



The Observer

23 November 2018

MESSAGE FROM THE CEO

Malaysian PLCs Do Well at ASEAN CG Awards

MSWG had the pleasure of hosting the 2nd ASEAN Corporate Governance Awards Ceremony on 21st November 2018 at the Kuala Lumpur Convention Centre. The event was attended by about 670 guests including many of our friends from our neighbouring ASEAN countries. It was certainly a recognition event, filled with pomp, to be cherished.

The Guest of Honour was YB Dato' IR Haji Amiruddin Hamzah, the Deputy Minister of Finance.

The occasion was also graced by the presence of the Chairman of the Securities Commission Malaysia, YBhg Datuk Syed Zaid Albar, the Chairman of the ASEAN Capital Markets Forum, Mr Rapee Suchritakul and the Chairman of MSWG, YBhg Tan Sri Dato' Seri Dr Sulaiman Mahbob.

The ASEAN Corporate Governance Awards project was initiated by the ASEAN Capital Markets Forum, with the support of the Asian Development Bank, to establish a common governance framework across the region as well as to raise the profile of ASEAN PLCs.

The categories of awards were as follows:

- Top 50 ASEAN PLCs,
- Top Five ASEAN PLCs,
- Top Three PLCs for each ASEAN country; and
- Two Most Improved PLCs in each ASEAN country in terms of their CG practices.

All the Companies were assessed based on the ASEAN Corporate Governance Scorecard 2017 (ASEAN CG Scorecard), which leverages on OECD Principles of Corporate Governance as its main benchmark.

Bursa Malaysia Bhd had the honour of being named as one of the top five public listed companies (PLCs) in the ASEAN region at his year's ASEAN Corporate Governance Awards. This is truly a feather in the cap for Bursa Malaysia and Malaysia.

The Top Five ASEAN PLCs in alphabetical order are Bursa Malaysia Berhad, CapitaLand Ltd, DBS Group Holdings Ltd, PTT Global Chemical PCL and Singapore Telecommunications Ltd.

(Last year, Bursa Malaysia also won the top ranking for Overall CG & Performance at the Malaysia ASEAN CG Awards 2017, MSWG's annual domestic awards ceremony).

Malaysia led its regional ASEAN neighbours with 14 PLCs in the top 50 ASEAN PLCs. Singapore came in second with 12 PLCs, followed by Thailand with 11 PLCs. There were 9 PLCs from Philippines while Indonesia rounded up the tally with 4 PLCs.

The 14 Malaysian PLCs, in alphabetical order are:

AMMB Holdings Berhad

Astro Malaysia holdings Berhad

Axiata Group Berhad

Bursa Malaysia berhad

CIMB Group Holdings Berhad

Malayan Banking Berhad

Petronas Chemicals Group Berhad

Petronas Dagangan Berhad

Petronas Gas Berhad

RHB Bank Berhad

Sime Darby Berhad

Telekom Malaysia Berhad

Tenaga Nasional Berhad

Top Glove Corporation Berhad

Congratulations to all the above-mentioned PLCs.

MSWG'S AGM WEEKLY WATCH 26 November - 30 November 2018

For this week, the following are the AGMs/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.

26.11.18 (Mon) 09.00 am	Lion Industries Corporation Bhd (AGM)	Lion Office Tower, No. 1 Jalan Nagasari, KL
26.11.18 (Mon) 10.00 am	Bonia Corporation Bhd (AGM)	Le Quadri Hotel, UCSI Heights, Taman Connaught, Cheras
26.11.18 (Mon) 10.00 am	Chin Hin Group Bhd (EGM)	Chin Hin Culture Centre, No. F-0-1 and F-0-2, Pusat Perdagangan Kuchai, KL
26.11.18 (Mon) 02.00 pm	Media Prima Bhd (EGM)	Sime Darby Convention Centre of 1A, Jalan Bukit Kiara 1, Bukit Kiara
27.11.18 (Tue) 09.00 am	Anzo Holdings Bhd (AGM)	Food Tree Café (under Only World Group), Kawasan Perindustrian

		Temasya, Shah Alam
27.11.18 (Tue) 10.30 am	Ekovest Bhd (AGM)	Grand Seasons Hotel, 72, Jalan Pahang, KL
27.11.18 (Tue) 11.00 am	Inari Amertron Bhd (AGM)	Bukit Kiara Equestrian and Country Resort
28.11.18 (Wed) 09.00 am	Jaya Tiasa Holdings Bhd (AGM)	The Auditorium, Ground Floor, No.62, Lorong Upper Lanang 10A, Sibul, Sarawak
28.11.18 (Wed) 10.00 am	MCT Bhd (AGM)	Sheraton Petaling Jaya Hotel, Jalan Utara C, PJ
28.11.18 (Wed) 11.00 am	Malpac Holdings Bhd (AGM)	Roya Selangor Club Kiara Sports Annexe, Bukit Kiara Sports Annexe, KL
28.11.18 (Wed) 11.00 am	Insas Bhd (AGM)	Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara
29.11.18 (Thur) 10.00 am	Malaysia Pacific Corporation Bhd (AGM)	The Maple Suite, Menara MapleLee, No.1, Changkat Raja Chulan, KL
29.11.18 (Thur) 10.00 am	Berjaya Assets Bhd (AGM)	Berjaya Times Square Hotel, Kuala Lumpur
29.11.18 (Thur) 10.00 am	Sapura Energy Bhd (EGM)	Sapura @ Mines, No. 7 Jalan Tasik, The Mines Resort City, Seri Kembangan
29.11.18 (Thur) 03.00 pm	Zecon Bhd (AGM)	Menara Zecon, No. 92, Lot 393, Section 5 KTLD, Jalan Satok, Kuching, Sarawak
30.11.18 (Fri) 10.00 am	Supermax Corporation Bhd (AGM/EGM)	Eastin Hotel KL, 13, Jalan 16/11. Petaling Jaya
30.11.18 (Fri) 10.00 am	Kwantas Corporation Bhd (AGM)	Signature Office, KK Times Square, Off Coastal Highway, Kota Kinabalu, Sabah

One of the points of interest to be raised:	
Company	Points/Issues to Be Raised
Lion Industries Corporation Bhd (AGM)	In the Annual Report on page 46, the Company stated:- (a) that its long products business posted a higher revenue of RM2.2 billion compared with RM1.6 billion a year ago mainly due to higher average selling price of steel products and sales tonnage.

What were the average selling price and sales tonnage for steel products this year and last year?

- (b) that its plant in Banting was in a temporary shutdown mode and the Johor plant was partially shutdown.

What were the reasons for these shutdowns and what are the status of these plants currently? What are the annual rated capacity for the products (i.e. Billets, Steel Bars & Wire Rods) that are being produced at these two plants?

- (c) that the hot briquetted iron (“HBI”) operation’s revenue increased by 24% to RM833 million this year from RM671 million a year ago due to higher average selling price.

What were the average selling prices of HBI this year and last year?

- (d) that the property development division recorded a loss of RM2.9 million for the financial year under review.

What was the reason for the loss?

- (e) that the building material division registered a 46% decline in profit despite a 16% increase in revenue. As a result, profit margin dropped to 0.4% from 0.9% last year.

On the back of the current slowdown in both the local property and construction sectors, is the Company expecting a further decline in both profit and profit margin?

- (f) that the Company continues to identify key growth segments in the lubricants, petroleum and automotive products business and expect further progress in its existing business operations.

Please elaborate on (a) the key growth segments that have been identified, and (b) the progress that is expected to be made from its existing business operations?

<p>Chin Hin Group Bhd (EGM)</p>	<p>1) We refer to page 40 of the Circular where it is stated that the potential disadvantage of the Proposed Disposal is the loss of income contribution from rental of the Said Properties.</p> <p>What is the total income contribution from the rental of the Said Properties to the Group over the last 3 years?</p> <p>2) Kindly elaborate on the type of inventories the Company intends to purchase from the proceeds of RM5.1 million raised from the disposal of the Said Properties (page 11 of the Circular).</p>
<p>Anzo Holdings Bhd (AGM)</p>	<p>It was stated on page 8 of the Annual Report that the construction division has been revived to contribute revenue of RM28.3 million (FY2017: RM6.3m), which represents 81% of the Group's revenue this year. This is principally due to the commencement of construction work for Porto De Melaka ("PDM") Phase 1 project. Despite the increase in revenue, the division posted segment loss of RM1.3 million (FY2017: RM1 million) due to unexpected increase in construction cost.</p> <p>(a) What is the order book value for Phase 1 of the PDM project?</p> <p>(b) When is the expected completion date for Phase 1 of the PDM project?</p> <p>(c) Is the Company going to be involved in all the construction phases of the PDM project? If the answer is yes, what will be the total order book value for all the construction phases of the PDM project? When are the targeted commencement and completion dates for all the construction phases of the PDM project?</p> <p>(d) What are the components within the construction cost that experienced unexpected increase in their costs and what are the underlying reasons behind the increases? If the costs of these components continue to remain at the same level, does it mean that the Company will continue to post operational loss from the construction segment for next financial year?</p>

<p>Ekovest Berhad (AGM)</p>	<p>Construction (Page 22 of the Annual Report 2018)</p> <ol style="list-style-type: none"> 1) Total outstanding order book for the Group stood around RM3.0 billion. How much contract value does the Division intend to bid in the next few years? What sort of projects will the Group be looking at? 2) Please brief shareholders on the on-going incentive agreement with the Government of Malaysia relating to the design of sewerage treatment plants project.
<p>Inari Amertron Berhad (AGM)</p>	<p>As stated on Page 27 of the Annual Report, the Group is in the midst of preparing for qualification of new health sensor, 2D facial recognition and MiniLED products for the IOT segment and expects successful full-scale production ramp-up by the middle of 2019.</p> <ol style="list-style-type: none"> (a) Are these products expected to contribute significantly to the Group revenue? (b) Please brief shareholders on the Group's plan to venture into the IOT business.
<p>Jaya Tiasa Holdings Bhd (AGM)</p>	<p>As stated in the Management Discussion & Analysis (MD&A) on page 8 of the Annual Report, profit before tax of the Group dropped by 140% to a loss of RM19.9 million for FY2018 from RM50.0 million profits in the previous year. This is partly due to an impairment loss of RM30.1 million on investment in Rimbunan Sawit Bhd ("RSB") equity which was accounted for as available-fo-sale financial asset. The impairment loss was recognized due to the significant or prolonged decline in fair value below cost.</p> <ol style="list-style-type: none"> (a) What is the carrying amount of the investment in RSB as at 30 June 2018 after the provision of the impairment loss of RM30.1 million? (b) To what extent does the Company have control over the operations of RSB? (c) In view of the significant or prolonged decline in fair value of the investment, what is the Board's view on the outlook

	<p>of RSB and what is the plan for this investment, moving forward?</p>
<p>Insas Bhd (AGM)</p>	<p>Please provide the following information in relation to the Group's lending arm, Insas Credit & Leasing Sdn Bhd, a boutique structured finance provider to selected sophisticated investors and corporations seeking short and medium-term financing (page 9, Annual Report ('AR')).</p> <p>(a) The financing budget/target for FY2019.</p> <p>(b) The aging experience of the loan portfolio as at FY2018.</p> <p>(c) The loan credit guidelines and monitoring mechanism and are they as stringent as the guidelines adopted by financial institutions.</p> <p>(d) The non-performing ratio as at FY2018.</p>
<p>Malaysia Pacific Corporation Bhd (AGM)</p>	<p>The Group's Trade Receivables are concentrated mainly on 1 debtor that accounted for 95% of the Trade Receivables for FY2018 as disclosed on page 65 of the Annual Report.</p> <p>(a) Who is the trade debtor?</p> <p>(b) What is the Group's risk management policy on mitigating concentration risk of Trade Receivables?</p> <p>(c) The impairment losses recognised in FY2018 was RM0.84 million, higher than the RM0.23 million impairment loss in FY2017. What are the reasons for the higher impairment loss?</p>
<p>Berjaya Assets Bhd (AGM)</p>	<p>Berjaya Times Square Sdn Bhd's ("BTSSB") group revenue declined by 6.1% to RM176.4 million compared to RM187.9 million in the previous financial year. BTSSB Group net total operating income also contracted by RM6.7 million in FY2018. Administrative expenses during the year increased by RM30.3 million mainly due to higher directors' remuneration and salary costs as well as higher costs of goods purchased (page 12 and Note 36, page 133, AR).</p> <p>Please provide the breakdown of the total administrative expenses and the rationale and basis for the increase in directors' remuneration for the FY2018.</p>

<p>Sapura Energy Bhd (EGM)</p>	<p>The Board is proposing to establish the Proposed Executive Share Option Scheme ("Proposed ESOS") to complement the Long-Term Incentive Plan to continue driving desired corporate outcomes for long term growth and sustainability.</p> <p>What is the basis to offer and grant to Tan Sri Dato' Seri Shahril Shamsuddin the options to subscribe for up to 5% of the issued SEB shares from time to time pursuant to the Proposed ESOS?</p>
<p>Zecon Bhd (AGM)</p>	<p>There is an issue concerning the Material Uncertainty Related to Going Concern as highlighted by the Auditors of the Company, where the current liabilities of the Group had exceeded the current assets by RM487,088,863 and the Group had recorded a negative operating cash flows of RM255,815,095 (Independent Auditors' Report, page 40 of the Annual Report 2018).</p> <p>How will the Board address the issues as highlighted above?</p>
<p>Kwantas Corporation Berhad (AGM)</p>	<p>As highlighted in the Independent Auditors' Report on page 64 of the Annual Report, all three subsidiaries of the Group in People's Republic of China are loss making. The non-current assets of these subsidiaries may be impaired.</p> <p>As reported in Note 25 to the Financial Statements on page 121 of the Annual Report, two subsidiaries in People's Republic of China have been classified as held for sale assets in FY2017. However, in FY2018, the commitment to the plan to sell one of these subsidiaries has been terminated.</p> <p>What is the outlook of the subsidiaries in People's Republic of China and what are the plans for these subsidiaries?</p>

MSWG'S WATCHLIST

PRESS METAL ALUMINIUM HOLDINGS BERHAD ("PMAH OR THE "COMPANY")

PROPOSED ACQUISITION OF 50.00% EQUITY INTEREST IN JAPAN ALUMINA ASSOCIATES (AUSTRALIA) PTY. LTD. ("JAA") BY PRESS METAL BINTULU SDN BHD, A 80.00%-OWNED SUBSIDIARY OF THE COMPANY

(Unless otherwise stated, all definitions and terms used in this announcement shall have the same meaning as defined in the announcement dated 17 October 2018 and 23 October 2018 except where the context otherwise defined herein.)

Press Metal Bintulu Sdn Bhd ("PMBintulu" or "the Purchaser"), a 80%-owned subsidiary of the Company, had on 17 October 2018 entered into an asset sale agreement ("ASA") with ITOCHU Minerals & Energy of Australia Pty. Ltd. ("IMEA" or the "Vendor") and ITOCHU Corporation ("ITOCHU"), the holding company of IMEA, for the acquisition of 50.00% equity interest in Japan Alumina Associates (Australia) Pty. Ltd. ("JAA") for a total cash purchase consideration of Australian Dollars Two Hundred and Fifty Million (AUD250,000,000) (equivalent to approximately Ringgit Malaysia Seven Hundred Thirty Eight Million and Nine Hundred Seventy Five Thousand (RM738,975,000)) only ("Purchase Consideration"), subject to the terms and conditions as stipulated in the ASA (the "Proposed Acquisition").

The Proposed Acquisition is expected to complete in the first quarter of 2019.

(Source: PMAH's announcement on Bursa Malaysia website on 22 November 2018)

SINO HUA-AN INTERNATIONAL BERHAD ("SINO" OR "THE COMPANY")

EXECUTION OF TWO (2) SEPARATE TERM SHEETS IN RELATION TO THE PROPOSED ACQUISITION OF THE FOLLOWING COMPANIES:

(I) TOUCHPOINT INTERNATIONAL SDN BHD AND WAVETREE LLP; AND

(II) BISTROMALONES (PJ) SDN BHD.

The Board is pleased to announce its entry into the tech-enabling business via the acquisition of a 51% stake in the "TouchPoint Group". The "TouchPoint Group" has two main related businesses, being (i) Industrial Wireless Sensors and Internet of Things; and (ii) Enterprise mobile development applications with the main objective of providing enabling technological solutions to drive intelligent automation and connecting communities through the use of technology via a common platform. A second acquisition is in relation to a more traditional brick and mortar consumer business in the Food and Beverage industry via the acquisition of 100% of Bistromalones (PJ) Sdn Bhd. The acquisition will form part of the anchor merchants for the community platform by the TouchPoint Group and will also be the showcase for how traditional businesses can use technology to enable better access to market and operational efficiencies.

Premised on the above, the Board of Directors of Sino wishes to announce that the Company had on 22 November 2018 entered into two (2) separate term sheets in relation to the following:

(I) proposed acquisition of 51% equity interest in Touchpoint International Sdn Bhd and Wavetree LLP ("TouchPoint Group") from Ng Chee Seng, Amiruddin Bin Yahaya and Cindy Wong Ling Ping for a total purchase consideration of RM20.0 million; and

(II) proposed acquisition of the entire equity interest in Bistromalones (PJ) Sdn Bhd from Chaswood Resources Sdn Bhd for a total purchase consideration of RM8.0 million.

Please refer to the attachments for details of the announcement.

(Source: SINO's announcement on Bursa Malaysia website on 22 November 2018)

BOUSTEAD HEAVY INDUSTRIES CORPORATION BERHAD ("BHIC" OR "THE COMPANY") -

PROVISION OF OUT OF SCOPE WORKS FOR IN-SERVICE SUPPORT ("ISS") CONTRACT ENTERED WITH THE GOVERNMENT OF MALAYSIA ("GOVERNMENT") FOR TWO (2) UNITS OF PRIME MINISTER'S CLASS SUBMARINES FOR THE ROYAL MALAYSIAN NAVY ("RMN")

We refer to the announcements made on 13th August 2010, 3rd September 2014, 30th March 2015, 15th October 2015 and 18th November 2016 with regards to the contract to undertake the ISS for two (2) units of Prime Minister's Class Submarines for the RMN between the Government and Boustead DCNS Naval Corporation Sdn Bhd ("BDNC") ("the ISS Contract").

BDNC is a joint venture between BHIC Defence Technologies Sdn Bhd (60 percent), a wholly-owned subsidiary of BHIC, and Naval Group (formerly known as DCNS S.A) (40 percent).

The Company wishes to announce that BDNC had received on 12th November 2018, a consent letter from the Government dated 9th November 2018. Subsequently, BDNC had submitted an invoice with an amount of RM90,000,000.00 (excluding any goods and services tax) to the Government for the provision of Out of Scope Works for the ISS Contract from 1st June 2017 to 31st March 2018.

The Out of Scope of Works and the ISS Contract will contribute positively to the earnings of BHIC Group for the financial year ending 31st December 2018.

None of the directors or substantial shareholders of the Company, or persons connected with them have any interest, direct or indirect, in the ISS Contract.

(Source: BHIC's announcement on Bursa Malaysia website on 22 November 2018)

BENALEC HOLDINGS BERHAD ("BENALEC" OR "COMPANY")

DISPOSAL OF LANDS BY STRATEGIC LAND SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF BENALEC SDN BHD, WHICH IN TURN IS A WHOLLY-OWNED SUBSIDIARY OF BENALEC HOLDINGS BERHAD, TO INNOVATIVE ADVISORY SDN BHD

Unless otherwise stated, all definitions in this announcement shall have the same meaning as defined in the Company's earlier announcement dated 21 November 2018 in respect of the aforesaid.

Further to the Company's earlier announcement dated 21 November 2018, the Company wishes to provide additional information in respect of the aforesaid.

The Total Sale Consideration of RM53,345,318.40 shall be utilised in the following manner:-

(i)	Land reclamation project	RM28,545,000
(ii)	Working capital requirement	RM24,800,000

- (i) The Group intends to utilise the proceeds to fund its ongoing and future reclamation projects. Expenditure relating to reclamation works include operating expenses such as cost of raw material, payment to license holders or sand concessionaries for the rights to dredge sand ex-seabed, payments to supplier, direct labour costs, payment for sub-contracted services for loading, unloading and levelling sea sand, rock revetment works, and lorry hire.
- (ii) An amount of up to RM24.8 million shall be utilised as additional working capital to finance the day-today operations of the Group including payment of salaries, administrative and other operating expenses, such as tax payment and repayment of bank borrowings.

(Source: BENALEC's announcement on Bursa Malaysia website on 22 November 2018)

TOYO INK GROUP BERHAD (TIGB or THE COMPANY)

PROPOSED DISPOSAL OF TWO PARCELS OF VACANT INDUSTRIAL LANDS MEASURING APPROXIMATELY 21,994 SQUARE METRES LOCATED AT MUKIM KAPAR, DAERAH KLANG, NEGERI SELANGOR FOR AN AGGREGATE TOTAL CONSIDERATION OF RM17,755,755.70 ONLY (PROPOSED DISPOSAL)

Please refer to the attachment for the full announcement on the Proposed Disposal.

The Board of Directors of Toyo Ink Group Berhad ("TIGB" or "The Company") wishes to announce that Inmac EDM-Tools (M) Sdn. Bhd. (Company No. 555967-H) ("IETSB") and EDM Machining Solutions (M) Sdn. Bhd. [Formerly known as Elo Dunia Manufacturing (M) Sdn. Bhd.] (Company No. 569467-W) ("EMSSB"), which are both 100% owned subsidiary of Toyo Ink Sdn. Bhd. (Co. No. 45097-M) ("TISB"), which in turn are wholly owned subsidiaries of TIGB had on 22 November 2018 entered into two separate Sales and Purchase Agreement (hereinafter individually referred to as the "SPA" or collectively as the "SPAs") with Choo Bee Metal Industries Berhad (Company No.10587-A) ("the Purchaser" or "CBMIB") for the sale of the two industrial lands for an aggregate total consideration of RM17,755,755.70 Only ("Purchase Price") ("Proposed Disposal").

(Source: TIGB's announcement on Bursa Malaysia website on 22 November 2018)

SERBA DINAMIK HOLDINGS BERHAD ("SDHB")

PROPOSED ACQUISITION OF 34,537,581 ORDINARY SHARES IN GREEN & SMART HOLDINGS PLC ("GSH") REPRESENTING APPROXIMATELY TEN PERCENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF GSH BY SERBA DINAMIK GROUP BERHAD, A WHOLLY-OWNED SUBSIDIARY OF SERBA DINAMIK HOLDINGS BERHAD

Proposed acquisition of 34,537,581 ordinary shares in Green & Smart Holdings PLC ("GSH") ("Sale Share(s)") representing approximately ten percent (10%) of the total number of issued shares of GSH by Serba Dinamik Group Berhad ("SDGB"), a wholly-owned subsidiary of SDHB, for a total cash consideration of RM13.00 million (equivalent to approximately GBP2.41 million) ("purchase consideration") from K2M Ventures Sdn Bhd ("K2MV" or "vendor"), an existing shareholder of GSH ("proposed acquisition")

(Source: SDHB's announcement on Bursa Malaysia website on 22 November 2018)

KRONOLOGI ASIA BERHAD ("KAB" OR "THE PURCHASER" OR "THE COMPANY")

PROPOSED SUBSCRIPTION OF NEW SHARES IN QUANTUM CHINA LIMITED

(In this Announcement, "RM" refers to Ringgit Malaysia, "USD" refers to United States Dollars. Unless stated otherwise, the exchange rates of RM1.00: USD0.2385 based on Bank Negara Malaysia as at 12:00 noon on 16 November 2018 are used throughout this Announcement for illustration purposes.)

The Board of Directors of KAB wishes to announce that the Company had on 21 November 2018, entered into an Agreement with Yang Lanjiang ("Agreement"), to subscribe for 20 new ordinary shares ("Shares") at USD1/- each in Quantum China Limited (Company No. 1980361) ("QCL"), representing 16.67% of the issued and paid up share capital of QCL, for a total consideration of USD3.00 million (or equivalent to approximately RM12.579 million) ("Proposed Subscription").

(Source: KAB's announcement on Bursa Malaysia website on 21 November 2018)

SUMATEC RESOURCES BERHAD ("SUMATEC")

LODGED A POLICE REPORT ON 20 NOVEMBER 2018 TO THE COMMERCIAL CRIME DEPARTMENT AGAINST ONE OF THE COMPANY'S FORMER DIRECTOR

Sumatec Resources Berhad or "the Company" wishes to announce that it has lodged a police report on 20 November 2018 to the Commercial Crime Department against one of its former Directors ("the Director") on allegations of committing offences under the Company Act 2016 and also possible breach of trust.

The Director was a Board Member of the Company from 2003 to 2017. The allegations against the Director are in relation to certain transactions as follows:

- (a) The Director, without the permission of the Board, acted alone and without the approval / authorization of the Board has signed a "Parental Company Guarantee Agreement" dated 2.5.2016 to the Continental Industrial Supply And Services Limited Liability Company Partnership ("CISS") to secure the payment of a CaspiOil Gas LLP ("COG") contract, an oil and gas company established in the Republic of Kazakhstan resulting in the Company being required to pay through Arbitration proceedings of approximately USD6 million. This is an act of misconduct which has resulted in a major loss to the Company because the alleged actions were without approval by the Board. This is an offence under the Companies Act 2016 as the Director does not act in the interest and for the benefit of the Company.
- (b) With respect to the Collateralized Loan Obligation Debt ("CLO Debt"), which is supposed to be in accordance with the Settlement Agreement dated 28.5.2013 ("Settlement Agreement 2013"), through a previous subsidiary of the Company Semua International Sdn Bhd ("SISB"), all financial liabilities and undertaking under the CLO Debt were fully waived. However, in the Settlement Agreement dated 6.3.2015 ("Settlement Agreement 2015") the Director has witnessed the placement of the Company's Seal on an agreement without the resolution of the Board as required under the Company's Article of Association. This unauthorised act has resulted in the Company acknowledging the undertaking to settle around RM80 million eventhough the liability has been waived. This is contradictory to the Company's Article of Association and is an alleged offence such as breach of trust and ultra vires under the Companies Act 2016.
- (c) The Director, in acting without Board authority, was acting in conflict of interest in relation to the transactions involving the divestment of SISB and CLO Debt settlement (since he was also a Director and

shareholder of Tekad Mulia Sdn Bhd), a substantial shareholder of the Company during the period in which the alleged act being committed. The Director has made certain undertaking to the Purchaser and Trustee, Malaysian Trustee Berhad and Bondholders in the Settlement Agreement 2013.

- (d) Other than the above, we do believe, the Director has committed offences under the Companies Act 2016 and was negligent in handling his duties in relation to the financing of vessels under the Company's subsidiaries, SISB and Semado Shipping Sdn Bhd, by failing to ensure the takeover of the Company's guarantees to Bank Pembangunan Malaysia Berhad and Malayan Banking Berhad to Hoe Leong Corporation Limited (the "Purchaser"), a company incorporated and listed on the Singapore Stock Exchange. The Director also failed to procure the guarantee and to replace the Company's guarantee from the controlling shareholder of SISB, Hoe Leong Corporation Berhad as stipulated in the Settlement Agreement 2013 and the Company's Circular to Shareholders dated 30 May 2013. The negligence of the Director in dealing with Malaysian Trustee Berhad has caused the Company to be summoned and faced winding-up proceeding for liabilities estimated at about RM350 million.

The police report was made in accordance with the advice and order of the Board of Directors with the recommendation from the Managing Director to safeguard the interests of the Company, the Shareholders, other stakeholders and the public.

This police report was lodged by Dato Khalid Ahmad who was recently appointed as Independent Director and Chairman of the Audit Committee of the Board.

(Source: SUMATEC's announcement on Bursa Malaysia website on 21 November 2018)

APFT BHD ("APFT")

PROPOSED DISPOSAL OF 100% EQUITY SHARES IN AERO DYNAMIC SDN. BHD. ("AERO DYNAMIC"), A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

The Board of Directors of APFT wishes to announce that the Company had on 5 November 2018 entered into a Share Sale Agreement ("SSA") with Suncity Entertainment Ltd (Company No. 385122-2) ("Purchaser") to dispose of its entire investment in the share capital of Aero Dynamic Sdn Bhd (Company No.127572-P) ("Aero Dynamic") comprising 500,000 ordinary shares ("Sale Shares") representing 100% of the issued capital of Aero Dynamic for a total consideration of RM20,000.00 (Ringgit Malaysia Twenty Thousand) only (the "Disposal"). Upon completion of the Disposal, Aero Dynamic Sdn Bhd will cease to be a subsidiary of the Company.

(Source: APFT's announcement on Bursa Malaysia website on 21 November 2018)

FREIGHT MANAGEMENT HOLDINGS BHD ("FREIGHT" OR "THE COMPANY")

CAPITAL INJECTION IN FM GLOBAL LOGISTICS (USA), LLC

Pursuant to Paragraph 9.19(23) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of Freight wishes to announce that FM Global Logistics Venture Sdn Bhd ("FMGLV"), a wholly-owned subsidiary of the Company has injected capital of USD140,000 (equivalent to RM588,280) which represents 70% of the voting interest in FM Global Logistics (USA), LLC (Federal ID Number: 83-0586403) ("FMGL(USA)LLC").

The remaining capital of USD60,000 (equivalent to RM252,120) representing 30% of the voting interest in FMGL(USA)LLC are held by Panda Logistics USA, Inc, a company incorporated in United States of America.

Following the aforesaid capital injection, FMGL(USA)LLC will become an indirect 70%-owned subsidiary of Freight.

(Source: FREIGHT's announcement on Bursa Malaysia website on 21 November 2018)

TECHNODEX BHD ("TDEX" OR THE "COMPANY")

PROPOSED REDUCTION OF THE ISSUED SHARE CAPITAL OF TDEX PURSUANT TO SECTION 115(a) READ TOGETHER WITH SECTION 116 OF THE COMPANIES ACT 2016 ("PROPOSED SHARE CAPITAL REDUCTION")

On behalf of the Board of Directors of TDEX ("Board"), Alliance Investment Bank Berhad ("AIBB") wishes to announce that the Company proposes to undertake the Proposed Share Capital Reduction.

As at 16 November 2018, being the latest practicable date prior to this announcement (“LPD”), the issued share capital of TDEX is RM70,862,819.43 (including share premium of RM1,303,918.80), comprising 590,421,123 ordinary shares in TDEX (“TDEX Shares” or “Shares”).

The Proposed Share Capital Reduction is proposed to be undertaken by TDEX to write down its accumulated losses (at the Company level) (“Accumulated Losses”). Any balance not utilised towards the write down will thereafter be credited to the capital reserve account which can be utilised to set-off future losses of the Company.

The Proposed Share Capital Reduction will be effected in the following manner:-

- (i) By reducing the issued share capital of the Company from RM70,862,819.43 to RM40,862,819.43, which is a reduction of RM30,000,000.00; and
- (ii) thereafter by applying an amount equal to RM30,000,000.00 being the credit arising from the cancellation of the issued share capital of the Company, towards the writing-off of the Accumulated Losses.

(Source: TDEX’s announcement on Bursa Malaysia website on 21 November 2018)

DOMINANT ENTERPRISE BERHAD (“DOMINANT”)

CORPORATE GUARANTEE, FAVOR WOODPANEL (THAILAND) CO., LTD.

The Board of Directors of Dominant Enterprise Berhad (‘DOMINAN’) wishes to announce that a Corporate Guarantee of Thai Baht 55,000,000 in favor of United Overseas Bank (Thai) Public Company Limited (“UOB THAILAND”) to guarantee UOB THAILAND for the Credit Facilities granted to DOMINAN’s subsidiary company in Thailand, namely Favor Woodpanel (Thailand) Co., Ltd., had been executed.

(Source: DOMINANT’s announcement on Bursa Malaysia website on 21 November)

MSWG’S VIGILANCE

Listing of PN17 and GN3 companies

PN17 Companies

1. AMTEK HOLDINGS BERHAD
2. APFT BERHAD
3. ASIA KNIGHT BERHAD
4. BERJAYA MEDIA BERHAD
5. BERTAM ALLIANCE BERHAD
6. CHINA AUTOMOBILE PARTS HOLDINGS LIMITED
7. DAYA MATERIALS BERHAD
8. EKA NOODLES BERHAD
9. HB GLOBAL LIMITED
10. KINSTEEL BHD
11. KUANTAN FLOUR MILLS BERHAD
12. MAA GROUP BERHAD
13. MALAYSIA PACIFIC CORPORATION BERHAD
14. MAXWELL INTERNATIONAL HOLDINGS BERHAD
15. MULTI SPORTS HOLDINGS LTD
16. PERISAI PETROLEUM TEKNOLOGI BERHAD
17. PETROL ONE RESOURCES BERHAD
18. STONE MASTER CORPORATION BERHAD
19. SUMATEC RESOURCES BERHAD
20. TH HEAVY ENGINEERING BERHAD
21. UTUSAN MELAYU (MALAYSIA) BHD
22. 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/>

LOCAL NEWS AND DEVELOPMENTS

Govt will not ratify ICERD, says PMO

<https://www.thestar.com.my/news/nation/2018/11/23/govt-will-not-ratify-icerd-says-pmo/>

Goldman's Blankfein met with Jho Low

<https://www.thestar.com.my/business/business-news/2018/11/23/goldman-blankfein-met-with-jho-low/>

Another round of GLC shake-ups

<https://www.thestar.com.my/business/business-news/2018/11/23/another-round-of-glc-shakeup/>

Alibaba inks deal with local supplier for Musang King

<https://www.thestar.com.my/business/business-news/2018/11/23/alibaba-inks-deal-with-local-supplier-for-musang-king/>

KL reports highest inflation rate in October

<https://www.thestar.com.my/business/business-news/2018/11/23/kl-reports-highest-inflation-rate-in-october/>

Ringgit moves lower as major risk event looms

<https://www.thestar.com.my/business/business-news/2018/11/23/ringgit-moves-lower-as-major-risk-event-looms/>

Bumi Armada Q3 net loss of RM502.8m due to non-cash impairments

<https://www.thestar.com.my/business/business-news/2018/11/23/bumi-armada-q3-net-loss-rm502m-due-to-non-cash-impairments/>

Auto sector to weigh on DRB-Hicom's group operating profit

<https://www.thestar.com.my/business/business-news/2018/11/23/auto-sector-to-weigh-on-drb-hicoms-group-operating-profit/>

Bintulu Port's Q3 net profit drops to RM18.54m

<https://www.thestar.com.my/business/business-news/2018/11/23/bintulu-port-q3-net-profit-drops-to-rm18pt54m/>

Sime Plantation earnings weighed by lower CPO, palm kernel prices

<https://www.thestar.com.my/business/business-news/2018/11/23/sime-plantation-earnings-weighed-by-lower-cpo-palm-kernel-prices/>

Malakoff Q3 net profit up 30.1% to RM83.49m

<https://www.thestar.com.my/business/business-news/2018/11/23/malakoff-q3-net-profit-up-30pt1pct-to-rm83pt49m/>

MARC lowers WCT's outlook to negative due to high borrowings

<https://www.thestar.com.my/business/business-news/2018/11/23/marc-lowers-wcts-outlook-to-negative-due-to-high-borrowings/>

KESM tumbles to two year low after weak results

<https://www.thestar.com.my/business/business-news/2018/11/23/kesm-tumbles-to-two-year-low-after-weak-results/>

Boustead Plantations reports RM21.89mil Q3 net loss

<https://www.thestar.com.my/business/business-news/2018/11/23/boustead-plantations-reports-rm2189mil-q3-net-loss/>

MRCB net profit falls to RM19.79mil

<https://www.thestar.com.my/business/business-news/2018/11/23/mrcb-net-profit-falls-to-rm1979mil/>

AmBank to be driven by net interest income

<https://www.thestar.com.my/business/business-news/2018/11/23/ambank-to-be-driven-by-net-interest-income/>

Thong quits from two positions in Insas

<https://www.thestar.com.my/business/business-news/2018/11/23/thong-quits-from-two-positions-in-insas/>

Malaysian palm oil price inches lower on concerns over high inventory

<https://www.thestar.com.my/business/business-news/2018/11/23/malaysian-palm-inches-lower-on-concerns-over-high-inventory/>

Bank Negara's reserves rise by US\$400mil

<https://www.thestar.com.my/business/business-news/2018/11/23/bank-negaras-reserves-rise-by-us400mil/>

Allianz Malaysia's quarterly net profit up

<https://www.thestar.com.my/business/business-news/2018/11/23/allianz-malaysias-quarterly-net-profit-up/>

Govt incentives for exporters

<https://www.thestar.com.my/business/business-news/2018/11/23/govt-incentives-for-exporters/>

China chipmaker picks SilTerra Malaysia for RM2.9bil plant upgrade

<https://www.thestar.com.my/business/business-news/2018/11/23/china-chipmaker-picks-silterra-malaysia-for-rm29bil-plant-upgrade/>

Serba Dinamik to acquire 10% stake in GSH

<https://www.thestar.com.my/business/business-news/2018/11/23/serba-dinamik-to-acquire-10-stake-in-gsh/>

Pos Malaysia sees RM485mil erased from market cap

<https://www.thestar.com.my/business/business-news/2018/11/23/pos-malaysia-sees-rm485mil-erased-from-market-cap/>

Inflation seen rising to 2.7% next year on higher fuel prices and SST

<https://www.thestar.com.my/business/business-news/2018/11/23/ram-sees-inflation-rising-to-27-next-year/>

Strong fundamentals, better transparency to support ringgit

<https://www.thestar.com.my/business/business-news/2018/11/23/strong-fundamentals-better-transparency-to-support-ringgit/>

Low volatility lures emerging market funds to Malaysian bonds

<https://www.thestar.com.my/business/business-news/2018/11/23/low-volatility-lures-emerging-market-funds-to-malaysian-bonds/>

Concern over AAX cash balance

<https://www.thestar.com.my/business/business-news/2018/11/23/concern-over-aax-cash-balance/>

Another round of GLC shake-ups

<https://www.thestar.com.my/business/business-news/2018/11/23/another-round-of-glc-shakeup/>

Hap Seng posts 10% higher Q3 net profit of RM190.69m

<https://www.thestar.com.my/business/business-news/2018/11/22/hap-seng-posts-10pct-higher-q3-net-profit-of-rm190pt69m/>

Pos Malaysia sees RM485m erased from market cap after Q2 losses

<https://www.thestar.com.my/business/business-news/2018/11/22/pos-malaysia-sees-rm485m-erased-from-market-cap-after-q2-losses/>

GLOBAL NEWS AND DEVELOPMENTS

Crypto losses near US\$700b in worst week since bubble burst

[https://www.thestar.com.my/business/business-news/2018/11/23/crypto-losses-near-us\\$700b-in-worst-week-since-bubble-burst/](https://www.thestar.com.my/business/business-news/2018/11/23/crypto-losses-near-us$700b-in-worst-week-since-bubble-burst/)

The race to avoid a Lehman moment for bankers after Brexit

<https://www.thestar.com.my/business/business-news/2018/11/23/the-race-to-avoid-a-lehman-moment-for-bankers-after-brexit/>

Nissan to seek review of Renault shareholding structure

<https://www.thestar.com.my/business/business-news/2018/11/23/nissan-to-seek-review-of-renault-shareholding-structure/>

Bank of England's Saunders sees higher rates if Brexit goes smoothly

<https://www.thestar.com.my/business/business-news/2018/11/23/bank-of-englands-saunders-sees-higher-rates-if-brexit-goes-smoothly/>

Carlos Ghosn's arrest tests Nissan, Renault relationship

<https://www.thestar.com.my/business/business-news/2018/11/23/carlos-ghosn-arrest-tests-nissan-renault-relationship/>

Keller Group to cut 700 jobs in four countries

<https://www.thestar.com.my/business/business-news/2018/11/23/keller-group-to-cut-700-jobs-in-four-countries/>

Singapore Q3 GDP growth well below forecast, trade frictions dent outlook

<https://www.thestar.com.my/business/business-news/2018/11/23/singapore-q3-gdp-growth-well-below-forecast-trade-frictions-dent-outlook/>

EU, Britain agree draft deal on future relations

<https://www.thestar.com.my/business/business-news/2018/11/23/eu-britain-agree-draft-deal-on-future-relations/>

Tech outflows biggest since 2015; investors pile into safer sectors

<https://www.thestar.com.my/business/business-news/2018/11/23/tech-outflows-biggest-since-2015-investors-pile-into-safer-sectors/>

Singapore fuel oil stocks jump, imports from Iraq hit record high

<https://www.thestar.com.my/business/business-news/2018/11/23/singapore-fuel-oil-stocks-jump-imports-from-iraq-hit-record-high/>

Ashmore says now is the time to buy Vietnam

<https://www.thestar.com.my/business/business-news/2018/11/23/ashmore-says-says-now-is-the-time-to-buy-vietnam/>

Indonesian company feeling the pain of Ghosn's arrest

<https://www.thestar.com.my/business/business-news/2018/11/23/indonesian-company-feeling-the-pain-of-ghosns-arrest/>

Japan sees signs of weakness in Asia

<https://www.thestar.com.my/business/business-news/2018/11/23/japan-sees-signs-of-weakness-in-asia/>

Temasek exploring AI and blockchain deals

<https://www.thestar.com.my/business/business-news/2018/11/23/temasek-exploring-ai-and-blockchain-deals/>

Goldman Asset says time to buy emerging markets amid volatility

<https://www.thestar.com.my/business/business-news/2018/11/22/goldman-asset-says-time-to-buy-emerging-markets-amid-volatility/>

Goldman drops after downgrade by Morgan Stanley on 1MDB

<https://www.thestar.com.my/business/business-news/2018/11/22/goldman-drops-after-downgrade-by-morgan-stanley-on-1mdb/>

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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, except for Muar Ban Lee Group Berhad, Advance Synergy Berhad, and FSBM Holdings Berhad*

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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