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PRESS CUTTINGS

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Part 1:

METALLIC COMMODITIES

Source : Star Biz **Date : 05 May 2017 (Friday)**

Glencore raises profit forecast for trading arm

LONDON: Mining and commodities trading group Glencore has raised its operating profit forecast for the trading division this year by US$100mil and said its mining operations were expected to recover from some weather-related disruption at the start of the year.

First-quarter production figures were lower for commodities such as copper and zinc than some analysts forecast.

But they said Glencore's upward revision for its trading division – to between US$2.3bil and US$2.6bil from US$2.2bil to US$2.5bil – suggested that results for the full year would not suffer.

Glencore's share price was down 0.2% at 286 pence, when the FTSE 350 mining sector index was down 0.9%.

So far this year the share price performance has been positive, extending gains made in 2016 when it was one of the top performers on the FTSE 100 index, while other big miners have pared last year's gains.

Copper production in the first quarter this year was 3% lower than a year ago, following lower grade quality in some mines as well as flooding in Peru and higher than average rainfall in Congo. – Reuters

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Source : Star Biz **Date : 05 May 2017 (Friday)**

OneGram looks to raise US$500mil

NEW YORK: OneGram, a Dubai technology firm, has launched the first-ever digital currency backed by gold in an initial offering expected to raise more than US$500mil in capital, company chief executive officer Ibrahim Mohammed told *Reuters* in an interview.

At the current spot price of gold, a sold-out sale with 12.44 million tokens would bring in about US$555mil.

The target capital would be the largest raised through an initial coin sale, Mohammed said. It is also the first coin offering that is fully compliant with Islamic laws. And while the token, called OneGramCoin, is considered an Islamic financial product, its offering is open to all types of investors including non-Muslims, he added.

The tokens will be sold from May 21 to Sept 22.

The Dubai company has also teamed up with GoldGuard, a gold trading company, for the token offering, with one token backed by one gramme of gold held at a vault inside the Dubai International Airport.

OneGramCoin was created using blockchain technology, which has powered similar currencies such as bitcoin. Blockchain is the current rage in the financial and corporate world, being able to track and record assets across all industries.

Nearly 50% of the offering has been committed, Mohammed said.

Tabarak Investment Bank, one of the largest in Dubai, will sell 100 million euros to its clients, while a similar amount is expected to be taken up by seven high networth individuals in OneGram's network.

The ultimate objective for the token is to create a payments solution around it.

"We're creating a merchant service program and we will offer these tokens to retailers for free," Mohammed said.

"If you're paying with Mastercard or Visa, you have to pay 2.5% as a retailer to Mastercard. We are creating a payment gateway where the retailer pays nothing."

In return, Mohammed said the retailer will be accepting OneGramCoin as payment, as well as possibly bitcoin and two or three of the top coins.

Globally, Islamic finance assets total about US$1.2 trillion and account for only 1.2% of total global banking assets, according to data from PricewaterhouseCoopers. It is expected the Islamic finance industry will more than double to US$2.6 trillion this year. "There is a shortage of Islamic products," said Mohammed. "The market is big, but there is limited innovation coming in." — Reuters

Source : Star Biz **Date : 16 May 2017 (Tuesday)**

Govt launches initial probe on cold-rolled steel imports

KUALA LUMPUR: The government has launched a preliminary investigation on cold-rolled stainless steel (CRSS) imports that originate in, or are exported from China, South Korea, Taiwan and Thailand.

The International Trade and Industry Ministry (Miti) said in a statement that the government received a petition on April 17 from a domestic producer requesting an anti-dumping probe on imports of CRSS.

The petitioner alleged that imports of CRSS from the three countries were being dumped into Malaysia at prices much lower than their domestic prices.

Miti said the petitioner further claimed that imports from the alleged markets had increased in terms of absolute quantity and that the petitioner suffered material injury.

"The government has considered the evidence of dumping, injury and causal link and decided to initiate a preliminary investigation on imports of CRSS from the alleged markets," the ministry said.

"In accordance with the Countervailing and Anti-Dumping Duties Act 1993 and its related regulations, a preliminary determination will be made within 120 days from the date of initiation. If the preliminary determination is affirmative, the government will impose an anti-dumping duty at the rate that is necessary to prevent further injury."

This latest investigation comes a month after the government began imposing a three-year definitive safeguard duties on steel concrete reinforcing bar (rebar) and steel wire rods and deformed bar in coils.

In connection with the CRSS probe, Miti will provide a set of questionnaires to interested parties, including importers, foreign producers, exporters and associations.

Other interested parties may request for the questionnaires no later than May 29, said Miti.

Interested parties may also provide additional supporting evidence to Miti on, or before, June 15.

Miti said if no additional information was received within the specified period, the government would make its preliminary findings based on the available facts.

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Source : Star Biz **Date : 18 May 2017 (Thursday)**

World's most expensive earrings fetch US$57mil at Sotheby's

ZURICH: Sotheby's set the record auction price for a pair of earrings, selling a duo of blue and pink diamond jewels for US$57mil in Geneva.

The earrings, known as the "Apollo Blue" and the "Artemis Pink," were bought by the same buyer, who wants to remain anonymous, Sotheby's said yesterday. Named after ancient Greek gods, the pear-shaped earrings were estimated at US$50mil to US$68mil combined.

The buyer renamed the 14.54-carat blue diamond "The Memory of Autumn Leaves" and the 16-carat pink diamond "The Dream of Autumn Leaves". The previous record price for earrings was set by the "Miroir de l'Amour", two pear-shaped white diamond earrings that Christie's sold for US$17.7mil in November.

Coloured diamonds have been setting records recently. Christie's sold the 14.62-carat "Oppenheimer Blue" for US$58mil last year, while Sotheby's adjudicated the 59.6-carat "Pink Star" for US$71mil last month, a record auction price for any gem.

Sotheby's raised US$151mil in the auction Tuesday, beating the total estimate of US$100mil. Two-thirds of the lots sold beat their high estimate, including a purplish-pink Piaget diamond that sold for US$13mil. – Bloomberg

Source : Star Biz **Date : 18 May 2017 (Thursday)**

Tata Steel surges as pension deal clears Europe JV hurdle

Firm is a step closer to a possible joint venture with Thyssenkrupp

MUMBAI: Shares of Tata Steel Ltd jumped after the Indian steelmaker said it has struck a deal to solve its long-running UK pension standoff, bringing the company a step closer to a possible joint venture with Thyssenkrupp AG for its European operations.

The stock climbed as much as 5.1% to 479.95 rupees (US$7.5) in Mumbai yesterday, the biggest intraday gain since November, before trading at 477 rupees at 10:10am for an advance this year of more than 20%.

Tata Steel and the British Steel Pension Scheme trustees have agreed on key terms of a regulated apportionment arrangement, according to a statement on Tuesday.

If an agreement is reached, the company would pay a settlement of £550mil (US$711mil) to the British Steel Pension Scheme and would sponsor a new closed pension plan, the company said.

Tata Steel has been in talks with Thyssenkrupp and others for a joint venture in Europe since last year as part of its strategy to trim losses amid a global glut of steel.

Thyssenkrupp chief executive officer Heinrich Hiesinger had identified the pension liabilities as a major stumbling block to a deal.

Resolving the pension issues is the "first priority" for the company, executive director for finance and corporate Koushik Chatterjee told reporters on Tuesday.

Growth strategy: Workers move waste metal at Tata Steel's new robotic welding line at the company's automotive service centre in Wednesfield, Britain. Tata Steel has been in talks with Thyssenkrupp and others for a joint venture in Europe since last year as part of its strategy to trim losses amid a global glut of steel. — Reuters

The agreement is good news for a potential deal that has faced growing obstacles in recent months with opposition from Germany's largest labour union and politicians fearing job cuts.

A deal would involve combining Tata's plants in the Netherlands and UK with Thyssenkrupp's German plants to create the region's no. 2 producer and a rival to industry leader ArcelorMitttal.

Thyssenkrupp surged 4.1% on Tuesday, the biggest advance since February, to 22.49 euros. Tata reported a surprise fourth-quarter loss after the company recorded a 36 billion rupee (US$560mil) charge relating to the closure of its British pension plan.

It reported a loss of 7.25 billion rupees in the three months through March, compared with a 27 billion-rupee loss a year earlier. The average of 12 analysts' estimates was for a 9.88-billion rupee profit.

Revenue rose 22% compared with a year earlier, to 354.6 billion rupees. — Bloomberg

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Source : Star Biz Date : 22 May 2017 (Monday)

Sarawak Cable seeks boost

Cable maker to bank on sharp increase in new orders from overseas and steady flow of power projects

By JACK WONG
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KUCHING: Sarawak Cable Bhd, one of the biggest cable makers in the region, is banking on a sharp increase in new orders from overseas and a steady flow of power projects in its home state to lift slumping sales.

As at the end of April, Sarawak Cable's order book for power and telecommunications cables had already exceeded the RM500mil mark, according to group managing director and chief executive officer Aaron Toh Chee Ching.

"Revenue in the second and third quarters is expected to be very strong," he told *StarBiz*. "We are targeting total sales to exceed RM1bil this year," he added.

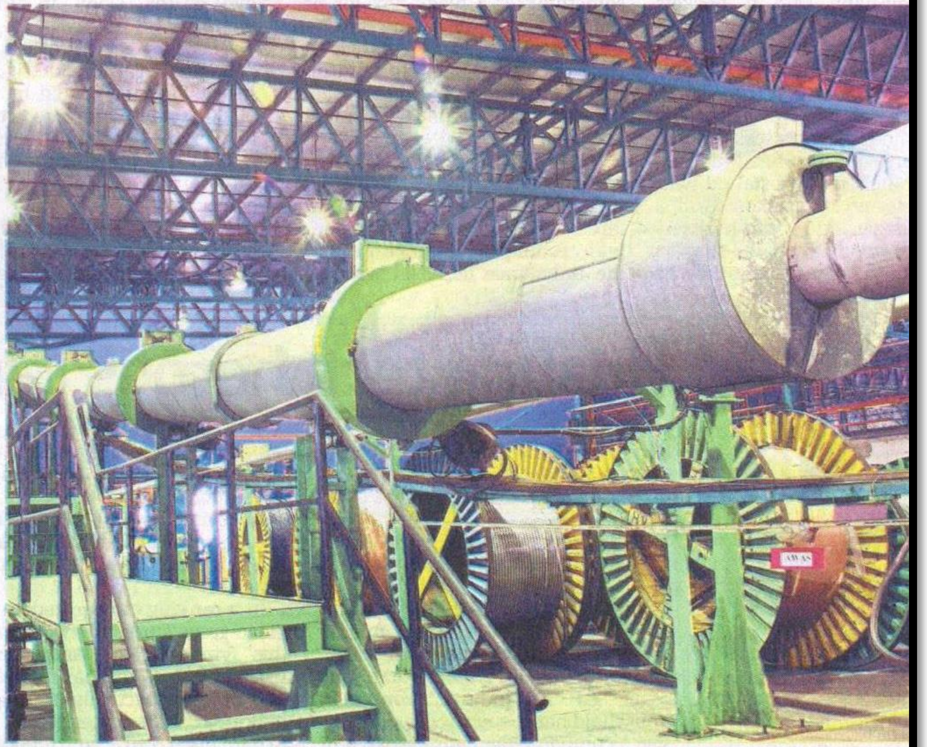
The cable maker had been struggling to boost sales, which had been sluggish for the past six quarters.

The big boost in new orders came from overseas, where the company is making strong inroads into the Australian and New Zealand markets.

Toh said the company had recently appointed an established trading company in Australia to market its products.

The group's power and telecommunications cables contributed RM209mil in sales during the first quarter ended March 31. This is more than four-fifths of the group's total revenue of RM251.8mil during the same quarter.

The segment also generated the bulk of the group's profits.



TNB supplier: Leader Cable, Sarawak Cable's wholly-owned unit, has started to supply to TNB's 500kV transmission line projects.

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Toh said the power and telecommunications cables segment is expected to further enhance its profit margin with the continuous effort in cost-saving measures and improving operational efficiency.

The group's wholly owned subsidiary, Leader Cable Industry Bhd, successfully developed two performance-enhanced optical ground wire (OPGW) cables last year. These are the single-layer OPGW that meets Class 3 lighting test requirements, and a reduced-weight OPGW for Tenaga Nasional Bhd's (TNB) ICT projects.

According to Toh, Leader Cable has also started to supply its newly-developed thermal resistant aluminium alloy conductor steel reinforced trapezodial shape AI conductor to TNB's 500kV transmission line projects.

On power transmission line projects, Toh said Sarawak Cable had tendered for new contracts from Sarawak Energy Bhd (SEB) worth between RM300mil and RM400mil. SEB, which is Sarawak Cable's second-largest shareholder, is expected to award the proposed contracts in the second half of the year.

Meanwhile, Sarawak Cable has been shortlisted to participate in tendering for the Pan Borneo Highway project's power relocation works, and supplying power cables for the highway work packages.

"We have bid for the power relocation works for the entire stretch of two work packages.

"The outcome of the bids is expected in the next two months," Toh said.

Sarawak Cable had recently secured contracts worth RM20mil to supply cables for the highway.

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Source : Star Biz **Date : 22 May 2017 (Monday)**

Press Metal likely to do well with cost saving measures, higher prices

By DANIEL KHOO
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PETALING JAYA: Earnings at Press Metal Bhd, one of the biggest aluminium producers in the region, is projected to reach a new high this year on cost saving measures and higher product prices, analysts said, even as the company's smelters in Sarawak are already running at full capacity.

The prospect of increased profits had propelled the stock 72% higher so far this year at RM2.73 last Friday. RHB Research, in a note on Friday, sees a further 30% upside from current level.

RHB Research said in a note that it sees room for an earnings upside with key drivers being the potential cost savings derived from the new smelter commissioned last year as it shares common infrastructure and room to lower power usage.

It also noted that the commissioning of the Samalaju Port which is capable of handling Panamax vessels would help it cut inland logistics and shipping costs.

It also said that the increased value-added production may help to enhance profitability, while upward bias for the all-in aluminium price, which could have bottomed out, will help Press Metal.

RHB Research also noted that the possibly prolonged weakness in the ringgit benefits the company as a third of its production cost is denominated in ringgit while revenue is in US dollar terms.

"While first-quarter earnings were fairly flat quarter-on-quarter, we expect it to increase gradually in the coming quarters. Thus, we retain our earnings estimates and a buy recommendation. We also lift our target price to RM3.66 (from RM3.27 previously) after we lower our weighted average cost of capital (WACC) assumption on its fully-diluted discounted cash flows," it said.

RHB Research noted that the raised target price of RM3.66 came into account after it factored in a lower WACC of 8.2% (from 9.2%) in tandem with its broad in-house revision.

The raised target price also takes in the rising investor risk appetite and increasing equity flows from foreign institutional funds, it said.

Meanwhile, Kenanga Research noted that Press Metal's core net profit of RM149mil was within expectation at 23% of its RM648mil full-year forecast and 24% of consensus' RM783mil estimate.

"We remain positive on earnings growth prospects thanks to higher effective full-year capacity of an additional 27% to 760,000 tonnes coupled with stronger price expectations (+9% to US$1,750/tonne). Management also noted that China's move to curb aluminum production capacity should tilt the market towards a deficit situation, which bodes well for price sustainability," Kenanga Research said.

Kenanga Research added that it expects plant upgrades at Press Metal's factories to improve its financial year 2017 (FY17) and FY18's operating margins to 15.7-17.4%, from 12.9% in FY16.

Press Metal has said that it wanted to improve its margins on the topline by upgrading its billet production capacity, which offered better premiums.

The company also wants to streamline production cost through the Samalaju Port expansion as well as constructing a conveyor belt to directly transport alumina to its smelting plant.

Kenanga Research maintained its FY17-FY18 core net profit expectations at RM648mil-RM783mil as operating performance came within its expectations.

The research house had retained its outperform rating on Press Metal with an unchanged target price of RM3.15.

This is based on an unchanged forward price to earnings ratio of 17x applied to the average FY17-FY18 estimated fully diluted earnings per share of 18.5 sen.

This is also in view of the bullish price environment, higher productivity and continued margin expansion efforts by the management, Kenanga Research said.

Source : Star Biz **Date : 23 May 2017 (Tuesday)**

Ann Joo shares up on strong steel outlook

PETALING JAYA: The share price of steel miller Ann Joo Resources Bhd rose on strong steel outlook and positive response to the safeguard measures on cheap steel imports from China.

The counter closed 17 sen higher at RM3.35 yesterday.

According to Kenanga Investment Research, Ann Joo is expected to outperform its peers in the upcoming first-quarter results (Q1'17) in terms of margins.

For Q1'17, Kenanga estimates Ann Joo's earnings to come in above its expectation at the RM68mil-RM80mil range based on the company's capacity utilisation of 80%-90% due to the higher-than-expected rebar prices and lower costs.

Compared with other steel millers such as Lion Industries Corp Bhd, Southern Steel Bhd and Malaysia Steel Works (KL) Bhd, Ann Joo has the strongest Q4'16 earnings before interest and taxes margins of 14.4% versus its peers' 6.2%-8% range, which is relatively a huge gap.

The research unit said Ann Joo is believed to be the most cost-efficient upstream player in Malaysia and stands to benefit the most from the recent safeguard measures. Unlike other upstream players, Ann Joo has a higher inventory, given its background as a seasoned trader.

Kenanga said the company's inventory level could last for about six months (as of Q4'16) versus its peers' inventory holding levels, which would last about three to four months.

"We view this positively, as Ann Joo's higher inventory levels will allow the company to hold back purchases when the raw material prices are high and only buy when the prices are right. At the same time, Ann Joo will still remain in full operation with no disruption in supply," the research unit said.

Scrap is the major raw material cost for local steel millers, accounting for about 30%-35% of Ann Joo's operating cost.

While Ann Joo could suffer from the heaviest write-down in inventories should the steel price plunge, the research unit believes that such a risk is currently minimal, as "local steel prices would likely remain at relatively stable levels of over RM2,000 per tonne".

Source : Star Biz Date : 31 May 2017 (Wednesday)

Mobius draws contrast between iron's wild ride, fundamentals

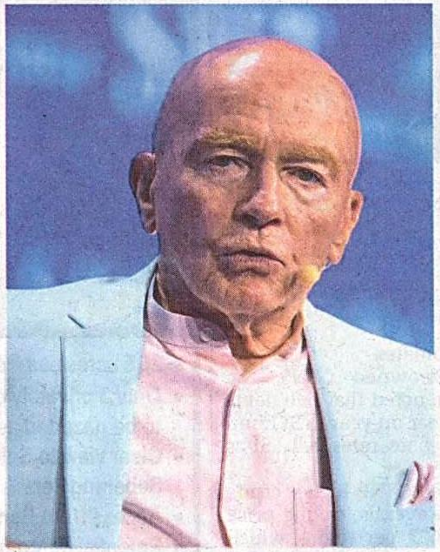
SINGAPORE: Iron ore consumption in China will probably be sustained as Asia's top economy builds out infrastructure, according to Mark Mobius (*pic*), who highlighted what he sees as a difference between the industry's relatively stable supply-demand fundamentals and large swings in prices.

"We've got to separate those two things," the executive chairman of Templeton Emerging Markets Group said in an interview in Singapore, without giving a price forecast.

"Supply-demand is one thing, price is another thing. Because the price is subject to all kinds of external factors, and the traders who are betting on the price going up or down or so forth," he said on Monday.

Iron ore prices have been subjected to a wild ride in recent years - plunging in 2015, rebounding last year and sinking again in 2017 - as investors sought to gauge the impact of greater supply and the outlook for steel demand in China. The gyrations have taken place against a backdrop of rising investor interest in futures in Dalian and Singapore, as well as a steady increase in China's import demand and record steel supply. Government policies have influenced prices too, especially last year's stimulus.

"I don't see a big, big decline in the demand



for iron ore going forward, I think there'll be continuing demand not only in China but other parts of the world," said Mobius, who's spent over 40 years tracking emerging markets. "If you look at Chinese imports of iron ore, it's almost a straight line, continuing to go up," adding that in contrast the price "is going all over the place."

Prices have certainly been buffeted. In 2017, after charging toward US$100 a tonne in the opening weeks of the year, they've subsequently collapsed back into the US$50s.

Spot ore with 62% content in Qingdao was at US$58.50 a dry tonne on Monday, near the lowest since October, according to Metal Bulletin Ltd. In 2016, they swung from below US$40 in January to above US$80 in December.

China's steel industry accounts for about half of global supply, and its mills buy about two-thirds of seaborne cargoes, mostly from Australia and Brazil. Imports have expanded steadily, topping one billion tonnes last year from 953 million in 2015 and just 70 million back in 2000, customs data show. The top user supplements overseas purchases with output from local mines.

Miners have noted the rising significance of derivatives in shaping swings in prices, with Rio Tinto Group attributing the surge in trading partly to specuators betting on China's growth. Goldman Sachs Group Inc has said the contracts in Singapore have more pricing power than those in Dalian.

With prices set for a third monthly loss in May, some analysts see more declines.

Capital Economics Ltd has forecast iron ore will ease to about US$50 a tonne by year-end, and Marex Spectron warns it may sink into the US$40s. Still, Casper Burgering, an economist at ABN Amro Bank NV, predicts US$65 to US$70.

Mobius said that he expected steel demand in China to keep on rising, albeit at a slower pace than in earlier years. That outlook is echoed by optimism at some of the top miners, with BHP Billiton Ltd and Rio both saying in March there's potential for more growth in China's steel production.

China's infrastructure spending, including the 'One Belt, One Road' plan, may offer a new impetus.

The initiative to revive ancient trade routes connecting the nation with Asia and Europe is backed by about US$900bil worth of investments and has the potential to generate about 120 million tonnes of crude steel demand, Citigroup Inc estimated this month.

"There may be a slowdown in demand from the housing sector but the infrastructure sector will still be sustained," Mobius said.

"If the One Belt, One Road programme proceeds, there'll be continuing demand."—Bloomberg

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Part 2:

NON-METALLIC COMMODITIES

Source : Star Metro **Date : 18 May 2017 (Thursday)**

The Corporate Excelsior team, led by Chong (holding trophy), celebrating their win. The company won the Gold award for 'Best Brand in the Above RM25mil' category at The Star Outstanding Business Awards 2016 in Kuala Lumpur.

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By KELLY TEY
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Cementing its position in construction materials line

Corporate Excelsior is a market leader with its Polymix brand of dry mix products available in more than seven countries

STARTING your own business takes a great deal of hard work, but having a stroke of luck goes a long way too.

When Corporate Excelsior (M) Sdn Bhd group managing director Chong Chee Hing graduated as a civil engineer in 1987, he found himself in the middle of the country's financial crisis.

He never thought the bumpy start to his journey would lead to an award-winning construction materials company.

Corporate Excelsior (M) Sdn Bhd was the recipient of the Gold Award in the Best Brand category (above RM25mil) at the Star Outstanding Business Awards (SOBA) 2016, held earlier this year at Connexion@Nexus, Bangsar South, Kuala Lumpur.

Today, his company is a market leader with its Polymix brand of dry mix products, and has a presence in more than seven countries.

Perhaps it is because Chong is never one to settle in a "comfort zone".

After two years of working as a civil engineer in a Japanese firm, Chong grew tired of his first job and set his sights on something else.

"At the time, Hong Leong Group was having a recruitment drive; I applied and was placed in Hume Industries as a sales engineer," he said of his first step into the precast industry in 1989.

In three years, he rose to become a team leader and remained the top salesman for four consecutive years.

His knack for speaking and his sales prowess soon preceded him, and the company often placed him on stage to address engineers in technical product seminars.

"This was the start of my public speaking experience, and it was a true morale booster which built my confidence.

The opportunity was something Chong always remembers to this day, and he encourages the same of his sales team.

By the end of his fourth year with Hume Industries, Chong was rolling in big orders in millions, at which point, he started to feel disillusioned.

"Being a top salesman was not enough, I felt I was constantly talking about prices and how much discounts to give.

"I wanted a career that was more technically-inclined. There had to be something better that I could do with the knowledge from my studies," he said.

Chong then applied to work in Singapore, but landed a job with Ssangyong Cement based in Malaysia instead.

"The construction industry was in the midst of a shift then, where traditional ways of building were being replaced.

"Mixing cement and sand became a messy job of the past, and everything started coming in pre-packed forms."

He was supposed to helm the Malaysian side of the business to implement the replacement move in the local market.

"This was a complete switch for me, from big precast items to cement-based products.

"I was also told to be ready for sales orders as low as RM500, instead of the millions I was used to.

Chong came back armed with only one handphone and set up office; he became the country manager of CemtecAsia (M) Sdn Bhd.

He said the company recorded exemplary growth after a mere two years.

"After four years with the company, I felt it was time to move on again.

"I was good with what I did for a foreign company, so why not do it on home soil?" he expressed.

Together with another Malaysian colleague, they drew up a business plan that attracted both local and foreign investors, and started Master Plaster Sdn Bhd, an integrated dry-mix mortar plant in Semenyih that was then the largest of its kind.

"That was during the beginning of Putrajaya, and the large sum of orders propelled our business.

"We grew so fast that we attracted a German company which bought into the company just after our second year of operations," recollected Chong.

The company evolved into MC Bauchemie in 1999 where he served as general manager in charge of sales for another five years.

Chong made strides in that role, some of which included supplying dry mix mortar to Putrajaya as well as the construction of the Serdang Hospital, and the implementation of a fully automated conveyance system for the application of dry mix mortar.

Another five years went by before Chong decided he wanted to make something of his own.

Corporate Excelsior was established in 2004 along with the Polymix brand.

"It was on a spur of the moment that my chemist and I decided to be independent.

"With no investors, we pooled together some money and started a very small plant in Bukit Beruntung," said Chong, adding that this decision took place over a tea session.

"We were aiming to handle about 1,000 to 1,500 tonnes of business per month, which we felt we could get by comfortably."

His former company handled more than 2,000 tonnes.

"As luck would have it, Malaysian companies were investing heavily in the national housing bonds in Thailand.

"I worked hard on the projects and up till today, Polymix is still the only foreign brand accepted in Thailand for their national house projects."

Needless to say, the projects took off and soon enough, the company ran out of capacity.

"A local developer we were sup-

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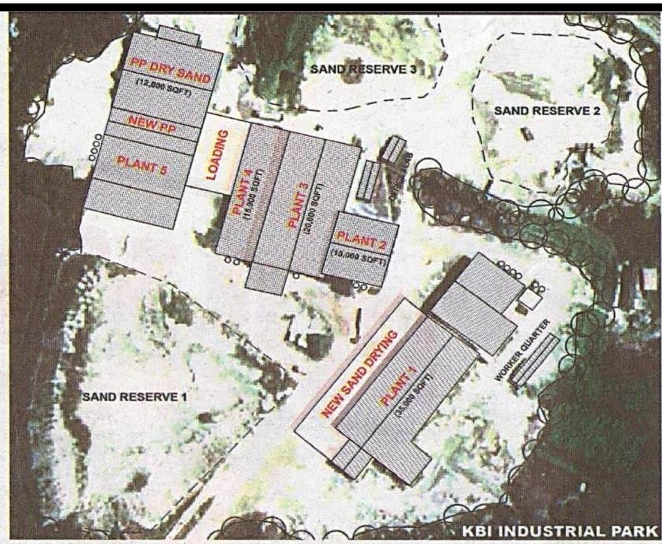

(Above and right) Corporate Excelsior's Polymix factory in Kuala Bikam, Perak. The company shifted all its manufacturing operations there and is currently well into its 14th year of establishment.

The company's Polymix brand of products is a market leader in the skim coat category.

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plying to, which was working on 25,000 units for the housing project in Thailand, suggested that we start our own plant in Thailand.

"It was just sheer luck that we found a local Thai who owned a dormant plant that suited our needs. We entered into a partnership and that took off, too," Chong said.

The company then became the sole supplier of its key product, Skim Coat, for all 11 Malaysian listed developers that were operating in Thailand then.

This meant that Polymix was dealing with a vast amount of volume, and the company soon needed to expand again.

Chance brought Chong to the good graces of the founder of Malaysian Sheet Glass, who offered him a 8.1ha industrial land in Kuala Bikam, Perak, equipped with a plant and vast amounts of glass sand.

No doubt, he felt it was luck again that he was offered the land at RM1mil.

"It was on one condition though; besides using the sand for my products, I would have to make sand that was good enough for industrial use. He wanted to ensure that the sand and minerals were put to good use.

Chong said it was never about the money for both of them.

"I simply replied with another condition, that he stay on as an adviser and shareholder."

The company shifted all its manufacturing operations there, and Polymix is currently into its 14th year of establishment.

"Our growth has been spectacular. We recorded RM3mil sales turnover for our first year, and now we're near RM17mil.

"That's about 30% growth over 14 consecutive years," noted Chong.

Within six years of establishment, Chong said the company had become a market leader for its dry mix product, and its competitors are large multinational corporations.

"We're like the underdogs of this industry," he said with a laugh.

"This is what all of us are very proud of."

Chong said to continue being the lead, they need to sell solutions instead of products.

"It's a competitive world. As a market leader, we must be able to constantly create something our competitors don't have.

"At the moment, we have one that nobody else carries, it's called the Thin Render Premium," he pointed out.

The product is something that works so efficiently that Chong said they have yet to receive a single product complaint.

"We supply to 80% of all the high-rise buildings you see in Malaysia."

Not intending to boast, Chong said it was necessary for one to do something beyond the norm, no matter what field they were in.

As a very hands-on businessman, he makes it a point to visit construction sites to identify problems in order to see what solutions can be created.

"I insist all my salespeople do site visits every week, with or without problems. We go there and speak to the workers; these are the people who are actually working on your product and they can provide the best feedback," Chong explained.

To succeed, he said, they needed to be the first to respond.

"We understand the problem and tailor-make the solution. This is not something which everyone does, and if you can do this, you can be the best," he concluded.

Corporate Excelsior's headquarters in Petaling Jaya.

"Our growth has been spectacular. We recorded RM3mil sales turnover for our first year, and now we're near RM17mil. That's about 30% growth over 14 consecutive years"

Chong Chee Hing

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Source : Star Biz **Date : 16 May 2017 (Tuesday)**

CMS earnings soar on lower share of losses in associates

PETALING JAYA: Cahya Mata Sarawak Bhd's (CMS) net profit for its first quarter ended March 31, 2017 surged over 2,000% to RM22.66mil from RM1.05mil in the previous corresponding period due to the reduction in the share of losses in the company's associates.

In a filing with Bursa Malaysia, the company said the higher net profit was also attributed to increase in the share of profits from the joint ventures and higher earnings by the cement and construction and road maintenance divisions.

CMS, which is involved in cement manufacturing, construction materials and property development, among others, said revenue in the first quarter, however, dropped to RM282.30mil from RM346.91mil a year earlier.

It said the lower revenue was mainly due to a lower sales volume in the construction materials and trading and cement divisions.

"Furthermore, the construction and road maintenance division also reported lower revenue due to reduced federal road maintenance work and the completion of major projects in 2016."

Commenting on the earnings, group managing director Datuk Richard Curtis said in a separate statement that the first quarter had been an important quarter in terms of meeting performance against targets, despite the challenging market and operational conditions faced by the group.

"The macro factors include low commodity selling prices and generally the sluggish regional private and public sectors resulting in reduced demand for construction materials and related services.

"Overall, the results for the first quarter are viewed positively as they reassure that the group is on track towards a much-improved performance for our 2017 financial results as against 2016."

Supported by the company's healthy balance sheet, Curtis added that CMS is well positioned to benefit from the state's ever growing infrastructure needs, including the RM27bil Pan Borneo Highway project.

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Source : Star Biz **Date : 23 May 2017 (Tuesday)**

Lafarge slips into the red

PETALING JAYA: Building materials firm Lafarge Malaysia Bhd has slipped into the red in its first quarter ended March 31 reporting a net loss of RM48.9mil compared to a net profit of RM20.6mil for the same period a year ago due to lower operating profit and worsening pricing pressure.

The group's revenue decreased by 16.1% to RM561.9mil year-on-year.

"This decrease was mainly attributable to the lower sales contribution from the cement segment due to the soft market demand, coupled with the increased industry capacity and the continued pricing pressures in the market.

"The decrease in revenue in the cement segment was partially mitigated by the higher sales contribution from the concrete segment.

"The profitability was further exacerbated by the higher operating costs attributed mainly to the higher fuel and electricity cost and a one-off separation cost incurred in the current quarter.

"The above was partially mitigated by a one-off gain on disposal of land and higher foreign exchange gains," it said in a filing with Bursa Malaysia yesterday.

On its outlook, Lafarge said the company expects it to remain challenging in view of the ongoing pricing pressure and competitive environment.

Source : Star Biz **Date : 24 May 2017 (Wednesday)**

Lafarge may raise exports as pricing pressure continues

Cement maker plans to increase utilisation rate of Langkawi plant

KUALA LUMPUR: Cement producer Lafarge Malaysia Bhd plans to increase exports to the region as pricing pressure and oversupply in the local cement industry continues to persist.

Lafarge president and chief executive officer Thierry Legrand said the company planned to increase sales to regional markets and negotiate new contracts.

"We are exporting to many countries like Bangladesh, Myanmar and Indonesia. Developing exports is certainly one of the avenues we are looking at.

"The strategy is to maximise our sales volume. Where local demand is not enough, we look to replace this with exports," he said at a briefing after Lafarge AGM.

He said the company's export ratio ranged between 5% and 15% and was on an uptrend.

Lafarge executive director and chief financial officer Micheal Lim said there could be more opportunities in the region, given that Japan and Taiwan were expected to cut down on their exports this year.

He said the company's integrated plant in Langkawi was geared towards the export market as it was close to the port and thus, was cost-effective.

"In the international market, there are many suppliers of cement such as from Taiwan, China and Japan.

"In the near future, Japan is expected to slow down on their exports as they have the Tokyo Olympics coming up. Taiwan has a new tax imposed which makes their export costs higher.

"With the rebalancing of demand and supply in the regional market, we think there is a possibility that our plant in Langkawi will soon increase its utilisation rate," he said.

The building materials firm slipped into the red in its first quarter ended March 31, reporting a net loss of RM48.9mil compared to a net profit of RM20.6mil for the same period a year ago due to lower operating profit and worsening pricing pressure.

The company's revenue decreased by 16.1% to RM561.9mil year-on-year.

Legrand noted that the cement market shrank by about 7% last year while companies involved in producing cement increased their capacities, creating an imbalance in demand and supply as well as intense pressure on prices.

"We believe that in the second half of the year, with infrastructure projects gaining momentum, it should bring more volume – but how fast this will happen is difficult to say.

"In the meantime, we are aggressively looking at reducing costs and at the same working on product and solution differentiation," he said.

He expects cement industry sales to continue to contract this year after the 6% fall in 2016.

"This year, we see a number of infrastructure projects that are gaining momentum and this will have more impact in the second half of the year.

"But, overall, this year we anticipate the market will shrink further by about 4% or 5%," he said.

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Part 3:

ENERGY MINERAL (COAL)

Source : Star Biz Date : 22 May 2017 (Thursday)

Adani may exit US$16.5bil mine without deal

Minister: Coal project dependent on royalties agreement

SYDNEY: India's Adani Group could walk away from its US$16.5bil Carmichael coal project in Australia unless a royalties deal can be reached with the state government, according to federal Resources Minister Matthew Canavan.

The Queensland government's failure to agree the terms of the royalty regime for the mine may jeopardize the development in the state's Galilee Basin, Canavan said in a phone interview yesterday.

Adani was due to make a final investment decision on May 29 for the Carmichael mine, but deferred that on Monday citing uncertainty over royalty payments.

Adani's approval for the project "is contingent on the Queensland government coming to a decision on their royalties policy," Canavan said.

"You can't expect Adani to make a multi-billion dollar decision if they don't know what tax they will pay.

"The ball is now in the Queensland government's court."

Australia's largest coal project - which could fuel power generation for 100 million Indians and create 10,000 jobs in Queensland - has been delayed several times since first being proposed in 2010 due to protests and court claims from green groups concerned about its environmental impact.

Westpac Banking Corp. barred lending for the project in April due to a new policy on coal emissions.

Gautam Adani, the bilaire chairman of Adani, said in March it could start mining coal from Carmichael in 2020.

An earlier royalties deal proposed by the state in March would see Adani pay less in the early years of the project but the same overall sum over the 60-year life of the development, Canavan said.

Adani will likely pay A$100mil to A$150mil a year in royalties based on its first phase target of producing 25 million tonnes a year of coal, with the final payment dependent on the prevailing coal price, the minister said.

Adani expects to raise about US$2.5bil to build a rail line connecting the mine with Abbot Point port over the next two years.

The group will raise about US$800mil via equity and the rest through debt.

That includes a controversial A$900mil loan from the government-backed Northern Australia Infrastructure Facility, which Canavan said continues to be assessed.

Federal labour leader Bill Shorten said while royalties need to be determined at a state level by the Labour government, he opposes using federal taxpayer money to subsidize the mining project.

If the Adani project "is a commercial success then it doesn't need the taxpayers to underwrite a bil dollar loan to a multi-bil dollar coal company," Shorten said at a press conference.

"That's our position, what Queensland does is ultimately a matter for them."

Annastacia Palaszczuk, premier of Queensland, didn't immediately respond to a voicemail request for comment. — Bloomberg

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Part 4:
GENERAL

Source : Star Biz **Date : 09 May 2017 (Tuesday)**

China's April trade growth slows on cooling demand

Inbound shipments of iron ore and copper weaken

BEIJING: China's import growth slowed faster than expected in April, as inbound shipments of commodities such as iron ore and copper weakened, while export growth more than halved, in line with a general cooling in demand for electronic gadgets.

China's April imports rose 11.9%, cooling from March's 20.3% rise, official data showed, and missing analysts' expectations for an 18% rise.

Exports rose 8.0% from a year earlier, slowing from a 16.4% rise in the previous month and short of expectations of 10.4%.

While the data shows trade remained robust at the beginning of the second quarter, analysts say the spurt in China's economic growth seen in the first three months of the year may be as good as it gets as policymakers seek to tighten speculative investment, especially in the property sector.

"Looking ahead, we expect export growth to hold up well given the relatively bright outlook for the global economy this year," Capital Economics China economist Julian Evans-Pritchard said in a note.

"Growth in inbound shipments will continue to face headwinds, however. In particular,

Facing headwinds: A file picture shows workers standing on a pier near a cargo ship at a port in Qingdao, east China's Shandong province. China's April imports rose 11.9%, cooling from March's 20.3% rise, official data showed, and missing analysts' expectations for an 18% rise. – AFP

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policy tightening will further weigh on domestic demand in coming quarters." April's numbers left the country with a trade surplus of US$38.05bil, which compared with forecasts for US$35.50bil, and above US$23.93bil in March. The April trade figures are preliminary, with revised data due on May 23.

China's imports of crude oil, iron ore and copper all fell by volume compared with March, with the data in line with a recent survey of purchasing managers in the manufacturing sector showing April expansion was the slowest in six months.

Despite the slowdown, imports year-to-date are still up 20.8% by value, compared with 8.1% growth for exports over the first four months, though analysts say imports could slow further this year.

While China's economy grew faster than expected in the first quarter, policymakers have moved to reduce financial risks in the economy and stamp out speculative activity in the property market.

Commodity imports have also been hit by falling prices, with iron ore and steel hitting multi-month lows on China's future markets in April amid concern over rising inventories. China's producer price inflation slowed in March for the first time in seven months, with price gains expected to continue to cool.

Exports of electronics and machinery products increased 2% year-on-year in April, customs data showed, slowing from 12.3% growth in March.

China's surplus with the United States widened in April, meaning pressure from the United States for action on the trade imbalance is not likely to go away anytime soon.

The surplus with the United States was US$21.34bil in April, up from US$17.74bil in March and higher than the year-ago period, according to data from China's customs bureau.

Exports to the United States, China's largest export market, rose 11.7% in April from a year earlier while imports from the United States rose 1.5%.

China's large trade surplus with the United States has drawn criticism from US president Donald Trump.

While the US Treasury Department did not label China a currency manipulator in its most recent report on currency manipulation, the Trump administration has sought other fronts in which to tackle its large trade deficit with Beijing.

Last month, Trump launched a trade probe against China and other exporters of cheap steel into the US market.

And the US Commerce Department said last Tuesday it would open investigations into possible dumping and subsidisation of imports of tool chests and cabinets from China and Vietnam.

As Trump moves to put America's interest first and pull out of multilateral trade agreements, China has positioned itself as a supporter of free trade.

Finance leaders of Japan, China and South Korea last week agreed to resist all forms of protectionism in a trilateral meeting, taking a stronger stand than major G20 economies against the protectionist policies advocated by Trump.

While trade friction between China and some key trading partners remains, an overall improvement in global growth means shipments from the world's largest exporter will likely remain strong this year.

China's imports and exports are expected to stabilise and improve in the near future, the Ministry of Commerce said last week in its quarterly report on trends in the country's foreign trade. Foreign trade is expected to face a better environment in 2017 compared with the past two years, the commerce ministry report said. – Reuters

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Source : The Star **Date : 24 May 2017 (Wednesday)**

No mining in Antarctica research expansion bid

In the name of science: Researchers aboard the research vessel 'Xue Long' (Snow Dragon) in Victoria Land, Antarctica. — Xinhua

BEIJING: China plans to expand its scientific research in Antarctica in coming years amid worries over the area's susceptibility to climate change, but has no immediate plans to mine or develop natural resources that could be exposed as the ice cap shrinks, government officials said.

China's growing interest in the frozen continent is in the spotlight as it hosts a meeting of over 40 nations that oversee management of Antarctica under a 1959 treaty.

Human activity in Antarctica is governed by agreements designating it as a natural reserve.

Those protocols also prohibit military bases and the extraction of natural resources, although there has been speculation that China could one day seek to tap into Antarctica's mineral reserves to support its economic expansion.

China signed the Antarctic treaty in 1983 and has since established four research stations. It plans to start construction of an airfield later this year and a fifth research station as early as 2018.

It also has a new icebreaker under construction to augment the *Xue Long*, a Ukrainian-built vessel used to service its Antarctic missions.

Lin Shanqing, deputy head of the State Oceanic Administration, told reporters on Monday that China wanted "to make our contribution to the peaceful use of the Antarctic as a responsible and big country".

"At this stage, China's Antarctic expeditions and research mainly focus on boosting our understanding of the Antarctic and to better conserve the Antarctic environment," Lin said.

"According to my knowledge now, China has made no plans for mining activity in Antarctica."

About 400 representatives from 42 countries and 10 international organisations are expected to attend the 40th Antarctic Treaty meeting, which goes through June 1. — AP

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by;

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