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# PRESS CUTTINGS

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## Ex-gold mining town now into ecotourism

Bau also the gateway to popular tourist towns of Serikin and Siniawan

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# Part 1:

# METALLIC COMMODITIES

**Source : Star Metro**
**Date : 11 December 2017 (Monday)**

Tasik Biru is often the site for various events including Bau's signature Jong Festival.

(Above) Hundreds of local and foreign visitors flock to Siniawan to enjoy local delicacies at open-air dining spots on weekends.

(Below) Serikin is home to traders selling various products and crafts from both sides of the border.

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# Ex-gold mining town now into ecotourism

## Bau also the gateway to popular tourist towns of Serikin and Siniawan

By GERYL OGILVY
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ONCE a booming gold mining town with a rich history, Bau has slowly reinvented itself to become a vibrant tourist attraction.

Located some 40km from Kuching, rural Bau has emerged as a tourist delight in the past couple of years due to the intense promotion of many attractions in the area.

Serikin, a famous border town some 20km away, continues to assert itself as a tourist attraction offering local products and handicrafts from Sarawak and West Kalimantan.

The Serikin weekend market, started in 1992, continues to expand and attracts both local and foreign visitors.

On the other side of Bau, some 15km away, the old Siniawan bazaar underwent restoration and transformation in 2011 and is now a vibrant night weekend market that draws visitors looking for local delicacies.

"Things have changed for the better this past few years as more and more people visit Bau. They come in busloads to both Serikin and Siniawan.

"This has certainly helped the local economy and raised the profile of Bau as a tourism area," entrepreneur Steven Damin said.

He lauded the holding of various events, such as the annual Jong and Tasik Biru festivals, Bau Bike Week, motorcross at Krokong, including the Gawai Redeems Festival at Singai to further promote Bau.

The town is also popular for its two limestone caves, the Wind Cave and Fairy Cave, which have been heavily promoted by Sarawak Tourism Ministry.

Fairy Cave, which got its name from a stalagmite at the entrance said to resemble a Chinese deity, has become a popular rock-climbing destination.

The Wind Cave, given the name due to a constant breeze blowing through it, is popular for observing swiftlets and bats.

The cave also has subterranean streams running through it.

Another factor that has contributed to the increase in the number of visitors to Bau is the completion of the Semadang-Skio road, which has shortened the journey between Bau and Serian, as people would not have to travel through Kuching, Steven said.

"Driving time from Serian is easily reduced by 30 minutes.

"Shopowners and traders enjoy brisk businessas as people flock to the town especially on weekends," he added.

The 42-year-old resident from Grogo said the state had built facilities and promoted the many hot springs and rivers in Bau to attract visitors.

"This has certainly helped local villagers improve their income as evident from the many stalls mushrooming in areas leading to these attractions.

"Villagers now have more customers to sell their vegetables, fruits, jungle produce, crafts, crisps and other products to," he continued.

Bau has also been promoted as an ecotourism destination, with Mount Singai and Mount Jagoi among its top hiking spots.

Located halfway up Mount Singai is the site of the Catholic Church and Pilgrimage Retreat Centre.

It attracts thousands of visitors annually since it was set up in 1999.

The retreat has an Ecumenical Centre for the Archdiocese of Kuching and the whole Sarawak, welcoming all Christians denomi-

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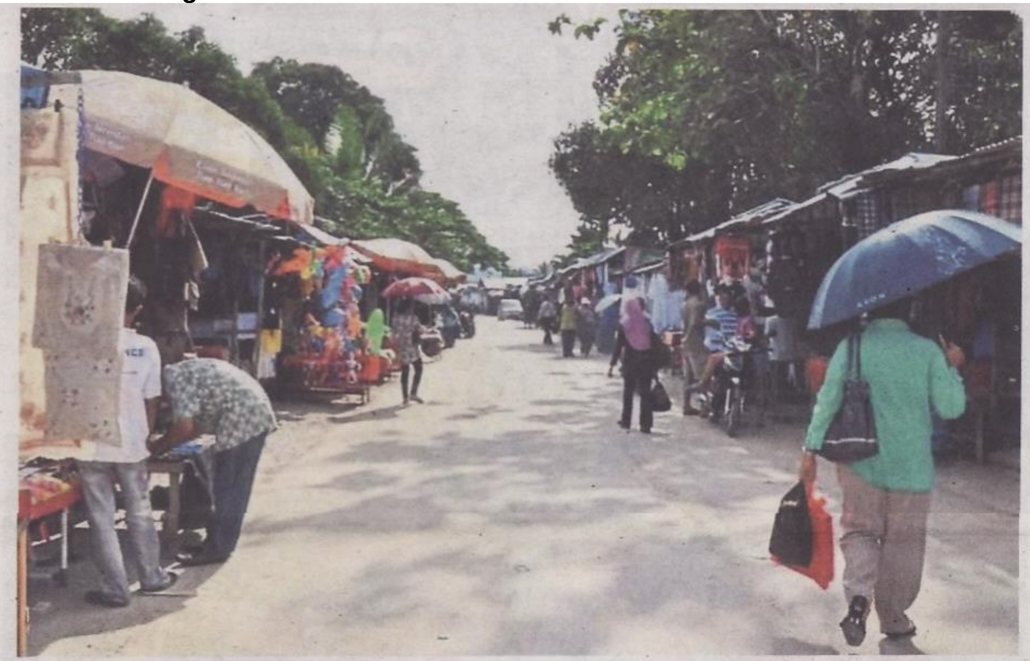

nations.

The centre is equipped with various facilities including a 1,200-capacity amphitheatre, hostel, chalets and public utilities.

History-wise, Bau had witnessed many conflicts, including the invasion of Skrang Ibans in 1837 that resulted in the massacre of over 2,000 Jagoi-Bratak Bidayuhs with the women being taken captive.

In 1857, Chinese gold miners from Bau rebelled against Rajah James Brooke over opium taxes.

They attacked the Astana, burnt Kuching town and killed several European officials with Brooke barely escaping with his life.

However, the White Rajah's forces retaliated and pursued the rebel leader and his men.

Those who sought refuge in nearby caves in Bau were smoked to death, while the remaining rebels and their families who ran to the Sambas district in West Kalimantan were mowed down by Brooke's forces.

"At the height of the gold mining activities in Bau, there were easily 4,000 Chinese settlers here.

"After the failed rebellion against the White Rajah, it took decades before the descendants of the Chinese miners came back to Bau, mostly resettling in Siniawan.

"Bau has a lot of history that we should preserve by way of setting up a living village, museum or monuments that could attract visitors," local resident Bong Joo Seng, 67, said.

He cited the monument at SMK Lake, Bau, erected in remembrance of the 31 students who perished when their bus plunged into Tasik Biru in 1979, as an example.

(Above and below) Serikin is home to traders selling various products and crafts from both sides of the border.

**Source : Star Biz**
**Date : 12 December 2017 (Tuesday)**

# LB Aluminium to boost exports and product range

**PETALING JAYA:** Metal extrusion maker LB Aluminium Bhd plans to boost export sales and expand its product range after a sharp increase in raw material costs eroded its operating profit margin.

The company made a net profit of RM1.67mil in the third quarter ended Oct 31, a 71% drop from RM5.78mil achieved in the same quarter last year.

Revenue improved to RM127mil from RM118.3mil previously.

"Rising operating costs, particularly raw material costs, continue to be of concern to the group," LB Aluminium said in a filing with Bursa Malaysia yesterday.

Nine-month net profit stood at RM5.3mil, which is less than half of the RM10.9mil it registered in the same corresponding period a year ago.

Despite the challenges, the company expects to remain profitable for the rest of the year.

LB Aluminium said revenue during the quarter under review had improved on higher average selling prices achieved, but the rising price of aluminium had reduced its operating margins.

The increased selling price resulted in lower sales volume.

The slowdown in domestic sales was mitigated by higher exports, which had surged 44% to RM39mil during the quarter, contributed by strong demand from Canada, Singapore and China.

"The group has taken cognizance of the heightened supply-demand imbalances in the property market, as highlighted by Bank Negara, and is strategising to mitigate the potential adversity by focusing on the export market as well as possibilities of product diversifications," it said.

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**Source : Star Metro** **Date : 21 December 2017 (Thursday)**



The Leader Universal Aluminium Sdn Bhd factory in Johor Baru. (Right) Lim holding the Star Outstanding Business Award 2016 trophy and certificate.

# Aluminium rod maker foresees higher demand

## Company expects to increase production from next year



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By ZAZALI MUSA
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LEADER Universal Aluminium Sdn Bhd is aiming high to develop and position itself as one of the top five aluminium rod producers in the world within the next five years.

Managing director Alex Lim Weng Soon said the ongoing and new power-related infrastructure projects globally would push up demand for aluminium rods.

He said many projects would take place in the South-East Asian, African and Middle Eastern countries as well as in China and India to cope with their high demand for power.

"The power industry in these countries looks promising as they want to ensure they have sufficient, stable and sustainable power supply," Lim said during an interview.

He said billions of dollars would be invested to develop power-related infrastructure in these countries in years to come through partnership or joint venture between domestic and international players.

Lim said South-East Asian countries, China and India offered good business opportunities and prospects for the company to cater for demand of its aluminium rods for the power projects.

He singled out Indonesia among countries in South-East Asia, with a huge current population of about 265 million people as the good market for them.

"Demand for power in big cities in Java, especially Jakarta, Bandung and Surabaya, as well as provinces such as Kalimantan and Sumatra is on the upward trend," said Lim.

He said apart from the new power projects, governments and power companies would also look at replacing old conductors with new ones to supply power to domestic and industrial users.

Lim projected the power-hungry African continent would also emerge as the next big market for aluminium rod producers 10 to 15 years from now.

"Although it is still a long way to go before African countries aggressively develop their power-related industry, we do not want to miss the opportunity.

"It takes time to penetrate or export to new markets and you have to start doing the necessary works much earlier, including identifying your local partners," he said.

Lim said the company, which markets its aluminium rods under the brand Leader, is well-known in 22 countries.

"This will help should we decide to venture into new territories," he added.

He said the One Belt One Road (OBOR) initiative by China would also open a new horizon for the company to venture into new frontiers, especially in Central Asian countries.

"OBOR is going to be a global game changer and will benefit many countries, including Malaysia and local firms like us," said Lim.

He said with China being the new global economic power house backing OBOR, it would definitely create economic spillover effects and benefits to countries whose boundaries OBOR passes through.

"The cake is big enough for aluminium rod producers like us and we do not want to miss the opportunity to have a slice of the business," added Lim.

Leader Universal emerged as the silver prize winner in the Best Global Market category of the Star Outstanding Business Awards (SOBA) 2016.

Lim attributed winning the SOBA 2016 award to dedication shown by the company employees as well as continuous support and trust given by its clients over the years.

"We believe in working closely with our clients and will do our best to fulfil their requirements because without their support and trust, we will not be here today," added Lim.

He said making aluminium rods was a high-precision and capital-intensive industry with only five manufactures in Malaysia involved in the segment.

The company had, in 2012, decided to consolidate its operations and focus on producing aluminium rods only to better serve its customers and improve productivity.

Leader Universal has two plants – one in Johor Baru, Johor and the other in Nilai, Negri Sembilan with about 200 workers with a combined production of 90,000 tonnes as of 2016.

"The consolidation exercise has improved our production from 70,000 tonnes yearly to 90,000 tonnes," he said.

Lim said the company expected to register a sales turnover of RM700mil this year from RM672mil recorded in 2016.

He said plans were already in the pipeline starting from next year to increase the production capacity at the Johor Baru and Nilai plants to 250,000 tonnes annually within the next five years.

Lim said the number of employees would also be increased to between 400 and 500 to cater for the expansion programme at both plants.

"We target 90% of our products will be exported to more than 22 countries presently or 70% of our export figure and by then will emerge as a global player," he said.

Lim says there are only five manufacturers of aluminium rods in Malaysia.

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**Source : Star Biz** **Date : 27 December 2017 (Wednesday)**

# China's top copper producer halts output

**SHANGHAI:** Jiangxi Copper Co, China's largest producer, is halting all output in the province after the local government ordered the curbs to reduce pollution, a company official said.

The smelter received the order on Monday evening to stop production for at least a week before a further assessment based on local pollution levels, the official said, asking not to be identified because of company rules.

The firm, which has 1.02 million tonnes of annual capacity in the southeastern province, remains in talks with the government to halt only smelting and not refining operations to minimise losses, according to the official.

China is intensifying its campaign against air pollution by extending its winter manufacturing curbs in 28 northern cities to other provinces.

Tonnegling Nonferrous Metals Group Co, the nation's second-largest copper producer, said earlier this month that it's halting as much as 30% of smelting capacity at its main production hub in the eastern province of Anhui after a similar order.

Calls to the Jiangxi provincial government and environmental protection bureau weren't answered yesterday.

The cuts come as China's smelters plan to resume talks with overseas miners on 2018 processing fees next month. The output curbs would reduce smelters' demand for concentrate and support their position in the annual negotiations.

Copper on the Shanghai Futures Exchange surged as much as 0.8% to 55,160 yuan a tonne before trading at 55,080 yuan as of 1:50 pm, extending gains from the the highest close in two months on the prospect of improving global demand amid supply constraints. — Bloomberg

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**Source : Star Biz**
**Date : 28 December 2017 (Thursday)**

# China's industrial profit growth slows sharply in November

**BEIJING:** Profits for China's industrial firms rose at a sharply slower pace in November, as demand and producer price gains eased in further confirmation of ebbing growth in the world's second-largest economy.

Profits in November rose 14.9% to 785.8 billion yuan (US$120.05bil), the National Bureau of Statistics (NBS) said on its website. It marked the the slowest monthly growth rate since April's 14%.

Earnings were pressured in November by a slower pace of price rises compared to previous months, He Ping of the statistics bureau said in a statement along with the data release.

He cited November's 5.8% rise in producer prices, down from 6.9% in October, noting that it was the biggest month-to-month slowdown in factory inflation this year.

More than half of the increase in profits in January-November came from coal mining and washing, iron and steel smelting and processing, chemicals, and oil and natural gas extraction, he said.

While the industrial sector has enjoyed a year-long construction boom that has fuelled demand and prices for building materials in a boost to growth, a government-led battle to clean toxic air and a crackdown on financial risks have started to drag on China's economy.

Chinese steel makers in 28 cities have been ordered to curb output between mid-November and mid-March.

A campaign to promote clean energy by converting coal to natural gas has also hampered manufacturing activity in northern cities due to insufficient supply and high prices.

Chinese iron ore and coke futures stretched losses on Tuesday as steel prices fell further, weighed down by the seasonal weakness in demand in the world's top producer during winter.

For the first 11 months of the year, profits reached 6.875 trillion yuan, up 21.9% from the same period and lower than the 23.3% annual growth in the January-October period.

Mining industry profits rose 286.8% from a year earlier in January-November period while manufacturing profits were up 18.9%, both slowing from January till October.

Profits earned by China's state-owned firms increased 46.2% to 1.576 trillion yuan in the first 11 months, cooling from a 48.7% surge in the January-October period.

At the end of November, industrial firms' liabilities were 6.3% higher then a year earlier, compared with a 6.7% increase at the end of October. — Reuters

**Source : Star Biz**
**Date : 29 December 2017 (Friday)**

# Kinsteel shares plunge after extension rejected by Bursa

**KUALA LUMPUR:** Shares in Kinsteel Bhd, a Practice Note 17 company, plunged by as low as 80% in active trade yesterday even as its stock suspension was imminent.

The company has failed to submit its regularisation plan to Bursa Malaysia within the stipulated time-frame.

Bursa had rejected its application for a further extension of time to submit its regularisation plan.

The stock fell 1.5 sen at its close, or 60%, after experiencing a slight rebound at 1 sen from its record low of 0.5 sen, with 47.86 million shares changing hands.

It will be suspended with effect from Jan 5, 2018.

The company will be delisted on Jan 9 unless an appeal is submitted to Bursa Malaysia on or before Jan 4, according to a Bursa announcement.

"In the event the company submits an appeal to Bursa, it is required to make an announcement of the appeal and that the removal of the securities of the company on Jan 4 will be deferred pending the decision of appeal by Bursa," it said.

Upon its delisting, the company will still continue to exist but as an unlisted entity.

The company will still be able to continue its operations and business and proceed with its corporate restructuring. Its shareholders can still be rewarded by the company's performance.

# Part 2:

# NON-METALLIC COMMODITIES

Source : Star Biz Date : 05 December 2017 (Tuesday)

# Cypark wins bid to build solar photovoltaic plant

**PETALING JAYA:** Cypark Resources Bhd has won a bid conducted by the Energy Commission (EC) for the development of a 30MW large-scale solar photovoltaic plant at Empangan Terip, Negri Sembilan.

In a Bursa Malaysia filing yesterday, Cypark Resources said its wholly owned subsidiary Cypark Renewable Energy Sdn Bhd (CRE) had on Nov 28 received a letter of acceptance of offer from the EC subsequent to a competitive bidding process.

CRE's participation in the project is via a consortium, in which it partners Revenue Vantage Sdn Bhd.

The consortium is required to fulfill the conditions as set out in the letter of acceptance of offer, prior to the EC issuing the formal letter of award for the project.

While the project is not expected to have any material impact on the earnings and net assets of Cypark Resources for the financial year ending Oct 31, 2018, the project is expected to contribute positively to the future earnings of the group.

"The project will further strengthen Cypark Resources' position as one of Malaysia's leading integrated renewable energy developers and green engineering solutions providers.

"With the expected completion of the solar photovoltaic plant, the group will significantly increase its renewable energy capacity," it said.

# Part 3:

# ENERGY MINERAL (COAL)

Source :The Star Date : 05 December 2017 (Tuesday)

# Coal piles up in North Korea

## Industry grinds to a halt amid UN ban on Pyongyang export

**RASON (North Korea):** A three-metre-high metal fence topped with razor wire in a North Korean port marks the front line of the United Nations' ban on coal exports by Pyongyang.

A mountain of North Korean coal, which would once have been bound for China, is piled up on one side of the barrier in Rajin harbour, stranded by the interdiction.

On the next dock, around two million tonnes of Russian coal have come in by train and been shipped on to China this year by Russian port operator RasonConTrans.

Its activities are specifically excluded from the UN Security Council's sanctions resolutions, but attempts have been made to use it as a way to bypass the restrictions.

"They asked but we said no, we don't do it," said RasonConTrans deputy director Roman Minkevich.

The black mounds on the neighbouring wharf were evidence that his firm was complying with the rules, he added.

"Behind the fence it's Korean coal. It's under sanctions now, so it's still here," he said, though he declined to elaborate on the source of the requests.

The UN Panel of Experts on North Korea said in its mid-year report that Pyongyang has been "deliberately using indirect channels to export prohibited commodities".

For years, the coal trade was a lucrative earner for Pyongyang – its main ally and key economic partner China imported 22 million tonnes worth nearly US$1.2bil (RM4.9bil) last year.

**Silent structures:** A Russian worker walking past cranes at the RasonConTrans coal port at Rajin harbour in the Rason Special Economic Zone. — AFP

But while Beijing says North Korean imports have come to a halt, RasonConTrans' business is booming.

Since starting operations in 2015 its volumes have doubled each year and Minkevich is targeting three million tonnes next year, with a goal of five million in future.

It has between three and six ship movements a month at its pier – No. 3 in the port, which can take vessels up to 180m long – loading 50,000 tonnes of coal on each, most of them heading for Shanghai.

Over a hill at the back of Rajin town stands a sprawling disused oil refinery, originally built to process crude from the Soviet Union, in the days when Communist brotherhood provided Pyongyang with cheap or free materials.

Locals blame sanctions for the closure but it has been inactive for years, its throttled chimneys standing sentinel over an unfulfilled economic dream.

Despite the looser economic rules applying in the area, the town is bedecked with propaganda slogans seen throughout the Democratic People's Republic of Korea, as the country is officially known.

Using North Korean labour – the women are particularly skilled crane operators, Minkevich notes, due to their care in performing repetitive tasks – costs at Rajin are 30-40% cheaper than at Russian ports. — AFP

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Source :StarBiz Date : 21 December 2017 (Thursday)

# Glencore and Apollo bidding for Rio coal mines

## Whitehaven Coal and South32 among those vying for US$1.5bil assets

**MELBOURNE:** Glencore Plc and a group led by Apollo Global Management LLC are among bidders set to be shortlisted for the sale of Rio Tinto Group's last remaining coal mines, which may fetch more than A$2bil (US$1.5bil), sources said.

Whitehaven Coal Ltd and South32 Ltd also made indicative offers for the Hail Creek and Kestrel mines by the deadline this month, the sources said, asking not to be identified because the information is private. The parties, which include EMR Capital Advisors Pty, are preparing to enter the second round of the sale process, which will include management presentations and site visits, before deciding on final bids, the sources said.

A sale would allow Rio, the world's second-biggest miner, to complete its exit from coal and continue an asset divestment programme that has returned more than US$7bil since 2013. This year it agreed to sell US$2.69bil of Australian mines to a company controlled by China's Yanzhou Coal Mining Co and chief executive officer Jean-Sebastien Jacques said in September that a rebound in metals and energy prices has opened a window for additional sales.

Representatives for Rio Tinto, Whitehaven, EMR Capital and Glencore declined to comment. A spokesman for South32 said the company continues to focus on identifying new opportunities outside its portfolio, in an emailed response to Bloomberg queries. He declined to comment on the Rio assets.

New York-based Apollo is bidding with Xcoal Energy & Resources LLC and Canada Pension Plan Investment Board, the sources said. A representative for Xcoal Energy didn't respond to Bloomberg queries, while Apollo and CPPIB declined to comment.

Rio Tinto controls 82% of Hail Creek in the Bowen Basin region of Queensland state. The mine can produce as much as 10 million tonnes of coal a year, according to the firm's website. It owns 80% of Kestrel, which produced five million tonnes of coking and thermal coal in 2016.

The sale process, being run by Credit Suisse Group AG, includes the Valeria and Winchester South coal projects in Queensland state, sources said in October. A representative for Credit Suisse declined to comment.

Rio Tinto in September boosted estimates of coal reserves at Kestrel by 62 million tonnes to 185 million tonnes, according to an exchange filing. The Valeria project is a semi-soft coking coal and thermal coal deposit close to Kestrel, while Winchester South is a coking coal asset in central Queensland.

Peter Grauer, the chairman of Bloomberg LP, the parent of Bloomberg News, is a senior independent non-executive director at Glencore. — Bloomberg

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Source :StarBiz Date : 27 December 2017 (Wednesday)

# China's coal imports from Australia down in November

**BEIJING:** Chinese imports of coal from key supplier Australia slipped in November from a year ago, customs data showed, hit by heavy traffic congestion in Australian ports.

Shipments from Australia fell 0.3% in November from the same month a year ago to 5.59 million tonnes, data from the General Administration of Customs showed. That compared with October's 5.61 million tonnes.

More than 300 large dry cargo ships have been waiting outside Chinese and Australian ports in a maritime traffic jam for over a month, choking supplies to the world's second-largest economy.

"Demand for high-quality coal is surging as the country has imposed stringent rules to curb emissions and improve energy efficiency," said Wang Fei, a coal analyst at Huaan Futures.

High-grade coal from Australia, with lower pollutants such as sulphides and higher energy value, has seen increasing demand from utilities and industrial plants in China.

As part of a national battle against air pollution, China aims to reduce consumption of low-grade bulk coal by 200 million tonnes by 2020.

China is expected to import around 260 million tonnes of coal in 2017, according to data from China National Coal Association.

Over the first 11 months, the world's largest coal consumer brought in 248.17 million tonnes of the commodity.

Arrivals from Russia rose 10.9% from a year earlier to 1.92 million tonnes in November, customs data showed. Imports from Mongolia were down 17.8% at 2.76 million tonnes.

Indonesian coal supplies tumbled 33.9% from a year ago to 3.41 million tonnes, dampened by the decreasing demand for lower-grade varieties of the fuel.

China's appetite for coal was buoyed earlier this month when the central government scaled back its plan to convert northern cities to using natural gas for heating due to a shortage of that commodity.

Thermal coal on the Zhengzhou Commodity Exchange soared on Dec 18 to a record 645.4 yuan (US$98.55) a tonne.


**Major importer:** Coal is seen lifted by cranes from a cargo ship at a port in Lianyungang, Jiangsu province. China is expected to import around 260 million tonnes of coal in 2017. — Reuters

State planner, the National Development and Reform Commission (NDRC), has approved three new coal mines with combined annual capacity of 32 million tonnes since the beginning of December, a bid to ensure coal supplies during future winters.

The NDRC has also urged coal miners to put more high-grade coal projects into operation "as soon as possible".

Local media reported on Thursday last week that China has loosened restriction on coal imports through Shanghai and several other ports. — Reuters

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