

INSIDER MOVES

How does one separate rumour from fact? In some stock markets, one important information source is substantial shareholder and director filings. When insiders move, there are reasons; most times it is regular business conduct, but at other times disposal or accumulation of shareholdings is a precursor to major moves.

BY LIEW JIA TENG

Notable filings

Between Nov 6 and 13, notable changes in shareholding in companies listed on Bursa Malaysia included those at loss-making cleanroom service provider MClean Technologies Bhd (fundamental: 1.15; valuation: 0).

A Nov 9 filing with Bursa Malaysia shows that Singapore's Décor Industries Pte Ltd surfaced as a new substantial shareholder with an Oct 7 purchase of 56.3 million shares or a 32.44% direct stake.

The transaction was done at 25 sen per share, but the identity of the seller was unknown at press time. It is worth noting that the stock was not traded on the open market on Oct 7. It closed at 18 sen on Oct 6 and 20.5 sen on Oct 15.

A search on the internet shows that Décor Industries, part of the Décor group of companies, specialises in the provision of cleaning, washing and electroplating services to global electronic brands. Mclean Technologies provides cleaning services to suppliers and manufacturers of hard disk drive main components. Its customers are in Singapore, China and Malaysia. Both companies are based in Singapore — MClean Technologies is in Woodlands and Décor Industries is in Jurong.

In the first half ended June 30 (1HFY2015), despite higher revenue of RM21.37 million, the company reported a net loss of RM1.47 million, compared with RM4.42 million a year ago. The smaller net loss was attributed to wider gross profit margin from its precision cleaning division, mainly due to improving contributions from its clean bulk packaging services.

Meanwhile, Shapadu Corp Sdn Bhd has ceased to be a substantial shareholder of Gas Malaysia Bhd (fundamental: 2.10; valuation: 1.10) after it disposed of 17.65 million shares, or a 1.37% stake, in the company on Nov 9.

The stock closed at RM2.39 on that day.

While neither the transaction price nor the buyer have been disclosed, it is worth noting that Shapadu Corp still owns 59.8 million shares, or a 4.65% stake, in Gas Malaysia.

A quick check with Companies Commission Malaysia shows that Shapadu Corp is co-owned by the estate of its late founder Datuk Shahrani Abdullah, Shafiz Shahrani and Shazakami Corp Sdn Bhd. The home-grown diversified group has various businesses in the oil and gas and property sectors, and also provides marine and logistic services.

Gas Malaysia operates a reticulated gas system to supply natural gas and liquefied petroleum gas to homes, commercial businesses and industries. In 1HFY2015, in spite of higher revenue of RM1.55 billion, the company's net profit declined 31% to RM62.17 million, down from RM90.51 million a year before. The weaker performance was mainly due to tariff revisions.

Over at Leweko Resources Bhd (fundamental: 0.55; valuation: 0.90), the group's executive director Abd Aziz Jantan offloaded 5.3 million shares, or a 1.6% stake, on Nov 9. He now holds a 29.43% stake, or 94.74 million shares. According to a filing with Bursa Malaysia, the 5.3 million shares were transacted at 14 sen apiece; they closed the day at the same price.

Leweko is involved in log trading and the manufacture of sawn timber and timber-related products. Abd Aziz was appointed a director in 2003.

Notable movements

Shares of Can-One Bhd (fundamental: 1.10; valuation: 1.80) have soared 85% year to date to close at RM3.93 on Nov 18, giving it a market capitalisation of RM755.2 million. The stock hit an all-time high of RM4.03 on Nov 16.

On Nov 2 and 5, one of its major shareholders, Genkho Candoz Sdn Bhd, sold 300,000 shares on the open market. It is believed that Genkho Candoz was taking profit during the share price rally, but the shares continued to rise by about 13% from the closing price of RM3.47 on Nov 2 to RM3.93 on Nov 18.

Genkho Candoz, which is jointly controlled by Teh Khoy Gen and Theah Bee Leng, still has some 38.65 million shares, or a 20.1% direct stake, in Can-One.

On Nov 16, *The Edge* reported that Japanese firm Toyota Tsusho Corp (TTC) is still keen on acquiring a major stake in Kian Joo Can Factory Bhd (fundamental: 2; valuation: 1.50), which is currently 32.9%-owned by Can-One. However, on the same day, Can-One clarified that it had not received any expression of interest from TTC.

Meanwhile, shares of Inari Amertron Bhd (fundamental: 3; valuation: 1.50) also reached a historical high of RM4.11 on Nov 18. Year to date, the counter has risen 66%, giving it a market capitalisation of RM2.92 billion.

From Oct 30 to Nov 6, Kumpulan Wang Persaraan (Diperbadankan) sold 4.79 million shares, or a 0.65% stake, in Inari Amertron on the open market. It still owns some 48.7 million shares, or a 6.6% stake, in the semiconductor firm.

Within that period, its shares were traded at between RM3.57 and RM3.77. ■

Note: The Edge Research's fundamental score reflects a company's profitability and balance sheet strength, calculated based on historical numbers. The valuation score determines if a stock is attractively valued or not, also based on historical numbers. A score of 3 suggests strong fundamentals and attractive valuations. Visit www.theedgemarkets.com for more details on a company's financial dashboard.