



The Observer

29.11.2019

MSWG AGM/EGM Weekly Watch 02 December – 06 December 2019

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.

Date & Time	Company	Venue
03.12.19 (Tue) 10.00 am	Redtone International Berhad (AGM)	Bukit Jalil Golf & Country Resort, Bukit Jalil, KL
05.12.19 (Thur) 09.30 am	Seal Incorporated Berhad (AGM)	Olive Tree Hotel, Olive 6 & 7, Level 6, No. 76 Jalan Mahsuri, Bayan Lepas, Penang
05.12.19 (Thur) 10.00 am	Berjaya Food Berhad (AGM)	Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, KL
05.12.19 (Thur) 10.00 am	MK Land Holdings Berhad (AGM)	Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, KL
05.12.19 (Thur) 10.00 am	Gamuda Berhad (AGM)	Kota Permai Golf & Country Club, Kota Kemuning, Section 31, Shah Alam
05.12.19 (Thur) 11.00 am	GD Express Carrier Berhad (AGM)	Setia City Convention Centre, Setia Alam, Seksyen U13
05.12.19 (Thur) 11.00 am	Gamuda Berhad (EGM)	Kota Permai Golf & Country Club, Kota Kemuning, Section 31, Shah Alam
06.12.19 (Fri) 10.00 am	Berjaya Sports Toto Berhad (AGM)	Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, KL
06.12.19 (Fri) 10.00 am	Technodex Bhd (AGM)	Connexion Conference & Event Centre, Nexus, Bangsar South, Jalan Kerinchi
06.12.19 (Fri) 11.00 am	Technodex Bhd (EGM)	Connexion Conference & Event Centre, Nexus, Bangsar South, Jalan Kerinchi

One of the points of interest to be raised:

Company	Points/Issues to Be Raised
Redtone International Berhad (AGM)	<p>Trade receivables written-off has increased significantly to RM7.5 million (2018: RM0.43 million) (Note 20, page 108 of Annual Report 2019 ("AR2019")).</p> <p>What are the measures taken to tighten the credit control policies of the Group?</p>
Seal Incorporated Berhad (AGM)	<p>The Group's completed development properties classified as "inventories" are about the same amount in FY 2019 (RM11,300,472) and FY 2018 (RM11,300,470) (Page 77 of Annual Report).</p> <p>(a) Why is the completed development properties amount about the same in both FYs 2019 & 2018?</p> <p>(b) What is the ageing profile of the completed development properties in bands of more than 1 year, more than 3 years and exceeding 5 years for the amount of RM11,300,472?</p> <p>(c) What measures has the Company taken to clear the slow-moving completed development properties</p>
MK Land Holdings Berhad (AGM)	<p>In the segment reporting, the Leisure Division reported a higher segmental loss of RM10.95 million in FY 2019 as compared to a segmental loss of RM5.79 million in FY 2018. However, the Group's revenue for the segment for FY2019 is RM 22.9 million and RM 23.4 million in FY 2018, a slight drop as compared to last year. (Pages 132 and 133 of Annual Report)</p> <p>(a) What was the reason for the higher loss in FY 2019?</p> <p>(b) What are the measures taken to reduce the Division loss in the future?</p>
Gamuda Berhad (AGM)	<p><u>The disposal of all the Group's interests in the toll highways concessions of KESAS, LITRAK (LDP), SPRINT and SMART to the Government of Malaysia</u></p> <p>The proceeds would be timely for the necessary investments the Group has to commit to, in its role as the Project Delivery</p>

	<p>Partner of the Penang Transport Master Plan development and the Penang South Islands project, which would provide the Group with future recurring earnings to replace the lost earning contributions from the toll concessions (Page 11 of the Annual Report 2019).</p> <p>a) How much of the proceeds will be reinvested into the project in Penang?</p> <p>b) To what extent will the abovementioned future recurring earnings be able to replace the lost earning contributions from the toll concessions?</p>
<p>GD Express Carrier Berhad (AGM)</p>	<p>As stated on Page 6, in April this year, the Group signed a regional agreement with RedCargo Logistics, the cargo and logistics platform of AirAsia, the world's leading low cost airline. The Group completed its subscription of a 44.5 percent stake in PT Satria Antarana Prima (SAPX), an up and coming express carrier, in early 2019.</p> <p>How and to what extent have these two developments contributed to the Group's top line and market share and its geographical expansion.</p>
<p>Technodex Bhd (AGM)</p>	<p>Trade receivables that were more than 90 days past due amount to RM4.5 million (Note 10, page 86 of AR2019).</p> <p>(a) What are the efforts taken to recover these amounts?</p> <p>(b) To-date, how much of the RM4.5 million has been recovered?</p>
<p>Technodex Bhd (EGM)</p>	<p>The issue price of the Proposed Placement of up to 30% of the total number of issued shares of Technodex ("Proposed Placement") is proposed to be priced at up to 20% discount to the weighted average market price of Technodex's shares for the 5 market days immediately before the Price Fixing Date ("20% Discount") (Sections 2.1 & 2.2, page 2 of Circular).</p> <p>In view of the 30% dilution to the existing shareholders' shareholdings and the 20% Discount to be given to the identified 3rd party investor(s) for the Proposed Placement, is the Proposed Placement a fair fundraising option to the existing shareholders?</p>

MSWG'S WATCHLIST

PIMPINAN EHSAN BERHAD ("PEB" OR THE "COMPANY")

APPLICATION FOR A FURTHER EXTENSION OF TIME TO COMPLY WITH PARAGRAPH 8.03(5) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

On behalf of the Board of Directors of PEB, Hong Leong Investment Bank Berhad wishes to announce that the Company has on 29 November 2019 submitted an application to Bursa Securities seeking its approval for a further extension of time of 6 months until 29 May 2020 for the Company to submit its proposed regularisation plan to Bursa Securities.

(Source:<http://www.bursamalaysia.com/market/listed-companies/company-announcements/6355561>)

ENCORP BERHAD

STATUS ANNOUNCEMENT ON PUBLIC SHAREHOLDING SPREAD REQUIREMENT PURSUANT TO PARAGRAPH 3.3 OF PRACTICE NOTE 19 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD ("LISTING REQUIREMENTS")

Bursa Malaysia Securities Berhad had vide its letter dated 25 October 2019, granted its approval for a further extension of time of 6 months until 9 April 2020 for the Company to comply with the public shareholding spread requirement.

Based on the Record of Depositors as at 26 November 2019, the public shareholding spread is 22.5%, which is still below the minimum public shareholding spread requirement.

The Company is considering various options to address the shortfall in the public shareholding spread which may include, inter-alia, a private placement of new Encorp shares by Encorp and/or secondary placement of existing Encorp shares by certain shareholders of Encorp.

The Company will continue to monitor the level of public shareholding spread and make the necessary announcements in relation to the status of its efforts to comply with the public shareholding spread requirement in accordance with the Listing Requirements.

(Source:<http://www.bursamalaysia.com/market/listed-companies/company-announcements/6355217>)

TENAGA NASIONAL BHD

NOTICES OF ADDITIONAL ASSESSMENT RECEIVED FROM INLAND REVENUE BOARD OF MALAYSIA

Tenaga Nasional Berhad on 28 November 2019 received Notices of Additional Assessment for the years of assessment 2015, 2016 and 2017 amounting to RM1,429,900,636.50, RM1,245,538,590.94 and RM1,302,446,841.28 respectively. Based on the legal advice obtained from our tax solicitors, Tenaga Nasional Berhad has good basis to contend that there is no legal and factual basis for the Inland Revenue Board to issue the said notices. Accordingly, Tenaga Nasional Berhad will be appealing against the said notices.

(Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6354773>)

CARING PHARMACY GROUP BERHAD

PUBLIC SHAREHOLDING SPREAD REQUIREMENT PURSUANT TO PARAGRAPH 8.02(1) OF THE MAIN MARKET LISTING REQUIREMENTS ("LR") OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES")

The Board of Directors of Caring Pharmacy Group Berhad ("CPG" or "the Company") wishes to announce that based on the Record of Depositors as at 27 November 2019, the Company's public shareholding spread was 23.82%. As such, the Company does not comply with the public shareholding spread requirement of 25% pursuant to Paragraph 8.02(1) of the LR of Bursa Securities.

The percentage represents a shortfall of 1.18% from the minimum required percentage of 25% of the total listed shares (excluding treasury shares) to be in the hands of public shareholders.

The Company will be applying to Bursa Securities for an extension of time to rectify the shortfall in the public shareholding spread in due course.

As at the date of this announcement, the Company has yet to formulate any rectification plan to address the shortfall in the public shareholding spread requirement. The Company will make the necessary announcements in relation to the status of its effort to comply with the public shareholding spread requirement.

(Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6354333>)

BERJAYA LAND BERHAD

PUBLIC SHAREHOLDING SPREAD REQUIREMENT PURSUANT TO PARAGRAPH 8.02 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

The Board of Directors of Berjaya Land Berhad ("BLand") wishes to announce that Bursa Malaysia Securities Berhad has, vide its letter dated 22 November 2019, directed

Bland to rectify the shortfall of its approved minimum public shareholding spread requirement of 15% on or before 22 May 2020.

As at the date of this Announcement, the public shareholding spread of Bland is 14.53%.

(Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6349561>)

IOI PROPERTIES GROUP BERHAD ("IOIPG")

LISTING OF IOIPG ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("LISTING") - STATUS OF COMPLIANCE OF THE SECURITIES COMMISSION'S CONDITIONS

Reference is made to the Securities Commission ("SC")'s approval letter dated 21 August 2013 in regards to the Listing of IOIPG containing certain conditions in relation to the properties of IOIPG and its subsidiaries ("SC Conditions"), which, among others, includes IOIPG making quarterly announcements on the status of compliance of the SC Conditions imposed.

The Board of Directors of IOIPG wishes to announce that since the last compliance update, there was no new status update except for 66 vacant terrace house plots and 74 vacant semi-detached house plots located within a housing scheme known as "Taman Regent, Gemencheh, Negeri Sembilan", had been complied, the details of which are set out in item 11 of the summary attachment.

(Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6348985>)

ZECON BERHAD ("ZECON" OR "THE COMPANY")

CLARIFICATION ON THE ARTICLE BY THEEDGEMARKETS.COM ENTITLED "ZECON'S AUDITOR CASTS GOING CONCERN DOUBTS"

The Board of Directors of Zecon wishes to refute the article by theedgemarkets.com on 8 November 2019 titled, "Zecon's Auditor casts going concern doubts".

According to Paragraph 22 of ISA 701 – Communicating Key Audit Matters in the Independent Auditors Report, "... if adequate disclosure about the material uncertainty is made in the financial statements, the auditor shall express an unmodified opinion and the auditor's report shall include a separate section under the heading "Material Uncertainty Related to Going Concern" to (i) draw attention to the note in the financial statements that discloses the matters on MUGC, and (ii) state that these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern and that the auditor's opinion is not modified in respect of the matter."

Attention should be drawn to the unmodified audit opinion as disclosed in the Opinion section of the Independent Auditor's Report which states "In our opinion, the

accompanying financial statements give a true and fair view of the financial position of the Group..."

The above statement has indicated that the auditors did not issue a modified/qualified opinion.

Hence the report by the edgemarkets.com that the auditor's report has cast doubt on the Company's ability to continue as a going concern is mischievous, uncalled for and entirely inaccurate with intention to hurt our reputation.

(Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6348137>)

AMVERTON BERHAD ("AMVERTON" OR "THE COMPANY")

STATUS ANNOUNCEMENT OF PUBLIC SHAREHOLDING SPREAD REQUIREMENT PURSUANT TO PARAGRAPH 3.3 OF PRACTICE NOTE 19 (PN19) OF THE MAIN MARKET LISTING REQUIREMENTS ("LR") OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES")

The Board of Directors of Amverton wishes to announce the following Status Announcement in conjunction with the release of the Company's quarterly results for the third quarter of the financial year ending 31 December 2019, pursuant to Paragraph 3.3 of PN 19 of the LR of Bursa Securities.

The Company currently does not meet the requirement as set out in paragraph 8.02(1) of the Listing Requirements which states that a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders.

- i) Based on the Record of Depositors as at 31 October 2019, the public shareholding spread of Amverton is 23.37%, which is below the minimum public shareholding spread requirement.
- ii) Bursa Securities, via its letter dated 18 October 2019, has granted the Company a further extension of time of six (6) months until 4 April 2020 to comply with the public shareholding spread requirement.
- iii) To rectify the non-compliance with the public shareholding spread, the Company intends to undertake a private placement exercise. The Company has engaged with research analysts to commence research coverage. Thereafter, the Company intends to appoint an investment bank to identify potential placees and targets to complete the private placement exercise by 1Q2020.

The Company will make the necessary announcements in relation to the status of its effort to comply with the public shareholding spread requirement.

(Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6347381>)

MSWG'S VIGILANCE

Listing of PN17 and GN3 companies

PN17 Companies

1. APFT BERHAD
2. ASIA MEDIA GROUP BERHAD
3. BARAKAH OFFSHORE PETROLEUM BERHAD
4. BERJAYA MEDIA BERHAD
5. BERTAM ALLIANCE BERHAD
6. BRAHIM'S HOLDINGS BERHAD
7. CHINA AUTOMOBILE PARTS HOLDINGS LIMITED
8. COMINTEL CORPORATION BHD
9. DAYA MATERIALS BERHAD
10. EKA NOODLES BERHAD
11. IRE-TEX CORPORATION BERHAD
12. KINSTEEL BHD
13. LOTUS KFM BERHAD (FORMERLY KNOWN AS KUANTAN FLOUR MILLS BERHAD)
14. LONDON BISCUITS BERHAD
15. MAA GROUP BERHAD
16. MALAYSIA PACIFIC CORPORATION BERHAD
17. MULTI SPORTS HOLDINGS LTD
18. PERISAI PETROLEUM TEKNOLOGI BERHAD
19. SEACERA GROUP BERHAD
20. SUMATEC RESOURCES BERHAD
21. TH HEAVY ENGINEERING 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 companies.

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

Updates

LOTUS KFM BERHAD (FORMERLY KNOWN AS KUANTAN FLOUR MILLS BERHAD) ("LOTUS" OR THE "COMPANY")

LOTUS KFM BERHAD (FORMERLY KNOWN AS KUANTAN FLOUR MILLS BERHAD) ("LOTUS" OR THE "COMPANY") REGULARISATION PLAN COMPRISING PRIVATE PLACEMENT, RIGHTS ISSUE, DEBT RESTRUCTURING, SET-OFF AND AMENDMENTS ("REGULARISATION PLAN")

On behalf of the Board, KAF IB wishes to announce that the 27,290,000 Placement Shares, 477,595,420 Rights Shares, 116,580,700 Settlement Shares and 297,088,060 Warrants which were issued pursuant to the Regularisation Plan, have been successfully listed and quoted with effect from 9.00 a.m. today on the Main Market of Bursa Malaysia Securities Berhad. As such, the Regularisation Plan is deemed completed on even date.

(Source:<http://www.bursamalaysia.com/market/listed-companies/company-announcements/6353921>).

LOCAL NEWS AND DEVELOPMENTS

Govt has enough funds to pay civil servants

<https://www.thestar.com.my/business/business-news/2019/11/29/govt-has-enough-funds-to-pay-civil-servants#bp0DdQp4pyOzYxpL.99>

Upward momentum of oil and gas sector seen continuing

<https://www.thestar.com.my/business/business-news/2019/11/28/upward-momentum-of-oil-and-gas-sector-seen-continuing#t4FmxY74zJdSgJiX.99>

Petronas profit slides

<https://www.thestar.com.my/business/business-news/2019/11/27/petronas-profit-slides>

Rubber industry to contribute RM41bil in 2020

<https://www.nst.com.my/business/2019/11/542249/rubber-industry-contribute-rm41bil-2020>

MFRS 16: Short term pain, long term gain

<https://www.theedgemarkets.com/article/mfrs-16-short-term-pain-long-term-gain>

GLOBAL NEWS AND DEVELOPMENTS

Chinese corporate bond defaults to rise in 2020, as regulators' tolerance grows, Moody's says

<https://www.theedgemarkets.com/article/chinese-corporate-bond-defaults-rise-2020-regulators-tolerance-grows-moodys-says>

US economy picks up in third-quarter; data surprise on the upside

<https://www.thestar.com.my/business/business-news/2019/11/28/us-economy-picks-up-in-third-quarter-data-surprise-on-the-upside>

China's industrial profits post steepest fall in 8 months

<https://www.theedgemarkets.com/article/chinas-industrial-profits-post-steepest-fall-8-months>

Erdogan leans on Turkish central bank for risky 'single digit' ratesT

<https://www.reuters.com/article/us-turkey-economy-erdogan-rates/erdogan-leans-on-turkish-central-bank-for-risky-single-digit-rates-idUSKBN1Y01LC>

Oil kicks off week with gains on fresh hopes for U.S.-China trade talks

<https://www.reuters.com/article/us-global-oil/oil-kicks-off-week-with-gains-on-fresh-hopes-for-u-s-china-trade-talks-idUSKBN1XZ04O>

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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 Encorp 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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