



MINORITY SHAREHOLDER WATCHDOG GROUP

Badan Pengawas Pemegang Saham Minoriti Berhad

Incorporated in Malaysia * Company No. 524898-M

The Observer

17 March 2017

VOICE OF MSWG

A FRESH DAWN IN ASIA-PACIFIC REGULATION

The Malaysian capital market received a huge boost this week when the International Organisation of Securities Commissions (IOSCO), a grouping of global securities regulators that oversee markets worth over \$140 trillion, launched its first-ever presence outside of its headquarters in Madrid, Spain, when it opened its Asia-Pacific hub in Kuala Lumpur, Malaysia. The hub, located at the Securities Commission Malaysia signals the growing importance of Asia-Pacific in the global economy and the role Malaysia will play in helping to develop the region's emerging capital markets and regulatory capabilities.

ASEAN CG SCORECARD IS FURTHER IMPROVED

The recent meeting of the Asean Capital Markets Forum (ACMF) saw fresh revisions to the Asean Corporate Governance Scorecard to better reflect increased investor expectations and fresh developments in business and corporate governance practices.

Changes include additional weightage for certain assessment questions, particularly those on the Role of Stakeholders, and an overall streamlining to place greater emphasis on practising corporate governance.

Another key change includes the introduction of an independent validation in addition to the existing peer-review process.

We are optimistic that these enhancements will further strengthen the quality of assessment and expand the insights into the CG practices of companies across participating countries commencing from its introduction in the second half of this year.

We hope companies will take cognisance of the recommended CG disclosures and practices in the scorecard.

KEY ISSUES RAISED ON L&G/MAYLAND ASSET INJECTION AT MSWG's INVESTOR EDUCATION PROGRAMME

We recently conducted a forum for shareholders of Land & General (L&G) as part of our Investor Education Programme, where various key issues were raised and discussed pertaining to L&G's proposal to acquire five property firms from its major shareholder, Malaysia Land Properties Sdn Bhd (Mayland), for RM344 million cash.

Issues of valuation, financing methodology and recoverability were among the points raised and discussed.

The success of this forum has spurred us to conduct more such events in the future on issues that affect the interest of minority shareholders. We hope more shareholders and investors will participate in our future forums.

Despite the concerns raised by shareholders at our forum and the EGM of L&G, the resolutions were carried with almost 30% voted against as shown below:

Resolution	Voted in favour		Voted Against		Result
	No. of Shares	%	No. of Shares	%	
Ordinary Resolution 1 Proposed Acquisitions and Option	157,156,241	71.4899	62,673,700	28.5101	Carried
Ordinary Resolution 2 Proposed Rights Issue	155,735,641	70.8437	64,094,300	29.1563	Carried
Ordinary Resolution 3 Proposed Exemption	155,810,641	70.8778	64,019,300	29.1222	Carried

DIRECTORS' FEES AND REMUNERATION

Section 230 (1) of the Companies Act 2016 which came into force on 31 January 2017 requires "fees" and "benefits" payable to directors of a listed company to be approved by shareholders at a general meeting.

In line with this requirement, we hope companies will now table not only the directors' fees but also benefits payable to their non-executive directors. Companies should also take note of the requirement to seek shareholders' approval for fees and benefits payable to the non-executive directors at the subsidiary companies as defined under Section 4 of the Companies Act 2016.

INVESTORS PROGRAMME ON "A NEW ERA OF AUDITOR REPORTING: INSIGHTS FOR INVESTORS"

We are pleased to announce that the investors programme on "A New Era of Auditor Reporting: Insights For Investors" jointly organised by MIA and MSWG and supported by Bursa Malaysia, which was earlier cancelled will now be held on Friday, 31 March 2017 from 10 am to 12 pm at the Conference Room, Ground Floor, Bursa Malaysia. Please [click here](#) for full information on the programme.

We strongly encourage investors, especially retail investors to attend this event to gain an insight of the new audit reporting standards.

For registration, please contact Mr. Vinodth Ram via telephone 03-2070 9090 or email at vinodth.ram@mswg.org.my.

THE MSWG TEAM

MSWG'S WATCHLIST

Upcoming AGM/EGM:

Date & Time	Company	Venue
21.03.17 (Tue) 11.00am	LPI Capital Berhad (AGM)	Shangri-La Hotel, Jalan Sultan Ismail, KL
23.03.17 (Thur) 10.00am	Sapura Kencana Petroleum Berhad (EGM)	Sapura@Mines, No. 7, Jalan Tasik, The Mines Resort City

Note: * The questions to be raised at the LPI's AGM can be accessed in our website <http://www.mswg.org.my/>.

LOCAL NEWS AND DEVELOPMENTS

SC anticipates raising RM105b from capital market this year
<http://www.nst.com.my/news/2017/03/219019/sc-anticipates-raising-rm105b-capital-market-year>

How auditors get a good night's sleep
<http://www.thestar.com.my/business/business-news/2017/03/11/how-auditors-get-a-good-nights-sleep/>

Reject takeover offer, Rex Industry shareholders told
<http://www.thesundaily.my/news/2191313>

Insider trading form bulk of SC probe
<http://www.thestar.com.my/business/business-news/2017/03/09/insider-trading-form-bulk-of-sc-probe/>

Small, mid-cap listed firms research scheme by Q2, says SC
<http://www.thestar.com.my/business/business-news/2017/03/09/small--mid-cap-listed-firms-research-scheme-by-q2-says-sc/>

Bursa Malaysia Introduces MD&A Guide
<http://www.bursamalaysia.com/corporate/media-centre/media-releases/4965>

GLOBAL NEWS AND DEVELOPMENTS

China economy shows signs of improvement
<http://www.thestar.com.my/business/business-news/2017/03/13/china-economy-shows-signs-of-improvement/>

US weekly jobless claims rise, layoffs fall in February

<http://www.themalaymailonline.com/money/article/us-weekly-jobless-claims-rise-layoffs-fall-in-february>

Markets cheer softer US Federal Reserve tone

<http://www.thestar.com.my/business/business-news/2017/03/17/markets-cheer-softer-us-federal-reserve-tone/>

Oil drops to lowest since Opec deal, American crude below US\$50

<http://www.themalaymailonline.com/money/article/oil-drops-to-lowest-since-opec-deal-american-crude-below-us50>

ECB keeps policy, guidance unchanged as expected

<http://www.themalaymailonline.com/money/article/ecb-keeps-policy-guidance-unchanged-as-expected>

Malaysian ex-DBS trader convicted in Singapore's first spoofing case

<http://www.themalaymailonline.com/money/article/ex-dbs-trader-convicted-in-singapores-first-spoofing-case>

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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.*

Feedback

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

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