

# June passenger traffic down 4.2%

Due to lesser travel during Ramadan, says MAHB

BY TAN SIEW MUNG

KUALA LUMPUR: Malaysia Airports Holdings Bhd (MAHB) said passenger movements at its airports, including Istanbul's Sabiha Gokcen International Airport (SGIA), fell 4.2% to 9.05 million in June 2016, compared with 9.45 million a year ago, due mainly to lesser travel during the Ramadan period.



International passengers dropped 1.5% to 3.24 million, while domestic passengers declined 7.9% to 3.42 million in June, according to MAHB. The Edge file photo

However, there was a 4.2% growth in the first half of 2016 as both local and foreign carriers filled the void left by the restructured Malaysia Airlines Bhd.

In its monthly passenger traffic snapshot to Bursa Malaysia, MAHB said that if SGIA was excluded, total passenger movements in June were 4.9% lower at 6.65 million, compared with seven million a year ago.

International passengers dropped 1.5% to 3.24 million, while domestic passengers declined 7.9% to 3.42 million.

Overall aircraft movements decreased 6.7% with a reduction in international and domestic movements by 1.7% and 9.6% respectively, compared with June 2015.

MAHB said the negative growth in June passenger numbers was due mainly to the seasonally lesser travelling during the Ramadan period affecting both Malaysia and Turkey.

“On a like-to-like basis compared with [the] 2015 Ramadan period, there was an increase in passenger movements by 2.5% for the first 25 days of Ramadan 2016 (June),” it said.

It added that SGIA's passenger traffic was also negatively affected by the bombing at neighbouring Ataturk Airport, and visa restrictions.

Meanwhile, Malaysia Airlines registered a double-digit decline in international passenger movements and a single-digit decline in domestic movements. The vacuum, however, has largely been filled up by AirAsia Group, Malindo Air and other airlines, all of which registered double-digit growth.

On a year-to-date (YTD) basis, international passengers accelerated 4.5% to 20.54 million, but domestic passengers declined 0.6% to 21.56 million, as regional international airports like Penang and Kota Kinabalu continued to gain critical mass.

Going forward, due to security and macroeconomic uncertainty

ties in the second half of the year, MAHB is cautiously optimistic by the bombing at neighbouring Ataturk Airport, and visa restrictions.

BY YIMIE YONG

## Luster says to finalise deal with Hong Kong firm in due time

BY YIMIE YONG

KUALA LUMPUR: Luster Industries Bhd has clarified that it linked a memorandum of understanding (MoU) to explore further opportunity and have further verifications to make before entering into a conditional sales and purchase agreement (SPA) with Hong Kong-based Cit-Champ International Ltd.

In a bourse filing, Luster said it will make a detailed announcement to Bursa if it decides to enter into the SPA.

Luster was responding to an editorial published under the Frankly Speaking column in *The Edge* issued for the week July 11 to 17.

On July 5, Luster announced it had signed an MoU with Hong Kong-based Cit-Champ International Ltd to buy “a certain percentage” of New Harvest Asia Investment Ltd for “a certain pur-

## GE, GTA, and Area explore potential investment in MAHB's KLIA Aeropolis

MOST VIEWED STORIES ON theedgemarkets.com

KUALA LUMPUR: Malaysia Airports Holdings Bhd's (MAHB) recently launched airport city, the KLIA Aeropolis, has drawn interest from French aerospace, defense and security company Safran's Global Turbine Asia (GTA), digital industrial company General Electric Malaysia (GE), and regional private equity firm Area Management.

All three have expressed their interests to invest in the city separately via memorandum of understanding (MoU), a memorandum of business collaboration (MoBC), and a memorandum of business exploration (MoBE) signed with MAHB at the Farnborough International Airshow 2016 in the UK.

MAHB said the MoU it inked with GTA signified GTA's intention to further invest within Malaysia's aerospace belt, which includes the KLIA Aeropolis, Subang and Melaka, as part of its midterm expansion plan to invest in its

own facility for its manufacturing, repair and overhaul and manufacturing activities in the future.

“This MoU will open new frontiers for both parties to explore opportunities but it is also a strong statement to the confidence those of us in the industry share,” said GTA chairman and chief executive officer Datuk Nonce Ashrin Mohd Radzi.

On the MoBC inked between MAHB and GE, GE chief operating officer Azli Mohamed said GE is looking at a potential development of a “high-technology multimodal facility encompassing activities in areas such as energy, power and automation” within the Subang Technology Park ecosystem.

As for Area, which inked an MoBE with MAHB, it is keen to develop available plots of land in MAHB's Subang nexus, as Area scales up its presence in the country, said Area executive chairman Stewart Labrooy.

chase consideration to be determined later.”

*The Edge*, however, questioned the lack of details in the announcement made on Bursa. The weekly also pointed out that several announcements made earlier, including a plan to mine tin ore in Kenaman and venture into property development in Kedah, have not materialised.

On these issues, Luster explained Pan Cambodian Lottery Corp Ltd is already in operation and recorded an audited profit after tax of US\$500,000 in financial year 2015.

Luster also said it had started exploring the mining site at Kemaman, but has since decided to stop due to the declining prices of commodities. It is now negotiating with a few parties to enlarge the mining area to achieve a more sustainable economics of scale for its operations.

## MSM's deputy CEO Mohamad Amri promoted to CEO role



KUALA LUMPUR: MSM Malaysia Holdings Bhd, the country's leading refined sugar producer and a subsidiary of Felda Global Ventures Holdings Bhd, has promoted its deputy chief executive officer (CEO) Mohamad Amri Sabari @ Khuzari (*pvc*) to the president and group CEO role.

Mohamad Amri replaces the late Datuk Sheikh Awab Sheikh Abod, who passed away on April 14.

In a statement yesterday, MSM said during his stint as deputy CEO, Mohamad Amri had led the company's strategic initiatives and business development efforts, establishing a track record for building strong leadership

teams and delivering high-quality, meaningful results.

Mohamad Amri has a 27-year career with Felda and MSM Group and has led in areas such as operations, policies, strategies, growth and profitability.

## Vivocom proposes one-for-four bonus issue

BY KAMARUL ANWAR

KUALA LUMPUR: Vivocom Intl Holdings Bhd has proposed a one-for-four bonus issue of 870.3 million shares, which would enlarge its share base to between 3.23 billion and 4.35 billion.

In a filing with Bursa Malaysia yesterday, Vivocom — an ACE Market-listed construction player with a huge support from China Railway Construction Corp Ltd (CRCC) — said that it expects the exercise to be completed by the third quarter of this year. RHB Investment Bank Bhd serves as adviser for this exercise.

Vivocom said for one, the bonus issue lets the company reward existing shareholders and enhance its capital base.

“A bulk of these shareholders are retailers who believed in the company when we were still in our infancy

and, as we grow from strength to strength, we would like to reward them with this bonus issue as only with their loyal and continued support, Vivocom can surge ahead to attain greater heights,” said executive director Choo Seng Choon.

The group said a bonus issue will also give more shares to its shareholders without increasing their equity interest, and give potential to broaden its shareholder base, as well as allow more investors to participate in the stock.

Vivocom said the bonus issue will also increase its issued share capital to a level “which would be more reflective of its current scale of operations and assets employed.”

As at June 20, the group had 2.59 billion shares outstanding. The bonus issue, at the ratio of one-to-four, will enlarge Vivocom's share base to 3.23 billion.

However, it has three warrants, VIVOCOM-WB, VIVOCOM-WC, and VIVOCOM-WD. In the case that all the outstanding warrants are exercised, Vivocom's issued share capital will rise to 3.48 billion, and 4.35 billion once the bonus shares are issued.

At the company level, Vivocom's share premium account amounted to RM63.67 million as at March 31. Under the minimum scenario, the share premium account will fall to RM16.83 million after the bonus issue is completed, assuming none of the warrants were converted. However, under the maximum scenario, the amount will be RM69.41 million if all the warrants were converted to shares.

Vivocom shares have fallen from their decade-high of 35 sen in May to close at 25.5 sen yesterday, valuing the company at RM659.76 million.