

Sumatec set to expand Kazakh facilities

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KUALA LUMPUR: Sumatec Resources Bhd is ready to embark on a three-year development plan to ramp up the production of its Rakushechnoye oil and gas field in Kazakhstan towards optimal production of about 2,000 barrels of crude oil per day.

"We are ready to start developing the facilities to optimally extract the hydrocarbon at the Rakushechnoye oil and gas field because oil price has somewhat stabilised and it's feasible now for us to invest," general manager (geoscience) Felix Chang told *StarBiz* recently.

Earlier this week, the company had proposed a fund-raising exercise to finance the development of oil and gas facilities in the area.

Sumatec currently extracts about 500 barrels of oil per day from the Rakushechnoye oil and gas field.

According to Chang, apart from crude oil, the area is also poised to produce condensate, liquefied petroleum gas (LPG) and gas.

The oil and gas reserves in the area is estimated to be at 32.8 million barrels of oil (MMbo) and the gas reserve is estimated to be at 89.3 million barrels of oil equivalent (mboe).

"We have to drill deeper to get to the river of oil and gas reserves. But first, we have to build a gas processing plant to cater for the production of gas that comes together with the oil.

"We expect to gradually start ramping up production in the middle of next year once all the facilities are in place," he said.

Sumatec's portion of the hydrocarbon will be based on production-sharing contract with its two partners.

Sumatec on February 17 had entered into a framework agreement with Ken Makmur Holdings Sdn Bhd and Markmur Energy (Labuan) Ltd (MELL), which is the concession holder of the Rakushechnoye oil and gas field, for the production of LPG and condensate from the 100 million standard cubic per day of the natural gas supplied from the area.

Chang said that based on a ballpark figure, the Rakushechnoye oil and gas field is able to generate revenue of US\$377.6m (RM1.68bn) per year.

On Monday, Sumatec proposed to undertake a private placement of up to one billion new shares to an independent third party to be identified, with estimated proceeds of RM80m and issuance of up to 800 million shares as payment to contractors for development and production services to be provided at the Rakushechnoye oil and gas field.

It has also proposed renounceable rights issue of up to 3.22 billion of Sumatec shares with up to 3.22 billion detachable warrants at an indicative 10 sen per rights share on the basis of one rights share for every two Sumatec shares.

Under maximum scenario, the rights issue is expected to raise gross proceeds of RM322.6m.



Significant rise: The transport group index increased 8.3% on a year-on-year basis in January 2017, after falling 0.6% and 1.5% in December 2016 and November 2016, respectively.

CPI up 3.2% in January

Transport group index up the most

PETALING JAYA: Malaysia's consumer price index (CPI) rose 3.2% to 118.2 in January 2017 from 114.5 in the corresponding period last year, with a 1.1% increase on a monthly basis.

The major groups which recorded highest increases in indices were transport at 8.3% and food and non-alcoholic beverages at 4%, followed by recreation services and culture at 3.2%, according to a report by the Statistics Department.

The CPI is an index which measures the variation in prices paid by consumers for retail goods.

The transport group index showed the most significant increase, at 8.3% on a year-on-year basis in January 2017, after falling 0.6% and 1.5% in December 2016 and November 2016, respectively.

"In January 2017, one litre of RON95 petrol was priced at an average of RM2.10, an increase from RM1.85 in January last year.

"On the other hand, RON97 was averagely priced at RM2.40 in January 2017, as compared to RM2.25 last January," the department said.

The index for food and non-alco-

holic beverages, which accounted for 30.2% in the CPI weights, was fuelled by food sub-groups like oils and fats at 37.9%, vegetables at 7.8%, fish and seafood at 6.1% as well as fruit at 2.1%.

Food and non-alcoholic beverages increase in index was reflected in most states in Malaysia, particularly highly urbanised states such as Kuala Lumpur, Selangor, Putrajaya, Penang, Johor and Malacca.

Furthermore, core inflation rose 2.3% in January 2017 from a year ago due to a 3.3% increase in transport and also a 3.3% rise in food and non-alcoholic beverages.

MSM revenue up on better selling price

PETALING JAYA: Refined sugar producer MSM Malaysia Holdings Bhd registered 26% higher revenue at RM838.31m for the fourth quarter (Q4) of financial year ended Dec 31, 2016 (FY16), bringing its full-year revenue to RM2.66bn.

The increase in revenue for the quarter under review was attributable to improved selling price and higher volume of refined sugar sold, as well as better trading revenue.

However, the group's net profit fell to RM14.39m for the quarter and declined by 56% to RM120.72m for the financial year, due to higher raw material costs and weakening ringgit.

In a statement, MSM president and CEO Mohamed Amri Sahari said the group's business is reliant on optimising margins between prices of raw and refined sugar.

"In 2016, the raw sugar costs increased tremendously by approximately 40%; consequently this

The group is expected to be able to perform in line with the industry.

MSM Malaysia Holdings Bhd

translates to 80% of MSM's operating costs and no doubt this is beyond our control and has significantly pressured our margins.

"Nevertheless, taking into consideration the substantial increase in natural gas price, we managed to retain our refining costs with a bare minimum increase of only 0.76%, which exemplifies our operational excellence," he said.

The lower profit performance came after a strong year, during which MSM achieved its best-ever after-tax profit of RM275m and

Higher profit for LTAT in financial year 2016

PETALING JAYA: Lembaga Tabung Angkatan Tentera (LTAT) or the Armed Forces Fund Board recorded an improved unaudited total profit of RM81.1m for the financial year ended Dec 31, 2016 (FY16), an increase of RM44.2m compared with last year's profit of RM76.8m.

Eligible members would receive total dividends and bonuses at a

rate of 12%, amounting to RM685.5m. LTAT said in a statement.

For the year under review, LTAT's total assets increased to RM9.5bn compared with RM9.3bn in FY15 while members' contribution stood at RM8.6bn compared with RM9.1bn recorded in the previous year.

Defence Minister Datuk Seri Hishammuddin Tun Hussein said: "I am very pleased with the results and performance achieved by LTAT for FY16 and hope this performance will be sustained and improved for the coming years to ensure that the welfare of the serving members and retired members of the Armed Forces is always protected."

CORPORATE RESULTS

GD Express Carrier

	Q216	Q217
Revenue (RM mil)	55.49	66.15
Pre-tax profit (RM mil)	9.24	10.86
Net profit (RM mil)	7.8	9.2
EPS (sen)	0.63	0.67
Dividend (sen)	0	0

Dayang Enterprise

	Q415	Q416
Revenue (RM mil)	221.67	185.61
Pre-tax profit (RM mil)	19.41	42.46
Net profit (RM mil)	16.48	47.09
EPS (sen)	1.88	5.37
Dividend (sen)	0	0

Glomac

	Q316	Q317
Revenue (RM mil)	158.13	87.49
Pre-tax profit (RM mil)	34.18	9.74
Net profit (RM mil)	19.68	5.37
EPS (sen)	2.74	0.75
Dividend (sen)	2.00	1.50

Prestariang

	Q415	Q416
Revenue (RM mil)	24.33	24.72
Pre-tax profit (RM mil)	7.47	1.72
Net profit (RM mil)	2.98	1.41
EPS (sen)	0.62	0.29
Dividend (sen)	1.00	0.75

Genting Plantations

	Q415	Q416
Revenue (RM mil)	424.4	513.41
Pre-tax profit (RM mil)	70.24	274.59
Net profit (RM mil)	59.4	201.89
EPS (sen)	7.69	25.76
Dividend (sen)	3	19

Hap Seng Plantations

	Q415	Q416
Revenue (RM mil)	120.2	128.54
Pre-tax profit (RM mil)	37.99	59.38
Net profit (RM mil)	37.04	44.97
EPS (sen)	4.63	5.62
Dividend (sen)	5	8

Oldtown

	Q316	Q317
Revenue (RM mil)	102.21	115.81
Pre-tax profit (RM mil)	17.35	31.56
Net profit (RM mil)	11.07	24.35
EPS (sen)	2.45	5.39
Dividend (sen)	3	3

Petron Malaysia

	Q415	Q416
Revenue (RM mil)	1,883.39	2,289.54
Pre-tax profit (RM mil)	10.05	152.77
Net profit (RM mil)	16.24	112.62
EPS (sen)	6.02	41.71
Dividend (sen)	20	22