



The Observer

25.01.2019

MSWG'S AGM WEEKLY WATCH 28 January - 1 February 2019

For this week, the following are the AGMs and EGMs of companies which are in the Minority Shareholders 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
28.01.19 (Mon) 10.00 am	Sapura Energy Bhd (EGM)	Sapura @ Mines, No. 7 Jalan Tasik, The Mines Resort City, Seri Kembangan
29.01.19 (Tue) 10.00 am	Sasbadi Holdings Bhd (AGM)	Tropicana Golf & Country Resort, Jalan Kelab Tropicana, PJ
30.01.19 (Wed) 10.00 am	Alam Maritim Resources Bhd (EGM)	Technology Park Malaysia Corporation Sdn Bhd, Lebuhraya Puchong-Sungai Besi, Bukit Jalil
30.01.19 (Wed) 10.30 am	Chin Teck Plantations Bhd (AGM)	Suite 2B-3A-3, Block 2B, Level 3A, Plaza Sentral

One of the points of interest to be raised:	
Company	Points/Issues to Be Raised
Sasbadi Holdings Bhd (AGM)	<p>The Group recorded a lower gross profit in FY2018 due to the provision for impairment of inventories of RM4.045 million as disclosed on page 9 of the Annual Report.</p> <p>(a) Please provide a breakdown of the impairment provision in respect of the various operating segments of Print Publishing, Digital & Network Marketing and APL & STEM Education.</p> <p>(b) What are the measures taken by the Company to mitigate the occurrence of impairment loss on inventories in the future?</p> <p>(c) What is the expected amount to be written off from the impairment loss?</p>
Alam Maritim Resources Bhd (EGM)	<p>We note that Non-Executive Directors will be eligible to participate in the new Employees' Share Option Scheme ("ESOS") in the Company.</p> <p>While we recognise the contribution of the non-executive directors to the Company, we do not encourage the practice of giving options to them as they play the governance role in the Company. They should also be responsible in monitoring the option allocation to employees and executive directors. Non-Executive Directors should be paid a fee that commensurate with their roles and responsibilities and the skills and experience they bring to the Company.</p>

	How would the Board ensure that the issue of conflict of interest is addressed if the Executive Directors who are the only directors from the Board on the ESOS Committee, are also the recipients under the scheme when presiding and deliberating on such allocation under the option scheme?
Chin Teck Plantations Bhd (AGM)	<p>Note 16 to the Financial Statements on "Investment in associates" shows that the loss of the associate, Global Formation Sdn Bhd (GFSB) has increased significantly to RM19.26 million in FY2018 compared to RM2.3 million in FY2017.</p> <p>(a) What has contributed to the significant increase in the loss of the associate?</p> <p>(b) Despite the continuous loss recorded in GFSB, there is no impairment provision made against the investment in associates.</p> <p>Please explain how the Audit Committee had reviewed the reasonableness of the assumptions used in the cash flow projections relating to the valuation of the investment in associates?</p>

MSWG'S WATCHLIST

SELANGOR PROPERTIES BERHAD

Part A - Circular to Shareholders in relation to Proposed Selective Capital Reduction and Repayment Exercise of Selangor Properties Berhad ("SPB") pursuant to Section 116 of the Companies Act, 2016 ("Proposed SCR")
Part B - Independent Advice Letter from Mercury Securities Sdn Bhd to the Disinterested Shareholders of SPB in relation to the Proposed SCR

Recommendation by Mercury Securities Sdn Bhd:

Premised on the above and our evaluation as a whole, although the Proposed SCR is deemed not fair, we are of the view that the Proposed SCR is reasonable.

Accordingly, we recommend that the disinterested shareholders of SPB VOTE IN FAVOUR of the Special Resolution in respect of the Proposed SCR to be tabled at the forthcoming EGM.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6041281>

TROPICANA CORPORATION BERHAD

MULTIPLE PROPOSALS TROPICANA CORPORATION BERHAD ("TCB" OR "COMPANY") (I) PROPOSED ACQUISITIONS AND PROPOSED DEBT SETTLEMENT; (II) PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY; AND (III) MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE PROPOSED COLLABORATIONS

On behalf of the Board Director of Tropicana Corporation Berhad ("TCB" or "Company"), Maybank Investment Bank Berhad ("Maybank IB") wishes to announce that TCB had, on 24 January 2019, entered into twelve (12) conditional share purchase agreements with Tan Sri Dato' Tan Chee Sing ("TSDT") and/or persons connected to him for the proposed acquisition of twelve (12) real estate holding companies ("Acquiree Companies") for a total purchase consideration of approximately RM343.7 million to be satisfied via the issuance of new redeemable convertible preference shares in TCB ("TCB RCPS") ("Proposed Acquisitions").

As part of the Proposed Acquisitions, the Company had on 24 January 2019, entered into a deed of accord and satisfaction ("DAS") and a mutual agreement ("MA") with TSDT for the proposed settlement of all amounts owing by the Acquiree Companies to TSDT upon the completion of Proposed Acquisitions amounting to RM1,507.3 million to be satisfied via the issuance of TCB RCPS, cash and refinancing and/or assumption of TSDT's borrowings ("Proposed Debt Settlement").

On behalf of TCB, Maybank IB also wishes to announce that the Company proposes to amend the constitution of the Company to facilitate the issuance of the TCB RCPS ("Proposed Amendments").

In addition, on behalf of TCB, Maybank IB wishes to announce that TCB had, on 24 January 2019 entered into five (5) memorandum of understanding to negotiate the terms of the proposed collaborations with five (5) landowners for the development their lands ("Proposed Collaborations").

(Proposed Acquisitions, Proposed Debt Settlement, Proposed Amendments and Proposed Collaborations are collectively referred to as "Proposals")

In view of the interests of certain directors and major shareholder of the Company, the Proposals are deemed a related party transaction under Paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Please refer to the attachment for the full announcement in relation to the Proposals.

This announcement is dated 24 January 2019.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6045865>

INIX TECHNOLOGIES HOLDINGS BERHAD

SPECIAL NOTICE OF PROPOSED ORDINARY RESOLUTIONS FOR REMOVAL OF DIRECTORS PURSUANT TO SECTIONS 206(3) AND 322 OF THE COMPANIES ACT 2016 ("THE ACT") AND APPOINTMENT OF OTHER PERSONS AS DIRECTORS AND REQUISITION PURSUANT TO SECTION 311(3)(a) OF THE ACT

INIX wishes to announce that the Company had on 8 January 2019 received a Special Notice on the intention to remove and appoint directors from three (3) shareholders of the Company, holding a total of at least ten per centum of the paid-up capital of the Company carrying the right of voting at meetings of members of the Company as at the date of deposit of the said Special Notice.

A copy of the said Special Notice is attached herewith.

Further development on the above matter will be announced to Bursa Malaysia Securities Berhad in due course.

This announcement is dated 18 January 2019.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6041133>

MSWG'S VIGILANCE

Listing of PN17 and GN3 companies

PN17 Companies

1. AMTEK HOLDINGS BERHAD
2. APFT BERHAD
3. BERJAYA MEDIA BERHAD
4. BERTAM ALLIANCE BERHAD
5. CHINA AUTOMOBILE PARTS HOLDINGS LIMITED
6. DAYA MATERIALS BERHAD
7. EKA NOODLES BERHAD
8. HB GLOBAL LIMITED
9. KINSTEEL BHD
10. KUANTAN FLOUR MILLS BERHAD
11. MAA GROUP BERHAD
12. MALAYSIA PACIFIC CORPORATION BERHAD
13. MAXWELL INTERNATIONAL HOLDINGS BERHAD
14. MULTI SPORTS HOLDINGS LTD
15. PERISAI PETROLEUM TEKNOLOGI BERHAD
16. RGT BERHAD (fka ASIA KNIGHT BERHAD)
17. STONE MASTER CORPORATION BERHAD

18. SUMATEC RESOURCES BERHAD
19. TH HEAVY ENGINEERING BERHAD
20. UTUSAN MELAYU (MALAYSIA) BERHAD
21. YFG BERHAD

GN3 Companies

1. G NEPTUNE BERHAD
2. IDIMENSION CONSOLIDATED BERHAD
3. WINTONI GROUP BERHAD

Please refer to the link below for the latest status of the company.

<http://www.bursamalaysia.com/market/listed-companies/list-of-companies/pn17-and-gn3-companies/>

REGULATORY NEWS

MEDIA STATEMENT ON IMPLEMENTATION OF DIGITAL ASSETS PRESCRIPTION ORDER

Since the coming into force of the Capital Markets and Services (Prescription of Securities) (Digital Currency and Digital Token) Order 2019 on 15 January 2019, the Securities Commission Malaysia (SC) has received numerous queries on the implementation of the Order.

In this regard, the SC has invited and engaged with existing digital asset platform operators. Arrangements have been put in place to facilitate the operations of these platforms for a transitional period until 1 March 2019, subject to them fulfilling the conditions specified by the SC. During this period, these platform operators will not be permitted to accept new investors and will only be allowed to facilitate the withdrawal or transfer of client assets with the written instruction of the investor.

Existing platform operators who failed to or did not attend the engagement with the SC on 17 January 2019 are advised to contact the SC immediately and not later than 25 January 2019, failing which they shall be deemed to be operating a market in breach of the securities laws.

Once the relevant guidelines have been issued, existing platform operators will be required to apply to the SC for authorisation if they intend to operate beyond the transitional period. Prospective operators can also apply to the SC for authorisation once the guidelines are issued. The SC will evaluate all applications and will only authorise market operators that fulfil the relevant requirements.

With regard to initial coin offerings (ICOs), no person shall conduct an ICO without the prior authorisation of the SC. In this regard, the guidelines for ICOs will be issued by the end of Q1 2019. In the meantime, ongoing ICOs should cease all activities and return all monies or digital assets collected from investors.

For further information, please contact afinity@seccom.com.my

Source: <https://www.sc.com.my/news/media-releases-and-announcements/media-statement-on-implementation-of-digital-assets-prescription-order>

LOCAL NEWS AND DEVELOPMENTS

'Whistleblowers reporting anything to the government will be safe'

<https://www.nst.com.my/news/nation/2019/01/453080/whistleblowers-reporting-anything-government-will-be-safe>

Consumer spending to remain healthy, say analysts

<http://www.theedgemarkets.com/article/consumer-spending-remain-healthy-say-analysts>

Red Sena gets green light to close shop

<https://www.thestar.com.my/business/business-news/2019/01/17/red-sena-gets-green-light-to-close-shop/>

World's top sukuk arrangers, CIMB and Maybank see sales rising on lower oil price

<https://www.thestar.com.my/business/business-news/2019/01/23/worlds-top-sukuk-arrangers-cimb-and-maybank-see-sales-rising-on-lower-oil-price/>

Malaysia could curb French purchases if palm oil use restricted

<https://www.thestar.com.my/business/business-news/2019/01/24/malaysia-could-curb-french-purchases-if-palm-oil-use-restricted/>

High Court upholds MyCC decision on MyEG's abuse of market position

<https://www.theedgemarkets.com/article/high-court-upholds-mycs-decision-myeys-abuse-market-position>

GLOBAL NEWS AND DEVELOPMENTS

IMF cuts global growth forecast and warns of trade war and Brexit risks

<https://edition.cnn.com/2019/01/21/economy/imf-world-economic-outlook-davos/index.html>

China says will step up fiscal spending this year to support economy

<https://www.reuters.com/article/us-china-economy-fiscal/china-says-will-step-up-fiscal-spending-this-year-to-support-economy-idUSKCN1PH06F>

'AI' to hit hardest in U.S. heartland and among less-skilled: study

<https://www.reuters.com/article/us-usa-economy-labor/ai-to-hit-hardest-in-u-s-heartland-and-among-less-skilled-study-idUSKCN1PIOD8>

EU fines Mastercard 570 million euros over cross-border barriers

<https://www.reuters.com/article/us-eu-mastercard/eu-fines-mastercard-570-million-euros-over-cross-border-barriers-idUSKCN1PG11X>

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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 Inix Technologies Holdings Bhd.*
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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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