

MSWG**MINORITY SHAREHOLDER WATCHDOG GROUP****Badan Pengawas Pemegang Saham Minoriti Berhad**

Incorporated in Malaysia * Company No. 524898-M

The Observer

07 April 2017

MSWG'S QUICK TAKE ON-ONGOING CORPORATE DEVELOPMENTS

MASTER-PACK GROUP BERHAD ("MPB") / GLOBETRONICS TECHNOLOGY BERHAD ("GTB")

As reported in the media on 31 March 2017, the Malaysian Anti-Corruption Commission (MACC) has remanded MPB's Group Executive Chairman Dato' Syed Mohamad Bin Syed Murtaza for investigations involving Yayasan Bumiputra Pulau Pinang Bhd, which is one of the major shareholders of MPB. Datuk Syed Mohamad is also an Independent Non-Executive Director in GTB.

MSWG'S COMMENTS:

Both MPB and GTB in their announcements made on 31 March 2017 stated that the remand of Dato' Syed Mohamad by MACC would not or not be expected to have any operational, business or management impact on their companies. We hope that Dato' Syed Mohamad would voluntarily take a temporary leave of absence amid the MACC's investigation.

MSWG'S AGM WEEKLY WATCH 10 - 14 APRIL 2017

For this week, the following are the AGMs/EGMs of companies which are in the Minority Shareholder Watchdog Group's (MSWG) watch list.

The summary of points of interest is highlighted here, while the details of the questions to the companies can be obtained via MSWG's website at www.mswg.org.my.

Date & Time	Company	Venue
52 nd - 13.4.2017 (Thursday) at 9.30 a.m.	Heineken Malaysia Berhad (AGM)	Grand Ballroom, Connexion @ Nexus, No. 7 Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur
53 rd - 13.4.2017 (Thursday) at 11.00 a.m.		

The points of interest to be raised:

Company	Points/Issues to Be Raised
Heineken Malaysia	1) Please enlighten shareholders on the negative implications on the Group's

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Company	Points/Issues to Be Raised
Berhad (AGM)	<p>performance amid the enforcement of the Price Control and Anti-Profiteering Regulations 2016 and the significant hike in beer duties, ranging from 10% to 99%, effective 1 March 2016.</p> <p>2) The receivables, deposits and prepayments had substantially increased from RM296.3 million to RM448.0 million in financial period ended 2016 (“FPE 2016”). We also noted the cash flows change in receivables, deposits and prepayments in FPE 2016 were significantly higher than the cash flows change in financial year ended 2015. Please explain.</p>

MSWG’S WATCHLIST

IGB CORPORATION BERHAD (“IGB ”)

The Board of Directors of IGB (“Board”) had on 23 February 2017 received a proposal from Goldis Berhad (“Goldis”) on the proposed acquisition by Goldis of the entire equity interest in IGB not already owned by Goldis, by way of a members' scheme of arrangement pursuant to Section 366 of the Companies Act, 2016, between IGB and all the shareholders of IGB, other than Goldis (“Proposed Scheme”).

However, IGB announced that it had written to Goldis on 30 March 2017 requesting for an extension of time up to 5.00 p.m. on 28 April 2017 to evaluate the Proposed Scheme.

[Source: IGB’s announcement on Bursa Malaysia’s website on 23 February 2017 and 30 March 2017]

KUANTAN FLOUR MILLS BERHAD (“KFM”)

The Board of Directors of KFM announced that the company:

(i) proposes to undertake the following proposals to regularise its financial condition in accordance with Paragraph 8.04(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:-

- proposed private placement of 20,467,000 new ordinary shares in KFM (“KFM Shares”), representing approximately 30% of the existing total number of KFM Shares in issue, to a placement investor;
- proposed renounceable rights issue of up to 221,740,210 new KFM Shares (“Rights Shares”) on the basis of five (5) Rights Shares for every two (2) KFM Shares held on an entitlement date to be determined later; and
- proposed restructuring of debts owing by KFM to its creditors.

(ii) had on 29 March 2017 entered into a business collaboration agreement with Lotus Essential Sdn Bhd.

[Source: KFM’s announcement on Bursa Malaysia’s website on 29 March 2017]

REGULATOR'S REPRIMAND LIST OF THE WEEK

No.	Regulator	Companies / Directors	Reasons
1	Bursa Malaysia	Syed Omar Bin Syed Mohamed	<p>Bursa Malaysia has publicly reprimanded and imposed a fine of RM30,000 on Syed Omar Bin Syed Mohamed (SOSM), the former Managing Director of Damansara Realty Berhad (DRD) as well as the former Chief Executive Officer and Executive Director of Nexgram Holdings Berhad (Nexgram) for breach of the Bursa Malaysia Main Market Listing Requirements (Main LR) and ACE Market Listing Requirements (ACE LR) respectively.</p> <p>SOSM had submitted and / or caused DRD and Nexgram to submit inaccurate and false / misleading statements pertaining to his qualification as a holder of a Bachelor of Accounting and Finance degree in various announcements of DRD and Nexgram as well as the annual reports of DRD.</p> <p>[Date: 31 March 2017]</p>
2	Bursa Malaysia	Tecnic Group Berhad (Tecnic) Dato' Gan Kim Huat Gan Poh San Teo Chee Kok	<p>Bursa Malaysia has publicly reprimanded Tecnic and 3 of its directors, namely Dato' Gan Kim Huat, Gan Poh San and Teo Chee Kok for breaching the Main LR. In addition, the 3 directors of Tecnic at the material time has been fined a total of RM150,000.</p> <p>Tecnic had breached the Main LR in respect of the company's announcement dated 7 September 2015 which was its response to the unusual market activity query (UMA Query) from Bursa Malaysia Securities.</p> <p>[Date: 3 April 2017]</p>

LOCAL NEWS AND DEVELOPMENTS

February producer price index rises 10.8%

<http://www.thestar.com.my/business/business-news/2017/03/31/february-producer-price-index-rises/>

SSM: Interest scheme can be alternative source of funding for SMEs

<http://www.thestar.com.my/business/business-news/2017/03/31/ssm-interest-scheme-can-be-alternative-source-of-funding-for-smes/>

Market not ready for open short selling yet

<http://www.thesundaily.my/news/2214031>

FMM: Defer and review Employment Insurance Scheme

<http://www.thestar.com.my/business/business-news/2017/03/30/fmm-defer-and-review-employment-insurance-scheme/>

SC Charges Three Individuals for Insider Trading of PacificMas Bhd Shares

https://www.sc.com.my/post_archive/sc-charges-three-individuals-for-insider-trading-of-pacificmas-bhd-shares/

Bank Negara: February loan growth slows to 5.3%

<http://www.theedgemarkets.com/my/article/bank-negara-february-loan-growth-slows-53?type=Corporate>

Trump to name and shame trade 'cheats', including Malaysia

<http://www.themalaymailonline.com/money/article/trump-to-name-and-shame-trade-cheats-including-malaysia>

New amendments to bankruptcy law passed

<http://www.theedgemarkets.com/my/article/new-amendments-bankruptcy-law-passed?type=Corporate>

GLOBAL NEWS AND DEVELOPMENTS

Wall St slips as investors lock in gains of strong quarter

<http://www.theedgemarkets.com/my/article/wall-st-slips-investors-lock-gains-strong-quarter?type=Corporate>

China to create new economic zone outside Beijing

<http://www.themalaymailonline.com/money/article/china-to-create-new-economic-zone-outside-beijing>

China central bank injects \$89.9 bln of liquidity in March

[http://www.thestar.com.my/business/business-news/2017/04/01/china-central-bank-injects-nearly-us\\$90b-of-liquidity-in-march/](http://www.thestar.com.my/business/business-news/2017/04/01/china-central-bank-injects-nearly-us$90b-of-liquidity-in-march/)

China March factory activity grows fastest in nearly 5 years — official PMI

<http://www.theedgemarkets.com/my/article/china-march-factory-activity-grows-fastest-nearly-5-years-%E2%80%94-official-pmi?type=Corporate>

Lawmakers in India approve uniform GST regime

<http://www.thestar.com.my/business/business-news/2017/03/31/lawmakers-in-india-approve-uniform-gst-regime/>

Westinghouse files for bankruptcy

<http://www.thestar.com.my/business/business-news/2017/03/30/westinghouse-files-for-bankruptcy/>

Singapore Exchange files complaint with China authorities against China Fibretech's CEO
<http://www.theedgemarkets.com/my/article/singapore-exchange-files-complaint-china-authorities-against-china-fibretech%E2%80%99s-ceo?type=Corporate>

MSWG Analysts

Lya Rahman, General Manager, lyarahman@mswg.org.my
Rebecca Yap, Head, Corporate Monitoring rebecca.yap@mswg.org.my
Quah Ban Aik, Head, Corporate Monitoring banaik.quah@mswg.org.my
Norhisam Sidek, Manager, Corporate Monitoring norhisam@mswg.org.my
Wong Kin Wing, Manager, Corporate Monitoring, kinwing@mswg.org.my
Hoo Ley Beng, Manager, Corporate Monitoring linnert.hoo@mswg.org.my
Nor Khalidah Khalil, Analyst, Corporate Monitoring khalidah@mswg.org.my
Vinodth Ramasamy, Analyst, Corporate Monitoring vinodth.ram@mswg.org.my
Muhammad Faris bin Mohamed Yusof, Analyst, Corporate Monitoring farisyusof@mswg.org.my

DISCLOSURE OF INTERESTS

- *With regard to the companies mentioned, MSWG holds a minimum number of shares in all these companies covered in this newsletter save for Globetronics Technology Berhad, Goldis Berhad and Kuantan Flour Mills Berhad.*
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Feedback

We welcome your feedback on our newsletter and our work. Email us at mswg.ceo@mswg.org.my with your comments and suggestions.

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