

# PG Mall partners Pos Malaysia, redONE to capture more shoppers

*The partnership is expected to contribute a GMV of RM2.5m to PG Mall's coffers monthly*

by KEVIN WONG

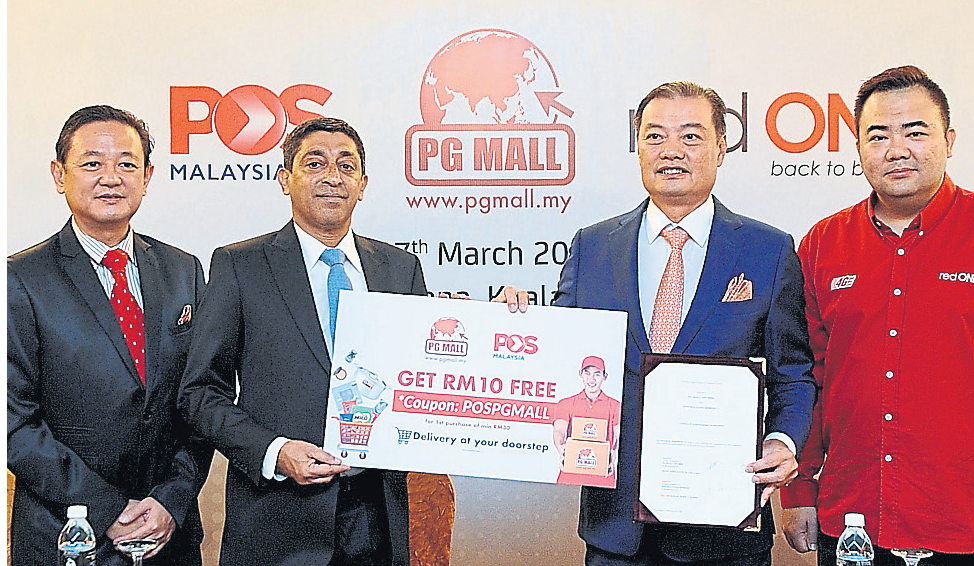
PG MALL Sdn Bhd is expected to hit the target of having one million shoppers registered on its online shopping platform by February next year as a result of its partnership with Pos Malaysia Bhd and redONE Network Sdn Bhd that was signed yesterday.

PG Mall executive chairman Datuk Louis Ng said the company now has a total of 200,000 shoppers, of which 50% are utilising the platform actively on a monthly basis.

He said the partnership with POS Malaysia and redONE is also expected to contribute a gross merchandise value (GMV) of RM2.5 million to PG Mall's coffers monthly.

He said the affiliated partnership between PG Mall, Pos

## Affiliate Partnership Signing Ceremony



(From left) PG Mall and Public Gold management information system director Charles Lim, Pos Malaysia retail commercial head Abd Razak Mohd A Kadir, Ng and redONE director/co-founder Ben Teh at the partnership signing ceremony yesterday

Malaysia and redONE is also a significant part of the company's long-standing strategy to bring local industries to a global platform through a seamless shopping environment on e-commerce.

"Local industries, which comprise resellers, retailers and manufacturers, are most encouraged to expand their business online and PG Mall has the mission to help grow their business strategically.

"The affiliated partnership with Pos Malaysia is equally important with its stronghold network of more than 700 post offices nationwide. We believe this could help us reach out to millions of online shoppers in

the urban areas," Ng told the press after the agreement signing ceremony.

Ng added that e-commerce is about gaining affiliations, increasing the number of merchants on board and providing more discounts for shoppers.

As for the competition with other e-commerce platforms such as Lazada, Shopee and 11street, Ng said PG Mall has the advantage of its direct lineage to the Public Gold Group's growth and success.

"We took 10 years to build Public Gold from scratch and how we stood out against the conventional retailers, jewelry and gold bar sellers is that we have always use the Internet as the platform for transactions. So, we applied this concept to PG Mall as well.

Currently, PG Mall dealers enjoy perpetual income from the businesses and referrals that they bring into the group, including consumers and merchants.

"Consumers may refer new customers to us where they will then receive incentives and rewards," Ng said.

## TNB inks 6 RE PPAs for 180MWac

TENAGA Nasional Bhd (TNB) has signed power purchase agreements (PPAs) with six special-purpose companies as part of the Energy Commission's (EC) transmission-connected large-scale solar (LSS) projects in Peninsular Malaysia.

The companies are Kenyir Gunkul Solar Sdn Bhd, Idiwani Solar Sdn Bhd, BGMC BRAS Power Sdn Bhd, Viva Solar Sdn Bhd, Cypark Estuary Solar Sdn Bhd and Cove Suria Sdn Bhd.

In an exchange filing yesterday, the power utility firm noted that the companies have agreed to design, construct, own, operate and maintain solar photovoltaic energy-generating facilities, with a total approved capacity of 179.99MWac.

The six companies will sell the renewable energy (RE) generated for a period of 21 years from the start of commercial operations.

The earliest date of operations is Dec 31 next year and the latest is on Dec 31, 2020.

As a whole, the LSS programme undertaken by the EC aims at producing 1,000MWac in yearly capacity by 2020 for both the peninsula and East Malaysia. — TMR

# Yinson's Ca Rong Do FPSO works halted

by MARK RAO

YINSON Holdings Bhd could see a sizeable dip in its earnings in 2020 following the halt of scheduled works for the Ca Rong Do field development project in Vietnam.

The firm said the suspension is due to a "force majeure" or unforeseeable event preventing the contractors from fulfilling their obligations.

In an exchange filing yesterday, Yinson said Talisman Vietnam 07/03 BV (TLV) — a wholly owned unit of Madrid-listed oil company Repsol SA and the operator of the field located in offshore Vietnam — informed PetroVietnam Technical Services Corp (PTSC) of the stop-order last Saturday.

PTSC holds a 51% stake in the joint-venture (JV) company PTSC Ca Rong Do Ltd (PTSC CRD), while Yinson Clover Ltd — an indirect, wholly

owned unit of Yinson — holds the remainder interest.

The JV company was to undertake the bareboat scope of work, operation and maintenance of a floating production, storage and offloading (FPSO) facility located in Block 07/03 at the Ca Rong Do field.

With a charter period up to 15 years, the FPSO charter is believed to have an estimated total aggregate value of US\$1 billion (RM3.88 billion) over the period of the works.

The halted works for the Ca Rong Do development are believed to be related to Vietnam's territorial dispute with China over Block 07/03 of the project.

"The foregone future revenues from a likely charter termination of Yinson's 49% stake in the Ca Rong Do FPSO bareboat charter could reduce Yinson's 2020 financial year (FY20) earnings by 11%,"

AmInvestment Bank Bhd said in its research report yesterday.

It said the halted works for the Ca Rong Do project will likely be for a two- to three-month period before a formal announcement is made on whether the development will continue.

Pending the announcement, the research house maintained its 'Buy' coverage on Yinson with an unchanged sum-of-parts valuation of RM5.05 per share, representing a 33.6% premium to the company's last traded price of RM3.78 and implying FY19 price earnings of 14 times.

However, it acknowledged that its valuation could be cut by 36 sen, or 7%, to RM4.72 if the FPSO contract was to be terminated.

Yinson said PTSC is seeking clarification from TLV on the nature of the alleged force majeure event.

"This includes particulars of how TLV's performance of its obligations under the contract has been affected and the action intended to be taken by TLV to remedy the situation as provided for under the provisions of the contract," it said.

"Pending resolution of this matter, and in compliance with the notice, PTSC CRD will endeavour to take all reasonable actions to mitigate the effects of the force majeure event."

PTSC CRD will further continue to monitor the situation closely and assert its rights under all relevant contract laws for any claims, liabilities, losses, and/or damages against or suffered by it in any way.

AmInvestment said Yinson will be entitled to claim full compensation for the costs incurred by the company, which includes the acquisition

of OSX-1 from a distressed Brazilian operator.

Yinson also announced that it entered into an interim contract with PTSC to charter its 49%-owned FPSO PTSC Lam Son for the Lam Son Field located in offshore Vietnam, with the contract backdated to July 1 last year.

AmInvestment said its RM5.05 fair value for Yinson already accounts for a discounted cashflow accretion of RM437 million from the extension on the assumption of a further seven-year extension at a 40% reduced charter rate and 6% equity discount rate.

"Underpinned with locked-in earnings visibility from an orderbook of US\$4.2 billion, the stock currently trades at a bargain 2018 price earnings of 13 times versus the over 20 times for Dialog Group Bhd and Sapura Energy Bhd."

# Oil market sees US sanctions on Iran a possibility

OIL prices are under both push and pull factors as the market anticipates the possible return of US sanctions on Iran, while US shale drillers ramp up production.

The appointment of John Bolton as national security advisor by US President Donald Trump last week raises fears the country may re-impose trade sanctions on Iran, which could pull out some 400,000 to 500,000 barrels of oil daily from Iran.

Energy markets have pushed oil prices to above US\$70 (RM271.60) per barrel mark on the Brent index, which in turn could entice US drillers and producers outside the OPEC and non-OPEC umbrella to increase production.

"The market is pricing in the possibility (of US-led sanctions on Iran) and it would be one of the most significant catalysts for upward momentum in crude prices," Oanda

Corp head of trading for Asia Pacific Stephen Innes told *The Malaysian Reserve*.

"The impact, in my view, could be somewhat limited as the US\$70 per barrel level is when US shale producers tend to ramp up production."

He added that Russia will be looking for a way out of its deal with OPEC on production curbs and look to capitalise on the higher oil price environment.

Russia joined OPEC and non-OPEC agreement to collectively cut oil production by close to 1.8 million barrels per day to clear excess oil in the market. It limited its daily production to 10.98 million barrels of oil in 2017.

"Geopolitical focus can undoubtedly give way quickly to the big elephant in the room, which is shale oil production," Innes said.

MIDF Amanah Investment Bank Bhd equities research



The appointment of Bolton as national security advisor raises fears "the US may re-impose trade sanctions on Iran"

analyst Aaron Tan said Iran remains a "wild card" due to the existence of the black market for oil.

He said this is creating uncertainty over the actual amount of oil coming out of the country.

"Even when sanctions and embargoes were previously imposed on Iran, there was still an illegal supply of oil coming out of the country — it is thus difficult for observers and examiners to get a clear picture of just how much the country

is producing," Tan said.

He added that OPEC and non-OPEC members will continue to adhere to their production cut commitments, while US drillers will conversely raise production levels.

"Oil prices at the current level have typically seen US drillers increase production to capitalise on the higher oil price environment," he said.

"Saying this, US shale drillers and unconventional oil producers have learnt from past mistakes and will look to avoid overproduction to prevent oil prices from returning to low levels."

The benchmark Brent oil contract price has been trading at above the US\$70 mark over the past three days for the first time since late January.

Over the past year, the index climbed 37% from US\$51 per barrel to the current US\$70 per barrel level now. — by MARK RAO

## DNeX unit to develop halal park in the Philippines

DAGANG NeXchange Bhd's (DNeX) wholly owned unit, Global Market eCommerce Sdn Bhd, has signed two memoranda of understanding (MoUs) with the Department of Education Region V and Naga City of the Philippines to work together to develop a halal park in the Philippines.

Under the MoUs, the company has the exclusive right to implement several initiatives for the halal park, including research and development of a halal park and certification of products and services within the park.

It will also establish and manage the halal logistics within the park, provide halal related training, internationally market all certified halal products within the development and form a halal certification body for the halal park.

The MoUs were formalised in Naga City in the Philippines recently, DNeX noted in a statement to the bourse yesterday.

It noted that opportunities in the halal industry are vast as Muslims account for about a quarter of the global population, while the halal logistics sub-segment — in which the group has strong interest — is also increasingly gaining attention. — TMR