



# The Observer

**23.08.2019**

## MSWG AGM/EGM Weekly Watch 26-30 August 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](http://www.mswg.org.my).

<b>Date &amp; Time</b>	<b>Company</b>	<b>Venue</b>
26.08.19 (Mon) 10.00 am	Dominant Enterprise Bhd (AGM)	Holiday Villa Hotel, Ruby 5, Level 8, No. 260, Jalan Dato Sulaiman, Taman Abad, JB
26.08.19 (Mon) 10.00 am	Karambunai Corporation Bhd (AGM)	Nexus Resort & Spa Karambunai, Menggatal, Kota Kinabalu, Sabah
28.08.2019 (Wed) 9.30 am	Eastern & Oriental Berhad (AGM)	Ballroom 1, 1st Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, KL
28.08.19 (Wed) 10.00 am	SAM Engineering & Equipment Bhd (AGM)	SAM Meerkat (M) Sdn. Bhd., Plot 103, Taman Perindustrian Bayan Lepas 4, Penang
28.08.19 (Wed) 10.30 am	RCE Capital Bhd (AGM)	Tropicana Golf & Country Resort, Jalan Kelab Tropicana, PJ
28.08.19 (Wed) 10.30 am	ACME Holdings Bhd (AGM)	Evergreen Laurel Hotel, 53 Persiaran Gurney, Georgetown, Penang
28.08.19 (Wed) 11.00 am	Oversea Enterprise Bhd (AGM)	Restoran Oversea Bandar Baru Sri Petaling, No. 62-66, Bandar Baru Seri Petaling, KL
28.08.2019 (Wed) 11.00 am	Malaysia Pacific Corporation Berhad (EGM)	7th Floor, Multipurpose Hall, The Maple Suite, Menara Maplelee, No. 1, Changkat Raja Chulan, KL
28.08.19 (Wed) 11.30 am	YLI Holdings Bhd (AGM)	Concorde Hotel, Jalan Sultan Ismail, KL

28.08.19 (Wed) 02.00 pm	Lingkaran Trans Kota Holdings Bhd (AGM)	Kota Permai Golf & Country Club, Kota Kemuning, Section 31, Shah Alam
28.08.19 (Wed) 03.00 pm	IJM Corporation Bhd (AGM)	Holiday Villa Hotel & Suites Subang, 9 Jalan SS12/1, Subang Jaya
29.08.19 (Thur) 10.30 am	Brem Holdings Bhd (AGM)	Crystal Crown Hotel, No. 12, Lorong Utara A, Off Jalan Utara, PJ
29.08.19 (Thur) 10.00 am	QL Resources Bhd (AGM)	Saujana Resort, Jalan Lapangan Terbang SAAS, Shah Alam
29.08.19 (Thur) 11.00 am	PNE PCB Bhd (AGM)	Le Grandeur Palm Resort Johor, Jalan Persiaran Golf, Senai, Johor
30.08.19 (Fri) 10.00 am	Amcorp Properties Bhd (AGM)	Tropicana Golf & Country Resort, Jalan Kelab Tropicana, PJ
30.08.19 (Fri) 10.00 am	Southern Acids (M) Bhd (AGM)	Setia City Convention Centre, Setia Alam, Seksyen U13, Shah Alam
30.08.19 (Fri) 10.45 am	Amcorp Properties Bhd (EGM)	Tropicana Golf & Country Resort, Jalan Kelab Tropicana, PJ
30.08.19 (Fri) 11.30 am	Widetech (M) Bhd (AGM)	Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara

**One of the points of interest to be raised:**

<b>Company</b>	<b>Points/Issues to Be Raised</b>
Dominant Enterprise Bhd (AGM)	<p>Akati Wood (Vietnam) Co., Ltd, is a 100% owned subsidiary with principal activities in the manufacturing of laminated wood panel products and distribution of wood products. (page 81 of Annual Report)</p> <p>(a) What is the production capacity of the Vietnam plant? At what capacity is the plant currently operating?</p> <p>(b) What is the revenue from this plant for the financial years 2019 and 2018?</p> <p>(c) Which are the countries to which the products of the plant are exported to?</p>
Karambunai Corp Bhd (AGM)	<p>In the Operating Segments reporting , the Leisure and Tourism segment recorded a reduction of external revenue of RM10.90 million in FY2019 (RM67.05 million in FY2019 vs RM77.95 million in FY2018).However, its segment profit recorded a much lower profit of RM1.6 million in FY2019 as compared to RM25.6 million in FY2018. (pages 101-102 of Annual Report)</p>

	<p>(a) What were the reasons(s) for the much lower profit in FY2019?</p> <p>(b) What are the measures taken to improve the profit in the future?</p> <p>(c) What is the outlook of the segment in FY2020?</p>
Eastern & Oriental Berhad (AGM)	<p>Included in the Other Expenses is a holding cost amounting to RM44.57 million in respect of the non-exercise of an option for the acquisition of a parcel of land. (page 35 of Annual Report).</p> <p>(a) Why does the Company have to pay the holding cost?</p> <p>(b) Is the 'non-exercise of an option' clause in the acquisition of land a common clause in land acquisition agreements?</p>
SAM Engineering & Equipment Bhd (AGM)	<p>All geographical markets registered higher revenue in contrast to the aerospace revenue decline in Asia (excluding Malaysia) from RM114.4m in FY2018 to RM61.5m in FY2019 (AR2019 Note 17.1 page 120). However, revenue from equipment manufacturing within the Asian market was significantly higher whilst revenue from other markets declined over the same period. What are the reasons for the changes in the respective revenue segments within Asia?</p>
RCE Capital Bhd (AGM)	<p>The loan growth for FY2019 is 5.2% compared to 8.0% in FY2018. How do you address the declining loan growth and what is the target for FY2020?</p> <p>Group's non-core income (NCI) for FY2019 of RM15.5 million increased by RM3.8 million or 32.2% from RM11.7 million. What is the Group's strategy to sustain its NCI for FY2020? (page 15, Annual Report)</p>
ACME Holdings Bhd (AGM)	<p>The external revenue from the Manufacture of Diverse Plasticware Products segment was higher by RM3.2 million (RM18.25 million in FY2019 vs RM15.05 million in FY2018). However, the segment reported a loss before tax of RM1.57 million in FY2019 as compared to RM0.44 million in FY2018. (pages 98 and 99 of Annual report)</p> <p>(a) What is the reason for the loss?</p> <p>(b) What are the measures taken to mitigate the loss in the future?</p> <p>(c) What is the outlook of the segment in FY 2020?</p> <p>(d) What is the expected increase in production capacity with the purchase of additional machinery and equipment amounting to RM8.2 million in FY 2019?</p>
Malaysia Pacific Corporation Berhad (EGM)	<p>The Company had on 5 November 2018 received a letter of interest from another potential purchaser for the Disposed Units, as part of a proposed scheme of arrangement with creditors. (page 4 of the Circular)</p>

	<p>Why did the Board not consider the offer from the potential purchaser?</p>
<p>YLI Holdings Bhd (AGM)</p>	<p>As reported on page 5 of the Annual Report 2019, the total comprehensive loss for FY2019 amounted to RM22.697 million (compared to a total comprehensive loss of RM12.206 million for FY2018).</p> <p>What are the steps being taken by the Board to address the increasing comprehensive loss of the Company?</p>
<p>Lingkaran Trans Kota Holdings Bhd (AGM)</p>	<p>We note on Page 20 of the Annual Report that Group revenue was declining marginally over the last 3 financial years. However, profit after tax has been increasing consistently over the last 5 financial years.</p> <p>(a) What were the reasons for the continuous decline in revenue for the last 3 financial years and what would be the outlook in FY2020 and going forward?</p> <p>(b) Please explain why profit after tax has been consistently increasing despite decreasing revenue especially over the last 3 financial years and will the increase be sustainable?</p>
<p>IJM Corporation Bhd (AGM)</p>	<p>As announced on 9 July 2019 via Bursa Malaysia, IJM Construction Sdn Bhd ("IJMC"), a wholly-owned subsidiary has on 8 July 2019 received a Notice of Termination ("Notice") from MRCB George Kent Sdn Bhd ("MRCBGK") terminating IJMC as the Works Package Contractor for the underground package of the Light Rail Transit Line 3 (LRT 3) from Bandar Utama to Johan Setia ("the Project").</p> <p>The announcement also mentioned that Preliminary works had commenced before the Project was suspended in June 2018. IJMC is currently consulting its advisers and will seek appropriate legal redress under the contract.</p> <p>What is the status of the legal redress?</p>
<p>Brem Holdings Bhd (AGM)</p>	<p>As reported on page 18 of the Annual Report 2019, "The Group is expected to secure new contracts and generate reasonable profit margin in future. The Group is actively involved in tendering contracts and aims to win tenders to raise the Group profile in civil engineering and construction industry. The Group is expecting a positive contribution from this segment in the coming years".</p> <p>a) Please update on the Group's latest order book and the targeted order book for the next three years?</p> <p>b) How much contract value is being pursued by the Group currently?</p>

	c) What are the Group's specific requirements (if any) when deciding to bid for projects in civil engineering and construction industry?
QL Resources Bhd (AGM)	QL commenced a pilot frozen surimi-based products production line in Surabaya which came online in the third quarter of FY2019 (page 31 of AR2019). To-date, what are the results of the pilot project?
PNE PCB Bhd (AGM)	Your allowance for impairment loss for trade receivables has increased substantially at Group and Company's level in FY2019 compared to FY2018. (Group from RM88,173 to RM2,509,736 and Company from RM0.0 to RM75,000). (Note 9, page 83, Annual Report) What actions have you taken to recover these amounts? Will there be any further increase in allowance for impairment loss for FY2020?
Amcorp Properties Bhd (AGM)	The 20MW hydro power plant in Sungai Leng has commenced its commercial operation in the 4th quarter of 2018. (page 13 of Annual Report). (a) What is the expected profit from this power plant in FY2020? (b) What is the expected Internal Rate of Return ("IRR") from the hydro power plant?
Southern Acids (M) Bhd (AGM)	Based on your Oleochemical segment Financial and Non-Financial Highlights, the segment reported a loss before tax of RM2.4 million and lower revenue figures for FY2019 compared to FY2018. Your key overseas sales which accounted for 77.0% declined by 23.4% from RM292.1 million in FY2018 to RM223.6 million in FY2019. (page 12, Annual Report) What are the measures you intend to take to improve the overseas sales figures?
Widetech (M) Bhd (AGM)	As reported on page 6 of the Annual Report 2019, " For the financial year under review, Wire Master Spring Sdn Bhd invested in machineries with latest technology to drive further operation efficiency and competitiveness across its business operations, resulting in an improved performance" a) How much has the Group spent on the machineries in FY2019? b) What is the targeted return on the invested assets? c) Please brief shareholders on how the deployment of the assets has resulted in the improved performance.

## MSWG'S WATCHLIST

### MINTYE BERHAD ("MINTYE" OR "COMPANY")

#### PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE OF MINTYE PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016 ("PROPOSED SCR")

The Board of Directors of Mintye ("**Board**") wishes to announce that the Company has today received a letter from its controlling shareholder, Yatee & Sons Sdn Bhd ("**Yatee**" or "**Offeror**"), requesting the Company to undertake a selective capital reduction and repayment exercise pursuant to Section 116 of the Companies Act 2016 ("**SCR Offer Letter**"). The Proposed SCR entails a selective capital reduction and a corresponding capital repayment of a proposed cash amount of RM1.30 for each ordinary share in Mintye held by all the shareholders of Mintye (other than Yatee and the persons acting in concert with them) whose names appear in the Record of Depositors of Mintye as at the close of business on an entitlement date to be determined and announced later by the Board.

The Board, save for Yeo Kim Swee and Yeo Kim Soon who are deemed interested in the Proposed SCR, will deliberate on the Proposed SCR and decide on the next course of action. Accordingly, a further announcement will be made in due course after the Board's deliberation.

Please refer to the SCR Offer Letter for further details on the Proposed SCR.

**This announcement is dated 19 August 2019.**

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6256709>

### SUSPENSION AND DE-LISTING

#### UTUSAN MELAYU (MALAYSIA) BERHAD

Utusan Melayu (Malaysia) Berhad ("UTUSAN") has failed to regularise its condition in accordance with paragraph 8.04(3)(a) of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Main LR") where the company has failed to submit its regularisation plan to the Securities Commission or Bursa Securities for approval within the stipulated timeframe.

In the circumstances and pursuant to paragraph 8.04(5) of the Main LR :-

(a) the trading in the securities of UTUSAN will be suspended with effect from **28 August 2019**; and

(b) the securities of UTUSAN will be de-listed on **30 August 2019** unless an appeal against the de-listing is submitted to Bursa Securities on or before **27**

**August 2019** (“the Appeal Timeframe”). Any appeal submitted after the Appeal Timeframe will not be considered by Bursa Securities.

In the event UTUSAN submits an appeal to Bursa Securities within the Appeal Timeframe, the removal of the securities of the company from the Official List of Bursa Securities on **30 August 2019** shall be deferred pending the decision on the company’s appeal.

With respect to the securities of UTUSAN which are currently deposited with Bursa Malaysia Depository Sdn Bhd (“Bursa Depository”), the securities may remain deposited with Bursa Depository notwithstanding the de-listing of the securities from the Official List of Bursa Securities. It is not mandatory for the securities of a company which has been de-listed to be withdrawn from Bursa Depository.

Alternatively, shareholders of UTUSAN who intend to hold their securities in the form of physical certificates, can withdraw these securities from their Central Depository System (CDS) accounts maintained with Bursa Depository at any time after the securities of the company have been de-listed from the Official List of Bursa Securities. This can be effected by the shareholders submitting an application form for withdrawal in accordance with the procedures prescribed by Bursa Depository. These shareholders can contact any Participating Organisation of Bursa Securities and/or Bursa Securities’ General Line at 03-2034 7000 for further information on the withdrawal procedures.

Upon the de-listing of UTUSAN, the company will continue to exist but as an unlisted entity. UTUSAN is still able to continue its operations and business and proceed with its corporate restructuring and its shareholders can still be rewarded by the company’s performance. However, the shareholders will be holding shares which are no longer quoted and traded on Bursa Securities

Source:<http://www.bursamalaysia.com/market/listed-companies/company-announcements/6257969>

## PN17 Companies

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

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## LOCAL NEWS AND DEVELOPMENTS

### **Bank Negara opens RM1bil home loan scheme to bigger group of first-time buyers**

<https://www.thestar.com.my/business/business-news/2019/08/21/bank-negara-opens-rm1bil-home-loan-scheme-to-bigger-group-of-first-time-buyers#rsDkKQEXIYC8xBzM.99>



**Protest-hit Hong Kong eyes Malaysia's second-home programme**  
<https://www.thestar.com.my/business/business-news/2019/08/21/people-in-protest-hit-hong-kong-eye-malaysia039s-second-home-programme#hYOhHhpQeO5aiAT0.99>

**Govt expects GDP to expand 4.5%-5% this year, Guan Eng says**  
<https://www.thestar.com.my/business/business-news/2019/08/20/govt-expects-gdp-to-expand-45-5--this--year-guan-eng-says#Ae5loDUSS0EstkEK.99>

**Guan Chong proposes bonus issue**  
<https://www.thestar.com.my/business/business-news/2019/08/21/guan-chong-proposes-bonus-issue>

**GenM seals Empire Resorts RPT buy despite investor backlash**  
<https://www.theedgemarkets.com/article/genm-seals-empire-resorts-rpt-buy-despite-investor-backlash>

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## GLOBAL NEWS AND DEVELOPMENT

**Fed says July rate cut was 'recalibration' and not part of 'pre-set course' for more easing**  
<https://www.cnbc.com/2019/08/21/federal-reserve-releases-minutes-from-july-meeting.html>

**Fed sees tariffs as 'persistent headwind' to economic growth**  
<https://www.cnbc.com/2019/08/21/fed-sees-tariffs-as-persistent-headwind-to-economic-growth.html>

**Buy Gold 'At Any Level,' Mobius Says as Central Bankers Ease**  
<https://www.bloomberg.com/news/articles/2019-08-20/buy-gold-at-any-level-mobius-says-as-central-banks-cut-rates>

**Slowing Singapore Economy Drives Profit Drop as Trade War Bites**  
<https://www.bloomberg.com/news/articles/2019-08-20/slowing-singapore-economy-drives-profit-drop-as-trade-war-bites?srnd=premium-asia>

**Investing in the strange negative yield world — 'It's very hard to wrap your arms around'**  
<https://www.cnbc.com/2019/08/20/investing-in-the-strange-negative-yield-world-its-very-hard-to-wrap-your-arms-around.html>

**The Fed will cut rates five more times before April, analysts predict**  
<https://www.cnbc.com/2019/08/20/the-fed-will-cut-rates-five-more-times-before-april.html>

**Robert Shiller says the Fed's rate cut had the opposite intended effect, sparked recession alarm**

<https://www.cnbc.com/2019/08/20/robert-shiller-says-the-feds-rate-cut-had-the-opposite-intended-effect-sparked-recession-alarm.html>

**A top-performing hedge fund is making a big bet on gold**

<https://www.cnbc.com/2019/08/20/a-top-performing-hedge-fund-is-making-a-big-bet-on-gold.html>

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**MSWG TEAM**

Devanesan Evanson, Chief Executive Officer, devanesan@mswg.org.my  
Quah Ban Aik, Head, Corporate Monitoring, banaik.quah@mswg.org.my  
Hoo Ley Beng, Head, Research & Development, linnert.hoo@mswg.org.my  
Norhisam Sidek, Manager, Corporate Monitoring, norhisam@mswg.org.my  
Lee Chee Meng, Manager, Corporate Monitoring,  
chee.meng@mswg.org.my  
Elaine Choo Yi Ling, Manager, Corporate Monitoring,  
elaine.choo@mswg.org.my  
Lim Cian Yai, Manager, Corporate Monitoring, cianyai@mswg.org.my  
Nor Khalidah Mohd Khalil, Analyst, Corporate Monitoring,  
khalidah@mswg.org.my

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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 Mintye Berhad*

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**Feedback**

We welcome your feedback on our newsletter and our work. Email us at [corporateservices@mswg.org.my](mailto:corporateservices@mswg.org.my) with your comments and suggestions.

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**ENDS./**