



MINORITY SHAREHOLDER WATCHDOG GROUP

Badan Pengawas Pemegang Saham Minoriti Berhad

Incorporated in Malaysia \* Company No. 524898-M

# The Observer

20 January 2017

## MSWG'S QUICK TAKE ON-ONGOING CORPORATE DEVELOPMENTS

### **MULTI-USAGE HOLDINGS BERHAD ("MUH")**

The Board of Directors of MUH announced that the company had on 16 January 2017, received the Originating Summons No.: 24NCVC-38-01/2017 filed at the Penang High Court on 11 January 2017 by Tan Chew Hua and Khoo Yik Chou ("Plaintiffs") against Ang Kim Cheng @ Ang Teng Kok, Ang Hwei Chyn and Multi-Usage Holdings Berhad ("Defendants"). The salient points of the application, among others, are as follows:-

1. A declaration that Ang Kim Cheng @ Ang Teng Kok ("Defendant No. 1") and Ang Hwei Chyn ("Defendant No. 2") are no longer Directors of the Company since the conclusion of the Company's Annual General Meeting held on 21 December 2016;
2. An order forbidding the Defendant No. 1 and Defendant No. 2 from appointing new Directors for MUH;
3. An order forbidding any persons appointed as Directors of MUH by Defendant No. 1 and Defendant No. 2 and any persons appointed as Directors of MUH by the Directors appointed by Defendant No. 1 and Defendant No. 2;
4. A declaration that any persons appointed as the Directors of MUH by Defendant No. 1 and Defendant No. 2 and any persons appointed as Directors of MUH by the Directors appointed by Defendant No. 1 and Defendant No. 2, are null and void;
5. A declaration that Tan Chew Hua ("Plaintiff No. 1") has the power to appoint Khoo Yik Chou ("Plaintiff No. 2") or any eligible persons as Directors of MUH in accordance with Article 104 of the Articles of Association of the Company;
6. A declaration that the Plaintiffs are the valid Directors of MUH and an order that directs the Company Secretaries of MUH to take and perform all valid actions as required by the Plaintiffs in relation to the company secretarial matters;

The Court has fixed 26 January 2017 to hear the application of the Plaintiffs.

*[Source: MUH's announcement on Bursa Malaysia's website on 16 January 2016]*

**MSWG'S COMMENTS:**

The legal action taken by Mr. Tan Chew Hua, who is the Non-Independent Director of MUH and also deemed having interest in MUH by virtue of his interest in Topazvest Temasek Sdn Bhd to remove the two Executive Directors of the company has further intensified the ongoing tussle between the shareholders and the Executive Chairman. The shareholders of MUH are concerned with the ongoing board tussle which has jeopardised the company's performance as evidenced in the dismal financial results in its recent quarterly reports.

***CONCRETE ENGINEERING PRODUCTS BERHAD ("CEPCO")***

The Board of Directors of CEPCO announced that all resolutions as set out in the Notice of the 32nd Annual General Meeting dated 27 December 2016 ("AGM"), had been duly approved and adopted by the shareholders present at the meeting held on 18 January 2016 except for Resolution 3a.

Resolution 3a was not tabled for the shareholders' approval as Mr Khoo Kay Ong had decided not to seek re-election as a Director of the Company at the AGM.

*[Source: CEPCO's announcement on Bursa Malaysia's website on 18 January 2016]*

**MSWG'S COMMENTS:**

MSWG's representative attended the meeting of CEPCO and reported that all resolutions of the meeting were voted by a show of hands which was not in compliance with Bursa's Main Market Listing Requirement's ("LR") under Section 8.29A. The LR amended on 24 March 2016 clearly states that all resolutions tabled at the general meetings must be voted by poll.

MSWG is concerned that the Board and the Company Secretary of CEPCO had been remiss in ensuring compliance with the said Listing Rules.

***UMW HOLDINGS BERHAD ("UMW")***

The Board of Directors of UMW announced that the company intends to undertake the following proposals:

- (i) Proposed distribution of the entire shareholding of UMW in UMW Oil & Gas Corporation Berhad; and
- (ii) Proposed amendments to the Memorandum and Articles of Association of UMW.

*[Source: UMW's announcement on Bursa Malaysia's website on 19 January 2016]*

**MSWG'S COMMENTS:**

UMW Oil & Gas Corporation Berhad had been registering consecutive losses from 4th quarter 2015 until 3<sup>rd</sup> quarter 2016. As such, MSWG is of the view that UMW Holdings' proposed corporate exercise to exit from its oil and gas business would allow the Group to focus its efforts on its core businesses, which are automotive, equipment and manufacturing and engineering.

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## MSWG'S WATCHLIST

### **PARAMOUNT CORPORATION BERHAD ("PCB")**

The Board of Directors of PCB announced that the company has, on 11 January 2017, entered into a Share Purchase Agreement (SPA) with Character First Sdn Bhd ("Character First or the Vendor) for the proposed acquisition of 7,136,580 ordinary shares of RM1.00 each in R.E.A.L Education Group Sdn Bhd (R.E.A.L Education), representing 66% of the issued and paid-up share capital of R.E.A.L Education from Character First for a total cash purchase consideration of RM183,000,000.

*[Source: PCB's announcement on Bursa Malaysia's website on 11 January 2016]*

### **TRANSMILE GROUP BERHAD ("TRANSMILE")**

The Star on 19 January 2017 reported that the Court of Appeal unanimously dismissed the appeal by two former independent directors of Transmile, who were members of its Audit Committee, against the conviction for having knowingly authorised the issuance of a misleading statement to Bursa Malaysia.

The Sessions Court had, in 2011, convicted and sentenced Shukri Sheikh Abdul Tawab and Jimmy Chin Keem Feung to one-year imprisonment and a fine of RM300,000 (in default six months imprisonment). The High Court had, in 2015, affirmed their conviction and sentence imposed by the Sessions Court.

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## LOCAL NEWS AND DEVELOPMENTS

Ringgit has stabilised since Dec 5 measures: BNM Governor

<http://www.nst.com.my/news/2017/01/204037/ringgit-has-stabilised-dec-5-measures-bnm-governor>

MD not suspended, says Bank Islam

<http://www.thesundaily.my/news/2126802>

SC sees corporate fundraising of up to RM105b in 2017

<http://www.theedgemarkets.com/my/article/malaysias-2017-corporate-fund-raising-seen-rm105b-securities-commission?type=Corporate>

Khazanah posts higher pre-tax profit for 2016, declares RM650m dividend for govt

<http://www.thestar.com.my/business/business-news/2017/01/13/khazanah-nasional-posts-higher-pre-tax-profit-for-2016/>

Foreign workers' levy payment deferred to 2018

<http://www.theedgemarkets.com/my/article/foreign-workers%E2%80%99-levy-payment-deferred-2018?type=Corporate>

Who needs to be audited?

<http://www.thestar.com.my/business/business-news/2017/01/14/who-needs-to-be-audited/>

M'sia to scrap restrictions on unrated securities

<http://www.thestar.com.my/business/business-news/2017/01/14/msia-to-scrap-restrictions-on-unrated-securities/>

Industrial production index up 6.2% in November  
<http://www.thesundaily.my/news/2125394>

World Bank expects Malaysia's economy to grow 4.3% this year  
<http://www.thestar.com.my/business/business-news/2017/01/11/world-bank-projection-of-malaysia-growth/>

FGV privatisation must be justified, says KWAP  
<http://www.theedgemarkets.com/my/article/fgv-privatisation-must-be-justified-says-kwap?type=Corporate>

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## GLOBAL NEWS AND DEVELOPMENTS

Takata to plead guilty, pay US\$1b penalty over air bag defect  
<http://www.themalaymailonline.com/money/article/takata-to-plead-guilty-pay-1b-us-penalty-over-air-bag-defect>

US indicts six as Volkswagen agrees to US\$4.3b diesel settlement  
<http://www.theedgemarkets.com/my/article/us-indicts-six-volkswagen-agrees-us43b-diesel-settlement?type=Corporate>

Foreign direct investment to China rose 4.1pc in 2016  
<http://www.themalaymailonline.com/money/article/foreign-direct-investment-to-china-rose-4.1pc-in-2016>

China posts worst export fall since 2009 as fears of US trade war loom  
<http://www.thestar.com.my/business/business-news/2017/01/13/china-posts-worst-export-fall-since-2009-as-fears-of-us-trade-war-loom/>

US weekly jobless claims rise; import prices push higher  
<http://www.theedgemarkets.com/my/article/us-weekly-jobless-claims-rise-import-prices-push-higher?type=Corporate>

Euro zone economy registering surprisingly strong growth spurt  
<http://www.theedgemarkets.com/my/article/euro-zone-economy-registering-surprisingly-strong-growth-spurt?type=Corporate>

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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 Transmile Group 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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