

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

Incorporated in Malaysia * Company No. 524898-M

The Observer

11 May 2018**MSWG'S AGM WEEKLY WATCH 14 - 18 MAY 2018**

For this week, the following are the AGMs/EGMs of companies which are in the Minority Shareholder Watch 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
14.05.18 (Mon) 09.00 am	Serba Dinamik Holdings Bhd (AGM)	IDCC Shah Alam, Level 7, Jalan Pahat L 15/L, Seksyen 15 Shah Alam
14.05.18 (Mon) 10.00 am	DIGI. Com. Bhd (AGM)	Connexion @ Nexus, No. 7, Jalan Kerinchi, Bangsar South City
14.05.18 (Mon) 10.00 am	MMC Corporation Bhd (AGM)	Hotel Istana, 73, Jalan Raja Chulan, KL
14.05.18 (Mon) 10.00 am	TH Plantations Bhd (AGM)	Seri Pacific Hotel Kuala Lumpur, Jalan Putra
14.05.18 (Mon) 10.00 am	AirAsia Group Bhd (EGM)	CAE Kuala Lumpur, Lot PT25B, Jalan KLIA S5, Southern Support Zone, KLIA
14.05.18 (Mon) 11.00 am	Master-Pack Group Bhd (AGM)	1574, Jalan Bukit Panchor, Nibong Tebal, S.P.S. Penang
15.05.18 (Tue) 10.00 am	UMW Oil & Gas Corporation Bhd (AGM)	Menara Kembar Bank Rakyat, NO. 33, Jalan Rakyat, KL
15.05.18 (Tue) 10.00 am	Affin Bank Bhd (AGM/EGM)	The Royale Chulan, Jalan Conlay, KL
15.05.18 (Tue) 10.00 am	BIMB Holdings Bhd (AGM)	Sime Darby Convention Centre, No. 1A, Jalan Bukit Kiara 1
15.05.18 (Tue) 10.00 am	PPB Group Bhd (AGM)	Shangri-La Hotel Kuala Lumpur, 11 Jalan Sultan Ismail, KL
15.05.18 (Tue) 10.00 am	Tenaga Nasional Bhd (AGM)	Putra World Trade Centre, 41 Jalan Tun Ismail, KL
15.05.18 (Tue) 10.00 am	Star Media Group Bhd (AGM)	Menara Star, 15 Jalan 16/11, PJ
15.05.18 (Tue) 11.00 am	Taliworks Corporation Bhd (AGM)	Sime Darby Convention Centre, No. 1A, Jalan Bukit Kiara 1
16.05.18 (Wed) 09.30 am	Amway (Malaysia) Holding Bhd (AGM)	Amway (Malaysia) Sdn. Bhd, 28, Jalan 223, PJ
16.05.18 (Wed) 10.00 am	KKB Engineering Bhd (AGM)	Abell Hotel, No. 22, 4th Floor, Jalan Tunku Abdul Rahman, Kuching, Sarawak

16.05.18 (Wed) 10.00 am	Deleum Bhd (AGM)	Sime Darby Convention Centre, No. 1A, Jalan Bukit Kiara 1
16.05.18 (Wed) 10.30 am	ES Ceramics Technology Bhd (EGM)	Hotel Armada Petaling Jaya, Lot 6, Lorong Utara C, Section 52, Petaling Jaya
17.05.18 (Thur) 10.00 am	Shang-ri La Hotel (Malaysia) Bhd (AGM)	Shangri-La Hotel Kuala Lumpur
17.05.18 (Thur) 11.00 am	SP SETIA Bhd (AGM)	Setia City Convention Centre, Setia Alam, Seksyen U13, Shah Alam
18.05.18 (Fri) 10.00 am	Ho Hup Construction Company Bhd (AGM)	Bukit Jalil Golf and Country Resort, KL
18.05.18 (Fri) 10.00 am	Tiger Synergy Bhd (EGM)	Klana Resort Seremban, Jalan Penghulu Cantik, Seremban, Negeri Sembilan

The points of interest to be raised:	
Company	Points/Issues to Be Raised
Serba Dinamik Holdings Bhd (AGM)	<ol style="list-style-type: none"> 1. What was the reason for Other Receivables to increase from RM13.9 million in FYE 2016 to RM25.1 million in FYE 2017? 2. As disclosed in Note 11.1 (ii) on page 169 of the Annual Report, the Group paid a deposit of RM7,000,000 for acquisition of an investment. The acquisition is expected to be completed by the second quarter of FYE 2018. Please provide more details on this investment.
TH Plantations Bhd (AGM)	<ol style="list-style-type: none"> 1. As disclosed in Note 7 to the Financial Statements on page 153 of the Annual Report 2017, the Company has advanced RM78.253 million to a subsidiary in FYE2017. <ol style="list-style-type: none"> (a) To which subsidiary was the advance given? (b) How will the subsidiary utilise the advance received? (c) Please share on the financial performance and the outlook of the subsidiary concerned. 2. Note 24 to the Financial Statements shows an impairment loss RM11.120 million on Other Receivables. <ol style="list-style-type: none"> (a) Could the Board provide the details of the Other Receivables in respect of which the impairment loss was incurred? (b) What are the measures taken to recover the receivables concerned and the amount recovered to-date or expected to be recovered? (c) Would there be any further impairment anticipated in FYE2018?
Master-Pack Group Bhd (AGM)	<p>As stated in page 45 of the Annual Report, the trade receivables of the Group has increased by 52.3%, from RM21.9 million in FYE 2016 to RM33.4 million in FYE 2017.</p> <ol style="list-style-type: none"> (a) What are the reasons for the growth in trade receivables to outpace the revenue growth rate of 40.6% for the FYE 2017? (b) Is there a concern on impairment of these trade receivables?
Affin Bank Bhd (AGM/EGM)	We refer to Note 38 to the financial statements on the allowances for “impairment losses on loans, advances and financing and trade receivables”, amounting to RM71.6 million in 2017 as compared to RM23.7 million in 2016 (page 176, Annual Report). Please explain the reasons for the increase.
BIMB Holdings Bhd (AGM)	We refer to Note 9 on page 201 of the Annual Report on “Impaired Financing by Sector.” We note that the impaired financing for the construction sector has

The points of interest to be raised:	
	increased significantly to RM86.3 million in FY 2017 compared to RM13.7 million in FY 2016. Please explain the increase and the recoverability of the impaired Financing, Advances and Others.
PPB Group Bhd (AGM)	<p>On page 28 of AR2017, the grain & agriculture segment profit was lower at RM135.9 million in FYE 2017 despite the segment revenue increasing by 5.2% to RM3.01 billion in FYE2017 from RM2.86 billion in FYE2016.</p> <p>(a) What measures have been taken by the management to address the decline in profit?</p> <p>(b) On page 20 of AR2017, it is highlighted that due to its near full capacity, there is a need to expand the new expansion of the wheat flour milling capacity in Ba Ria-Vung Tau Province in South Vietnam and in Pasir Gudang, Johor. When would the new expansions be expected to commence operation and what is the estimated cost?</p>
Deleum Bhd (AGM)	<p>1. As disclosed on page 30 of the Annual Report, the Integrated Corrosion Solution segment recorded higher revenue of RM49.7 million, a 14% increase in revenue compared to the previous financial year. Despite the higher revenue, segment results were lower marginally by 0.7% due to downward pressure on margins.</p> <p>What are the measures taken by the Board to improve the margins?</p> <p>2. The Group recorded foreign exchange losses of RM4.65 million in FY2017 and losses of RM3.57 million in FY2016. Given that the Group uses financial instruments such as forward foreign exchange contracts to minimise the exposure of transaction risk in addition to natural hedges as stated on page 117 of the Annual Report, how does the Board intend to mitigate and control these losses?</p>

MSWG'S WATCHLIST

TH HEAVY ENGINEERING BERHAD ("THHE")

The Board informed that the company is still formulating the regularisation plan. The Board had on 27 April 2018 submitted an application for an extension of time ("EOT Application") to submit the company's Regularisation Plan to Bursa Securities, the decision on which is pending as at the date of this announcement. The company will make the necessary announcements on further developments in relation to the Regularisation Plan in accordance with the requirements under PN17 of the Main Market Listing Requirements.

[Source: THHE's announcement on Bursa Malaysia's website on 3 May 2018]

CHINA OUHUA WINERY HOLDINGS LIMITED ("CHINA OUHUA")

The Board of Directors of China Ouhua ("Board") updated that the land title ownership has yet to be transferred to Yantai Fazenda Ouhua Winery Co., Ltd. ("Yantai Ouhua").

China Ouhua was informed by the officer from the Land Commission office in Yantai City, the People's Republic of China ("PRC") ("the Officer") of the following:

1. The Company's application for the Land title ownership transfer ("the Transfer") is in the process of getting final approval as well as issuance of Land and Property title certificate by Yantai Land Commission Office.
2. In addition, the PRC had recently changed its rule whereby the land and property title would be merged and registered as "Land and Property" title. The implementation of the new rule would involve tedious procedures for merging the registration and had caused the delay in Yantai Land Commission Office in processing Yantai Ouhua's transfer application.

China Ouhua will proactively follow up with the relevant government authority of the PRC to ensure that the land title ownership is transferred to Yantai Ouhua.

Barring any unforeseen circumstances, the Board is of the view that the whole process should be completed within six (6) months from the date of this announcement.

[Source: China Ouhua's announcement on Bursa Malaysia's website on 4 May 2018]

LOCAL NEWS AND DEVELOPMENTS

Banking sector seen on track for 5% loan growth in 2018

<http://www.theedgemarkets.com/article/banking-sector-seen-track-5-loan-growth-2018>

March exports climb to RM84.5b, exceed forecast

<https://www.thestar.com.my/business/business-news/2018/05/04/march-exports-climb-to-rm84pt5b-exceed-forecast/#wg2qCz31bO9x00iT.99>

Youth unemployment rate still high

<http://www.theedgemarkets.com/article/youth-unemployment-rate-still-high>

Malaysian manufacturing conditions deteriorate further in April

<http://www.thesundaily.my/news/2018/05/02/malaysian-manufacturing-conditions-deteriorate-further-april>

Malaysian palm oil price slides to 16-month low on weak demand

<https://www.thestar.com.my/business/business-news/2018/05/04/palm-slides-to-16-month-low-on-weak-demand/#zPQx34sVO1E61c56.99>

Mara sues Med-Bumikar and six directors in boardroom tussle

<https://www.thestar.com.my/business/business-news/2018/05/04/mara-sues-medbumikar/#26liMFugGAwf2Leg.99>

Can Sumatec escape PN17 again?

<https://www.thestar.com.my/business/business-news/2018/05/05/can-sumatec-escape-pn17-again/>

SC Calls for Applications for RM1 Billion Venture Capital Fund

https://www.sc.com.my/post_archive/sc-calls-for-applications-for-rm-1-billion-venture-capital-fund/

Kuala Lumpur-Singapore HSR project to create 70,000 jobs

<https://www.nst.com.my/business/2018/05/365049/kuala-lumpur-singapore-hsr-project-create-7000-jobs>

Corporate Services CEO: Firms without good corporate governance face high risks

<https://www.thestar.com.my/business/business-news/2018/05/04/corporate-services-ceo-firms-without-good-corporate-governance-face-high-risks/#BsGpVO2r81kxOpo5.99>

Bank Negara expected to keep benchmark rate at 3.25%

<https://www.thestar.com.my/business/business-news/2018/05/03/bank-negara-expected-to-keep-benchmark-rate-at-325/#sbqSqXotbwwl75tt.99>

IHH revises upward takeover offer for India's Fortis

<https://www.thestar.com.my/business/business-news/2018/05/03/ihh-revises-upward-takeover-offer-for-fortis/#lRW7O45Tw0it2foG.99>

Auditors highlight 'material uncertainty' over Alam Maritim's FY17 financials

<http://www.theedgemarkets.com/article/auditors-highlight-material-uncertainty-over-alam-maritims-fy17-financials>

MRCB minority shareholders advised to accept MX-1, Bukit Jalil Sentral constructions

<http://www.theedgemarkets.com/article/mrcb-minority-shareholders-advised-accept-proposed-mx1-construction>

FGV denies restructuring or takeover

<http://www.theedgemarkets.com/article/fgv-denies-restructuring-or-takeover>

Barakah auditors say borrowings, losses cloud 'going concern' status

<http://www.thesundaily.my/news/2018/05/02/barakah-auditors-say-borrowings-losses-cloud-'going-concern'-status>

Tanco announces demise of adviser Tan Jing Nam

<http://www.theedgemarkets.com/article/tanco-announces-demise-adviser-tan-jing-nam-0>

Court rules in WCT's favour in Bukit Tinggi mall dispute with AEON Co

<http://www.theedgemarkets.com/article/court-rules-wcts-favour-bukit-tinggi-mall-dispute-aeon-co>

Proposed minimum wage increase long overdue

<http://www.theedgemarkets.com/article/proposed-minimum-wage-increase-long-overdue>

Houses priced above RM300,000 should not be classified as affordable, says Bank Negara

<https://www.malaymail.com/s/1627462/houses-priced-above-rm300000-should-not-be-classified-as-affordable-says-ba>

JCorp to list Kulim and QSR Brands

<https://www.malaymail.com/s/1626466/jcorp-to-list-kulim-and-qsr-brands>

Asdion queried over sharp rise in price and volume

<http://www.thesundaily.my/news/2018/05/02/asdion-queried-over-sharp-rise-price-and-volume>

GLOBAL NEWS AND DEVELOPMENTS

US trade deficit narrows on exports; jobs market tightening

<https://www.thestar.com.my/business/business-news/2018/05/04/us-trade-deficit-narrows-on-exports-jobs-market-tightening/>

Fed leaves rates unchanged, says inflation close to target

<http://www.theedgemarkets.com/article/fed-leaves-rates-unchanged-says-inflation-close-target>

China service sector growth picks up in April as new business expands: Caixin PMI

<http://www.theedgemarkets.com/article/china-service-sector-growth-picks-april-new-business-expands-caixin-pmi>

China weakens currency ahead of US trade talks

<https://www.thestar.com.my/business/business-news/2018/05/03/china-weakens-currency-ahead-of-us-trade-talks/#RHLtTxuW3ttgJu7J.99>

Bank of England to keep rates steady after market U-turn

<https://www.thestar.com.my/business/business-news/2018/05/06/bank-of-england-to-keep-rates-steady-after-market-u-turn/#U63pHUVuyoLh3tqP.99>

US issues arrest warrant for former Volkswagen CEO

<https://www.thestar.com.my/business/business-news/2018/05/05/us-issues-arrest-warrant-for-former-vw-ceo/#x15EkFYVsLdlsmlG.99>

Berkshire investors brace for bumpy ride

<https://www.malaymail.com/s/1627735/berkshire-operating-results-improve-accounting-change-causes-net-loss>

China's Xiaomi shows off scorching growth ahead of mega IPO

<https://www.malaymail.com/s/1626858/chinas-xiaomi-shows-off-scorching-growth-ahead-of-mega-ipo>

Australia's Commonwealth Bank says records of nearly 20m accounts lost

<https://www.malaymail.com/s/1626932/australias-commonwealth-bank-says-records-of-nearly-20m-accounts-lost>

US, China dampen expectations as trade talks open

<https://www.malaymail.com/s/1627013/us-china-dampen-expectations-as-trade-talks-open>

'Shareholder activism in secondary Asian markets too'

<http://www.theedgemarkets.com/article/shareholder-activism-secondary-asian-markets-too>

ASEAN manufacturing growth accelerates in April

<http://www.theedgemarkets.com/article/asean-manufacturing-growth-accelerates-april>

Euro zone inflation slowdown adds to ECB's headache

<http://www.theedgemarkets.com/article/euro-zone-inflation-slowdown-adds-ecbs-headache>

Impact of 'Chinese overcapacity' on global trade is exaggerated, study finds

<https://www.malaymail.com/s/1627068/impact-of-chinese-overcapacity-on-global-trade-is-exaggerated-study-finds>

Global gold demand posts its weakest first quarter since the 2008 financial crisis

<http://www.theedgemarkets.com/article/global-gold-demand-posts-its-weakest-first-quarter-2008-financial-crisis>

Monthly semiconductor sales expected to pick up towards 2Q

<http://www.theedgemarkets.com/article/monthly-semiconductor-sales-expected-pick-towards-2q>

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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 China Ouhua Winery Holdings Limited.*
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Feedback

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

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