



**MSWG**

**MINORITY SHAREHOLDER WATCHDOG GROUP**

**Badan Pengawas Pemegang Saham Minoriti Berhad**

Incorporated in Malaysia \* Company No. 524898-M

# The Observer

13 October 2017

## VOICE OF MSWG

### *POSITIVE DEVELOPMENT IN PROTON*

Interesting and possibly even exciting developments at national carmaker Proton, with the appointment of its new board, headlined by the naming of Li Chunrong as the new CEO and the presence of Winfried Vahland, former chairman and CEO of Skoda.

Li's presence is interesting because it represents a major shift in approach for Malaysia in terms of the CEO's demographic and nationality (historically speaking) and its new ASEAN focus.

Recent news has been all about the China carmaker's major role in Proton, including the integration of Geely powertrains into Proton products (hybrid, plug-in hybrid and electric), the launching of at least one new model annually and overall technology and component transfer, including transmissions -- all without additional investment from Proton -- thus explaining Li's position as No. 1.

Meanwhile, Vahland's presence will be hugely beneficial for Proton thanks to his extensive experience at Volkswagen (VW) and Skoda -- because the former Czech carmaker -- like Proton -- was essentially rudder- and brandless until its takeover by VW in 1991, which slowly saw a recovery in its build quality, brand equity and ultimately, sales.

For Malaysians, however, the hope is that the government's financial assistance will finally end, with the two private entities of Geely and DRB in full commercial control of Proton, following the reimbursement to Proton of some RM1.1 billion for research and development (R&D) work previously completed.

### *LEADERSHIP BOOST*

Again from a leadership standpoint, also good news for Felda Global Ventures Bhd (FGV), with the return of besieged CEO Datuk Zakaria Arshad.

We are glad to see closure to this episode and we hope Datuk Zakaria will now focus his efforts in carrying out FGV's 2020 Strategic Plan of reviving its performance and resolving the long outstanding debt of Safitex Trading LLC.

We also hope that under the leadership of the new Chairman, FGV will continue to improve its shareholder value which has been eroded since its listing and the internal governance will be further enhanced.

#### *MARKET FEEDBACK SOUGHT*

Following Bursa Malaysia's request for market feedback to its proposed improvements to the Listing Rules, it has now followed up with another request for feedback on its proposals to revamp its Corporate Governance Guide.

In the proposed amendments, Bursa has taken a much less technical and much more layman approach to CG, communicating the benefits of good CG and stakeholder communications in a much more palatable and relatable manner to both shareholder and company alike.

So when Bursa says the CG Guide has been given a "major enhancement in content and layout to improve its overall usefulness to directors and listed issuers", it makes sense.

So please do take the time and opportunity to comb through the new Guide, though it is very voluminous, if you can, as Bursa has clearly spent a lot of time and effort for the benefit of all market players. We are sure that all market feedback will be read with great interest and hopefully taken on board.

As Bursa says, the proposed revamped guide applies its new approach of "CARE" (Comprehend, Apply and Report) as introduced in the Malaysian Code on Corporate Governance.

*MSWG TEAM*

*13 October 2017*

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#### **MARKET AND REGULATORY UPDATE**

##### ***BURSA MALAYSIA SEEKS PUBLIC FEEDBACK ON REVAMPED CORPORATE GOVERNANCE GUIDE***

Bursa Malaysia had on 9 October 2017 issued a consultation paper seeking public feedback on the proposals to revamp its Corporate Governance Guide ("Revamped Guide").

The proposed Revamped Guide is aimed at providing a practical guide for listed issuers to improve their corporate governance ("CG") practices and reporting with particular emphasis on the principles and practices ("Practices") that are contained in the new Malaysian Code on Corporate Governance ("MCCG") released by the Securities Commission Malaysia on 26 April 2017.

While the proposed Revamped Guide still contains some of the useful information from the 2nd Edition of the Corporate Governance Guide issued by the Exchange in 2012, it has been given a major enhancement in terms of its content and layout to improve its overall usefulness to directors and listed issuers.

The proposed Revamped Guide takes into account the new approach of “CARE” (Comprehend, Apply and Report) introduced in the MCGG. Its structure is aligned to the new structure of the MCGG which comprises 3 principles, Intended Outcomes, Practices, and Step-Up Practices for large companies as defined in the MCGG (“Step-Up Practices”) as well as Guidance that follows each Practice.

The key features of the proposed Revamped Guide include:

- Case for change, to enable listed issuers to understand better the value proposition and benefits for adopting each Practice and Step-Up Practice mentioned in the MCGG;
- Practical guidance to help listed issuers implement the Practices in the form of key considerations for applying each Practice, Dos and Don’ts in implementing the Practices, red flags to watch out for and sample policies and instruments that can be customised by listed issuers in implementing the relevant Practice; and
- Insights for deeper reflection and internalisation of CG by highlighting, among others, hot button issues, case studies and international developments.

The consultation paper is available at:

<http://www.bursamalaysia.com/market/regulation/rules/public-consultation>

Interested parties and the public are invited to submit their comments and feedback to Bursa Malaysia by 23 October 2017.

*[Source: Media release released on Bursa Malaysia’s website on 9 October 2017]*

### MSWG’S AGM WEEKLY WATCH 16 - 20 OCTOBER 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](http://www.mswg.org.my).

Date & Time	Company	Venue
16.10.17 (Mon) 10.00 am	AFFIN Holdings Bhd (EGM)	THE ROYALE CHULAN HOTEL KUALA LUMPUR, Jalan Conlay, KL
17.10.17 (Tue) 10.00 am	GFM Services Bhd (EGM)	Hotel Bangi Putrajaya, Off Persiaran Bandar, Bandar Baru Bangi, Selangor
20.10.17 (Fri) 10.30 am	ATTA Global Group Bhd (EGM)	Atta Global Group Berhad, Main Meeting Prai Industrial Estate, Prai, Pulau Pinang
20.10.17 (Fri) 10.30 am	ATTA Global Group Bhd (ICULS HM)	Atta Global Group Berhad, Main Meeting Prai Industrial Estate, Prai, Pulau Pinang
20.10.17 (Fri) 11.30 am	ATTA Global Group Bhd (EGM)	Atta Global Group Berhad, Main Meeting Prai Industrial Estate, Prai, Pulau Pinang
20.10.17 (Fri) 11.30 am	ATTA Global Group Bhd (WBHM)	Atta Global Group Berhad, Main Meeting Prai Industrial Estate, Prai, Pulau Pinang
20.10.17 (Fri) 12.30 pm	ATTA Global Group Bhd (EGM)	Atta Global Group Berhad, Main Meeting Prai Industrial Estate, Prai, Pulau Pinang

20.10.17 (Fri) 12.30 pm	ATTA Global Group Bhd (WCHM)	Atta Global Group Berhad, Main Meeting Prai Industrial Estate, Prai, Pulau Pinang
20.10.17 (Fri) 02.30 pm	ATTA Global Group Bhd (EGM)	Atta Global Group Berhad, Main Meeting Prai Industrial Estate, Prai, Pulau Pinang

The points of interest to be raised:	
Company	Points/Issues
GFM Services Bhd (EGM)	<ol style="list-style-type: none"> <li>The Proposed Employee Share Scheme will be administered and managed by the Committee in accordance with the By-Laws.  What would be the composition of the Committee and who would be the proposed members of the committee?</li> <li>Could the Board provide more details on the terms and conditions how the GFM Services Share(s) will be vested?</li> </ol>

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## MSWG'S WATCHLIST

### LOTTE CHEMICAL TITAN HOLDING BERHAD ("LCTHB")

LCTHB announced that the stop-work order on its KBR Catalytic Olefins Technology catalytic cracking reactor ("K-COT") within the TE3 Project ("Stop-Work Order") issued by Department of Environment ("DOE") on 1 October 2017 was lifted on 5 October 2017 upon the company satisfactorily completing requested remedial actions.

*[Source: LCTHB's announcement on Bursa Malaysia's website on 6 October 2017]*

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## LOCAL NEWS AND DEVELOPMENTS

World Bank raises Malaysia's GDP growth forecast

<http://www.thestar.com.my/business/business-news/2017/10/05/world-bank-raises-forecast/>

Aug exports up 22pc to RM82.2b

<https://www.nst.com.my/business/2017/10/288029/aug-exports-22pc-rm822b>

LRT3 jobs worth RM4bil dished out

<http://www.thestar.com.my/business/business-news/2017/10/06/lrt3-jobs-worth-rm4bil-dished-out/>

SC Promotes IOSCO's World Investor Week

[https://www.sc.com.my/post\\_archive/sc-promotes-ioscos-world-investor-week/](https://www.sc.com.my/post_archive/sc-promotes-ioscos-world-investor-week/)

Response to The Edge article entitled "IBs want property lending rule scrapped"

[http://www.bnm.gov.my/index.php?ch=en\\_press&pg=en\\_press&ac=4521&lang=en](http://www.bnm.gov.my/index.php?ch=en_press&pg=en_press&ac=4521&lang=en)

Businessman Lim Kok Boon denies insider trading charge

<http://www.theedgemarkets.com/article/businessman-lim-kok-boon-denies-insider-trading-charge>

EPF and KWAP are said to pursue insurance deal talks

<https://www.nst.com.my/business/2017/10/287584/epf-and-kwap-are-said-pursue-insurance-deal-talks>

Malaysia moves to 65th spot in economic freedom report

<https://www.nst.com.my/business/2017/10/287408/malaysia-moves-65th-spot-economic-freedom-report>

Financial Services Professional Board launches guidance notes to code of ethics

<http://www.thesundaily.my/news/2017/10/05/financial-services-professional-board-launches-guidance-notes-code-ethics>

Special Report: Findings of RCI into Bank Negara's forex losses

<http://www.theedgemarkets.com/article/special-report-findings-rci-bank-negaras-forex-losses>

SPLASH talks extended again

<http://www.theedgemarkets.com/article/splash-talks-extended-again>

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## GLOBAL NEWS AND DEVELOPMENTS

US jobless claims fall, trade deficit narrows on strong exports

<http://www.thestar.com.my/business/business-news/2017/10/06/us-jobless-claims-fall-trade-deficit-narrows-on-strong-exports/>

US service sector growth hits fastest in 12 years -ISM

<http://www.thestar.com.my/business/business-news/2017/10/04/us-service-sector-growth-hits-fastest-in-12-years--ism/>

UK consumer spending spikes up in Sept, but trend gloomy

<http://www.thestar.com.my/business/business-news/2017/10/09/uk-consumer-spending-spikes-up-in-sept-but-trend-gloomy/>

Bombardier's new Global 7000 makes trade show debut

<http://www.themalaymailonline.com/money/article/bombardiers-new-global-7000-makes-trade-show-debut#dL4pBFGtdSaUlc18.97>

Japan output exceeds capacity the most in 9 years

<http://www.thestar.com.my/business/business-news/2017/10/05/japan-output-exceeds-capacity-the-most-in-9-years/>

India appoints Rajnish Kumar as boss of State Bank of India

<http://www.theedgemarkets.com/article/india-appoints-rajnish-kumar-boss-state-bank-india>

IMF's Lagarde: US tax overhaul 'desperately needed'

<http://www.themalaymailonline.com/money/article/imfs-lagarde-us-tax-overhaul-desperately-needed#938SOHLFPDi2lOTC.97>

IMF warns Catalonia tensions could hurt business confidence

<http://www.themalaymailonline.com/money/article/imf-warns-catalonia-tensions-could-hurt-business-confidence#6ZYsfBfVJWwIHUbi.97>

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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 Lotte Chemical Titan Holding Berhad.*
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## Feedback

We welcome your feedback on our newsletter and our work. Email us at [mswg.ceo@mswg.org.my](mailto:mswg.ceo@mswg.org.my) with your comments and suggestions.

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