resulting falling rocks and

“
We don't need an evaluation; just close the mine.”

Dedi Mulyadi

”
boulders ended up severely damaging seven houses and a school building.

Purwakarta Disaster Mitigation

and Fire and Rescue Agency head Wahyu Wibisono said at least 68 families had been affected by the incident.

Dedi accused the mining company of being reckless as it had failed to take into account the cliff's surroundings.

“Fortunately, no one was home at the time or there would have been casualties,” Dedi was quoted as saying by *kompas.com* on Wednesday.

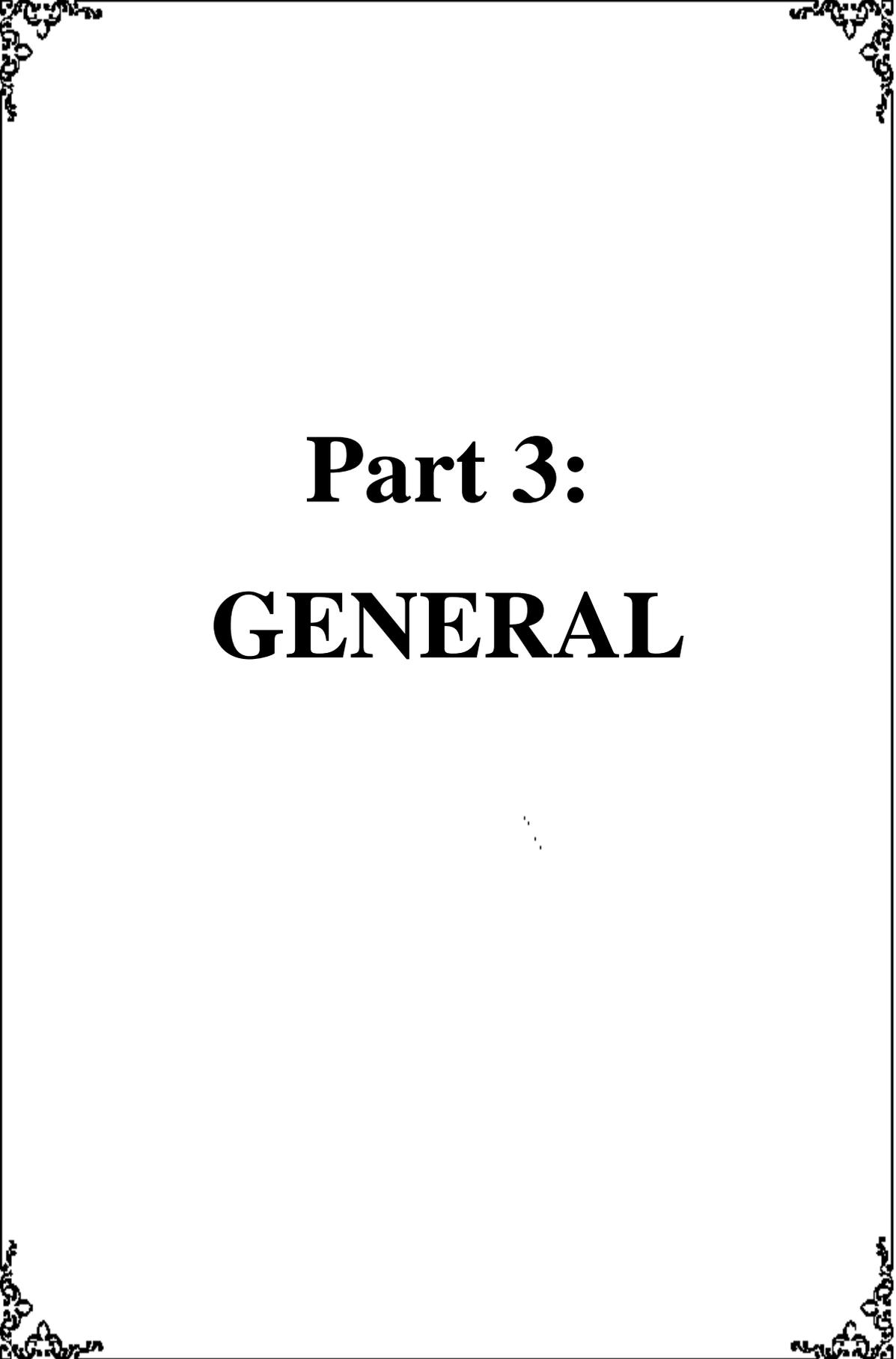
The Golkar politician said the mining company's permit had been issued by the West Java administra-

tion with a recommendation from local authorities.

Therefore, he urged the Purwakarta Environmental Agency to revoke the miner's environmental management scheme and environmental monitoring scheme recommendations, which were required for a permit.

“We don't need an evaluation; just close the mine,” Dedi added.

The incident also served as a reminder for other big mining companies in West Java to consider the consequences of their actions, he said. — The Jakarta Post/ANN



Part 3:

GENERAL

Source : The Star
Date : 15 October 2019 (Thursday)

Coastal erosion still a worry

DID: Problem bad in Kelantan, Terengganu, Melaka and Johor

BEACHFRONT erosion continues to be an issue throughout the peninsula despite billion-ringgit efforts by authorities to mitigate the problem, reported *Berita Harian*.

Buildings and structures built along the coast also continue to be affected by floods, especially during high tide, said the daily.

The problem is particularly bad in Bachok, Kelantan.

It reported that 2,500 villagers in

Kampung Kemayan and surrounding areas were affected after homes were destroyed or damaged by onslaught of waves.

Although state Departments of Irrigation and Drainage have built breakwaters, these had not been effective and in some cases made the situation worse.

Other areas which continue to experience beachfront erosion include Sebarang Takir, Kuala Nerus

District, Terengganu; Pantai Puteri, Melaka, and Kampung Seri Menanti, Muar, Johor.

> People with disabilities (PWDs) are encouraged to register with the Welfare Department to enjoy the facilities provided by the government, reported *Harian Metro*.

Lembah Pantai MP Fahmi Fadzil said only 1.58% of the 4.86 million persons with disabilities were registered with the department.

"This makes it harder for those who have not registered to enjoy the benefits and facilities provided by the government. In Budget 2020, there are a number of incentives allocated for PWDs. As such, if the government has information on this group, we are able to channel such benefits more easily," he said after attending a White Cane Safety Day celebration at the Bukit Aman mosque on Sunday.

By MANJIT KAUR
manjit@thestar.com.my

TASIK Cermin, or Mirror Lake, a hidden gem in Gunung Rapat, Ipoh will be part of the Kinta Valley National Geopark.

The lake will be the 19th site to be included in the state's geopark list. The other sites 18 sites are Gua Tambun, Gunung Datok, Gunung Rapat, Lata Ulu Chepor, Gunung Kanthan, Gunung Lang, Hutan Lipur Ulu Kinta, Gunung Tasek, Mata Air Panas Lubuk Timah, Gua Naga Mas, Air Terjun Sungai Chelik, Jeram Papan, Gua Kandu, Gua Tempurung, Jeram Sungai Kampar, Air Terjun Sungai Sahu, Air Terjun Batu Berangkai and Gunung Korbu.

Perak Mineral and Geoscience Department director Datuk Ahmad Zukni Ahmad Khalil said research on Tasik Cermin would start next year once funds were obtained.

He said the former iron mine site was geologically rich in flora and fauna.

The department, he added, also planned to measure the depth of the lake.

There were previously two quarries located at the site but ceased operations between three and four years ago.

"The lake looks black because the site is rich in iron ore," he said in an interview at his office in Ipoh.

It was reported early this year that the lake was under severe threat due to quarry activities.

This was after photos of the hidden lake, surrounded by limestone karst towers, made its rounds among nature groups, who feared it was signs of pollution.

The only way to get to the lake is via an unused quarry and walking through a 50m-long tunnel.

Ahmad Zukni said Kinta Valley covered 1,952sq km, encompassing both Kinta and Kampar districts.

He said geopark aspects encompass the local community, food and culture as well as the area's geology and bio-diversity.

He added that an expedition initiated by the department in July at Gunung Korbu involved more than 130 participants, who were experts in various fields.

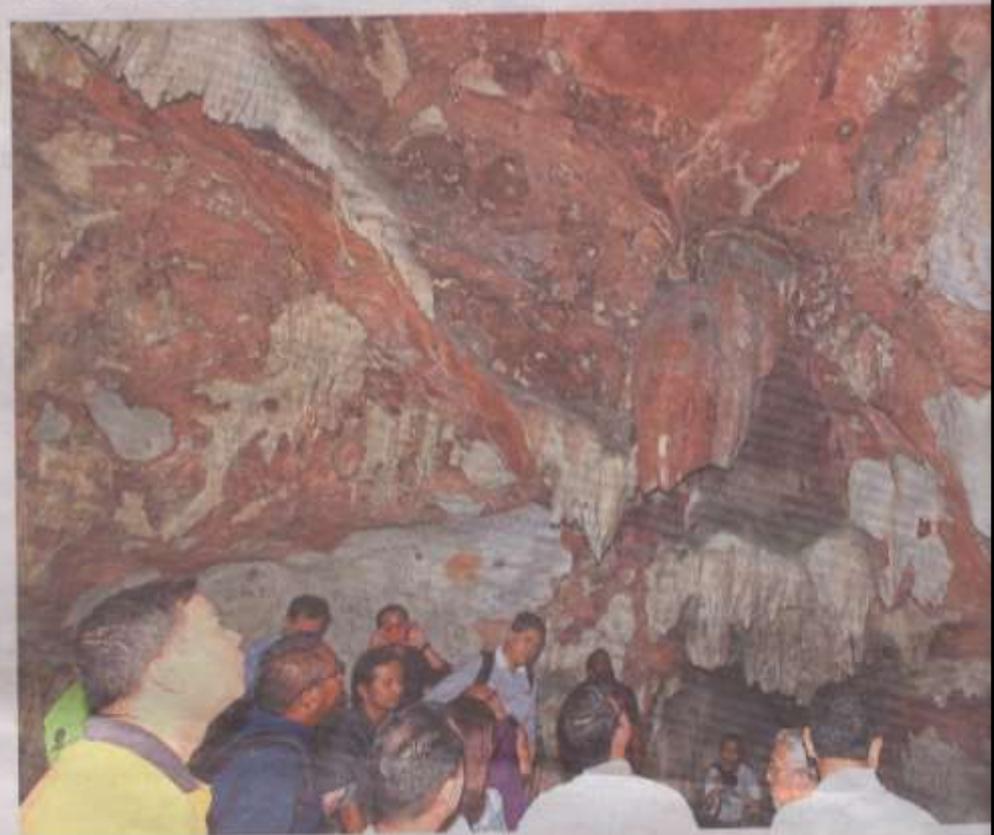
The participants were from local universities and government agencies.

"The excursion was necessary to find new sites and collect scientific data to be presented in a seminar planned for March next year.

Data collection on geology, flora, fauna and moss was recorded, where the information and findings are now being compiled, and will likely be published into a

Expansion of national park in the pipeline

Taiping's historical sites make it suitable to be included in Perak's geopark schedule



Gua Naga Emas in Simpang Pulai, filled with interesting rock formations, is named in Perak's geopark list.

book before the start of the seminar," he added.

Ahmad Zukni said there were also hopes to expand the geopark out of Kinta Valley, towards Larut Matang, especially Taiping that is filled with heritage buildings and sites.

Perak, he said, was synonymous with tin mining and had many geologically rich areas.

"We are not just talking about caves but also houses, places of worship and castles steeped in history and heritage.

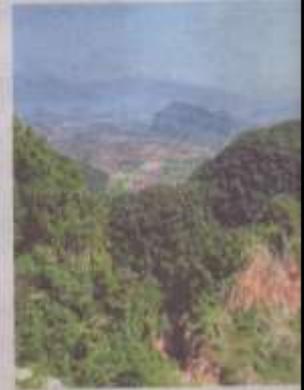
"So the role of our department is to ensure that the geology aspects especially connected with heritage, including findings of fos-

sils, are preserved.

"When such fossils are found, we then engage with various agencies, because the age of rocks tell us how old an embedded fossil is," he added.

Kinta Valley, he said, was rich with limestone caves, where a complete fossil of a vertebrate - mammal believed to have lived during the Pleistocene age embedded in the cave wall of Gua Naga Mas in Gopeng was discovered.

"Research is being carried out with the experts together with the Perak State Park Corporation and researchers to ensure such historical sites are preserved for the future," he added.



The Kinta Valley karst is part of

and culture as well as the area's geology and bio-diversity.

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The Kinta Valley karst is part of the national geopark. — Filepic



Part of an expedition by the Geoscience and Mineral Department in search of new geological sites.



Tasik Cermin in Gunung Rapat needs urgent conservation as it is an important tourist attraction. — Filepic

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MINERAL ECONOMICS SECTION

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