



The Observer

26.07.2019

PLEASE MARK YOUR CALENDAR

**MSWG-ASEAN CORPORATE GOVERNANCE AWARDS 2018
TO BE HELD AT THE MAJESTIC HOTEL, KUALA LUMPUR
ON WEDNESDAY, 31 JULY 2019**

It will be our greatest pleasure to showcase the findings and results of the level of Corporate Governance of Malaysian public listed companies at our CG Event followed by an award presentation ceremony to recognise the companies that have demonstrated high level of corporate governance practices.

Yang Berbahagia Tan Sri Abu Kassim bin Mohamed, Director General of the National Centre for Governance, Integrity and Anti-Corruption has agreed to grace the event and deliver the Keynote Address.

We wish to inform that seats are now fully taken up. We would like to extend our heartfelt appreciation to various organisations and companies for their tremendous support over this event.

MSWG AGM/EGM Weekly Watch 29 July to 2 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.

| Date & Time | Company | Venue |
|----------------------------|-----------------------------------|---|
| 29.07.19 (Mon) 10.30 am | Poly Glass Fibre (M) Bhd (AGM) | Evergreen Laurel Hotel Penang, 53, Persiaran Gurney, Georgetown, Penang |

| | | |
|----------------------------|--------------------------------|---|
| 29.07.19 (Mon) 11.00 am | SC Estate Builder Bhd (AGM) | The Saujana Hotel Kuala Lumpur, Jalan Lapangan Terbang Subang, Shah Alam |
| 29.07.19 (Mon) 11.00 am | SWS Capital Bhd (EGM) | Plot 243A (Lot Lama 7064), Bukit Minyak Industrial Park,Seberang Perai Tengah, Penang |
| 29.07.19 (Mon) 12.00 pm | SWS Capital Bhd (EGM) | Plot 243A (Lot Lama 7064), Bukit Minyak Industrial Park,Seberang Perai Tengah, Penang |
| 31.07.19 (Wed) 09.00 am | Systech Bhd (AGM) | Plaza Dwitasik, Jalan Tasik Permaisuri 1, Bandar Sri Permaisuri, Cheras |
| 31.07.19 (Wed) 10.00 am | AMMB Holdings Bhd (AGM) | Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, KL |
| 31.07.19 (Wed) 11.00 am | AMMB Holdings Bhd (EGM) | Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, KL |

One of the points of interest to be raised:

| Company | Points/Issues to Be Raised |
|--------------------------------------|--|
| Poly Glass Fibre (M) Bhd (AGM) | <p>The Company states that "the Company has enjoyed its status as the only GW manufacturer in Malaysia for the past. This will no longer be the case when a new German owned plant operates in Johor. A new plant with a capacity of 75,000MT a year is expected to be operational in early 2020. The management expects this development to have an impact on our sales in the short term. This development has been identified as a risk to the Company. As part of the risk management framework, this risk has been deliberated by the management team and necessary steps have been or will be implemented to mitigate the risk" (Page 8 of the Annual Report 2019).</p> <p>a) What will be the impact on the Group's sales in the short term?</p> <p>b) Todate, what steps have been taken to mitigate the risk?</p> |

| | |
|------------------------------------|--|
| <p>SC Estate Builder Bhd (AGM)</p> | <p>“As for the building materials segment, the Group recorded a revenue of RM1.135 million, a decrease of 76.1% as compared to RM4.744 million recorded in preceding year. In consequence thereto, the building materials segment recorded a net loss of RM0.168 million as compared to a net loss of RM0.037 million in preceding year” (Page 32 of the Annual Report 2019).</p> <p>How would the Board address the decline in the top-line and bottom-line performance of the building materials segment?</p> |
| <p>SWS Capital Bhd (EGM)</p> | <p>Mr. Tan Kok Tiam is an independent non-executive director and also a member of the Audit Committee of the Company. He is also the head of the Corporate Finance Department in Inter-Pacific Securities Sdn Bhd, the adviser for the corporate exercises to be undertaken by SWS. He has abstained and will continue to abstain from involvement relating to the Proposals. (page 47 of the Circular).</p> <p>Why did the Company not appoint another adviser to avoid the conflict of interests completely?</p> |
| <p>AMMB Holdings Bhd (AGM)</p> | <p>The Business Review on the performance metrics of Family Takaful division for both new business gross annual premium and value of new business have declined from RM75.1 million to RM51.6 million and from RM8.3 million to RM5.9 million in FY2018 to FY2019 respectively. (page 74, Annual Report)</p> <p>What is the reason for the lower new business in the division performance and what is your target for FY2020?</p> |

MSWG'S WATCHLIST

ASIA MEDIA GROUP BERHAD ("AMEDIA")

FIRST ANNOUNCEMENT PURSUANT TO THE PRACTICE NOTE 17 ("FIRST ANNOUNCEMENT") OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

Reference is made to the Announcement of the Company made on 24 July 2019, titled "Practice Note 17 / Guidance Note 3 : First Announcement" (the "PN 17 Announcement"). Paragraph no. 1 of the attachment in the PN 17 Announcement announced that the status of an affected listed issuer under PN 17 was the result of the loss of its major business, as the Company "has lost

its contract with the bus (sic) operators in both Klang Valley and Johor" (the "Relevant Contracts").

At the Extraordinary General Meeting of the Company held yesterday, 25 July 2019 (the "EGM"), the outcome of which was announced by the Company yesterday, titled "GENERAL MEETINGS: Outcome of Meeting", shareholders had voted to remove 5 of the Directors and appointed 4 new Directors. The Board of Directors therefore now comprises a total of 6 Directors, being 2 of the existing Directors (who were not subject to any resolution for their removal) and the 4 new Directors.

This Board of Directors met at an emergency Board Meeting held immediately after the EGM. Among other concerns, the Board wished to consider the effect, impact and veracity of the PN 17 Announcement.

The Board therefore made arrangements yesterday afternoon for Director Liew Chee Keong and Director Yap Ping Tiong to visit the office of the Company at No. 35, 1st Floor, Jalan Bandar 16, Pusat Bandar Puchong, 47100 Puchong, Selangor Darul Ehsan. However, both the Directors were denied access by a former Executive Director (who is one of the 5 Directors who were removed from the office by shareholders at the EGM). From the best information available to the Board, the former Executive Director had been and is likely to be an employee of the Company or a Group company. As a result, at this moment the Board is unable to determine the status of the Relevant Contracts, or the circumstances surrounding how the Company "lost" the Relevant Contracts, or the veracity of the status of the Company as an affected listed issuer in the manner described in the PN 17 Announcement.

The Board is taking legal advice, as well as lodging a Police Report, and are persisting to get access to the Relevant Contracts and other documents, as well as obtain relevant information. The Board aims to make an announcement on this shortly.

This announcement is dated 26 July 2019.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6235093>

FIRST ANNOUNCEMENT PURSUANT TO THE PRACTICE NOTE 17 ("FIRST ANNOUNCEMENT") OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

The Board of Directors of AMEDIA wishes to announce that the Company has triggered the prescribed criteria pursuant Paragraph 8.03A(2)(a)(i)&(ii) of Chapter 8 and Paragraph 4.0 of Practice Note 17 ("PN17") under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Hence, as of the date hereof, AMEDIA is considered a PN17 Company.

This announcement is dated 24 July 2019.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6233133>

DAYA MATERIALS BERHAD ("THE COMPANY")

DEFAULT IN PAYMENT PURSUANT TO PARAGRAPH 9.19A OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD - DEFAULT IN PAYMENT TO AMBANK (M) BERHAD

The Board of Directors of Daya Materials Berhad ("Company") ("Board") wishes to announce that its subsidiary, Daya CMT Sdn Bhd ("DCMT") has not paid another payment amounting to RM2,081,574.83 on 26 July 2019, which was due and payable pursuant to the banking facilities granted by AmBank where total amount outstanding to AmBank now stands at RM7,303,321.57 ("Total Outstanding Amount")

This announcement is dated 26 July 2018.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6236561>

DEFAULT IN PAYMENT PURSUANT TO PARAGRAPH 9.19A OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD - DEFAULT IN PAYMENT TO AMBANK (M) BERHAD

The Board of Directors of Daya Materials Berhad ("Company") ("Board") wishes to announce that its subsidiary, Daya CMT Sdn Bhd ("DCMT") has not paid another payment amounting to RM3,175,300.41 on 25 July 2019, which was due and payable pursuant to the banking facilities granted by AmBank where total amount outstanding to AmBank now stands at RM5,221,746.74 ("Total Outstanding Amount").

This announcement is dated 25 July 2018.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6233933>

HAP SENG CONSOLIDATED BERHAD ("HSCB" OR "COMPANY")

PROPOSED DISPOSAL OF 80,000,100 ORDINARY SHARES REPRESENTING 100% OF THE ISSUED SHARE CAPITAL OF HS CREDIT (MELBOURNE) PTY LTD ("HCMPL") BY HSC MELBOURNE HOLDING PTE LTD ("HSC MELBOURNE"), AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF HSCB TO LEI SHING HONG CAPITAL LIMITED ("LSHCL") ("PROPOSED DISPOSAL")

On behalf of the Board of Directors of HSCB ("Board"), CIMB Investment Bank Berhad ("CIMB") wishes to announce that on 23 July 2019, HSC Melbourne has entered into a shares sale agreement with LSHCL for the proposed disposal of 80,000,100 ordinary shares representing 100% of the issued share capital of HCMPL for a cash consideration of United States Dollar ("USD") 175,500,000.

This announcement is dated 23 July 2018.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6231997>

PERDANA PETROLEUM BERHAD ("PPB" OR THE "COMPANY")

PROPOSED PROVISION OF FINANCIAL ASSISTANCE TO DAYANG ENTERPRISE HOLDINGS BHD

On behalf of the Board of Directors of PPB, Kenanga Investment Bank Berhad wishes to announce that the Company proposes to provide financial assistance to Dayang Enterprise Holdings Bhd ("Dayang"), the holding company of PPB which holds 60.48% of the Company's total issued shares, in the form of corporate guarantees, indemnities and/ or collaterals for banking facilities obtained or to be obtained (as the case may be) by Dayang from licensed financial institutions, up to an aggregate amount of RM682.5 million.

This announcement is dated 22 July 2019.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6230473>

LTKM BERHAD ("LTKM" OR "COMPANY")

RECEIPT OF NOTICE OF CONDITIONAL VOLUNTARY TAKE-OVER OFFER FROM AMINVESTMENT BANK BERHAD ("AMINVESTMENT BANK") ON BEHALF OF LADANG TERNAKAN KELANG SDN BERHAD, DATUK TAN KOK, DATIN LIM HOOI TIN, YBJ CAPITAL SDN BHD, TAN YEE BOON, TAN CHEE HUEY, TAN YEE SIONG (COLLECTIVELY REFERRED TO AS, THE "JOINT OFFERORS")

The Board of Directors of LTKM ("Board") wishes to announce that LTKM had on 22 July 2019 received from AmInvestment Bank on behalf of the Joint Offerors, a notice of conditional voluntary take-over offer ("Notice"), notifying the Board, the intention of the Joint Offerors to make an offer to acquire the following:

- (i) all the remaining 41,292,984 ordinary shares in LTKM ("LTKM Shares") not already held by the Joint Offerors, representing approximately 31.74% of the total number of issued LTKM Shares as at the date of the Notice; and

- (ii) any new LTKM Shares that may be issued and allotted prior to the closing date of the offer arising from the exercise of outstanding option under the employees' share option scheme in LTKM,

(collectively known as the "Offer Shares")

for a cash consideration of RM1.35 per Offer Share ("Offer Price") ("Offer").

In accordance with Paragraph 3.06 of Take-Overs, Mergers and Compulsory Acquisitions Rules ("Rules"), the Board will appoint an independent adviser to advise the non-interested directors and all shareholders of the Company, on the fairness and reasonableness of the Offer, subject to the clearance of eligibility of the independent adviser by the Securities Commission Malaysia.

A copy of the Notice is attached herewith and will be posted to the holders of the Offer Shares within 7 days from the date of this announcement, in accordance with Paragraph 9.10(5)(b) of the Rules.

This announcement is dated 22 July 2019.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6229493>

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 BERHAR
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/>

REGULATORY NEWS

SC TO IMPLEMENT ANTI-CORRUPTION ACTION PLAN

Source:

<https://www.sc.com.my/news/media-releases-and-announcements/sc-to-implement-anti-corruption-action-plan>

LOCAL NEWS AND DEVELOPMENTS

Malaysia needs reforms to prepare for the future, says Bank Negara governor

<https://www.thestar.com.my/business/business-news/2019/07/26/malaysia-needs-reforms-to-prepare-for-the-future-says-bank-negara-governor/>

Ringgit slips against US\$ following hold on ECB policy rate

[https://www.thestar.com.my/business/business-news/2019/07/26/ringgit-slips-against-us\\$-following-hold-on-ecb-policy-rate/](https://www.thestar.com.my/business/business-news/2019/07/26/ringgit-slips-against-us$-following-hold-on-ecb-policy-rate/)

China, Malaysia restart massive Belt and Road project after hiccups

<https://www.thestar.com.my/business/business-news/2019/07/25/china-malaysia-restart-massive-belt-and-road-project-after-hiccups/>

Rubber glove industry urged to further tap into African market

<https://www.thestar.com.my/business/business-news/2019/07/24/rubber-glove-industry-urged-to-further-tap-into-african-market/>

Property market shows signs of 'bottoming out': Knight Frank Malaysia

<https://www.theedgemarkets.com/article/property-market-shows-signs-bottoming-out-knight-frank-malaysia>

Malaysia must prepare for possible global recession

<https://www.thestar.com.my/business/business-news/2019/07/23/affin-hwang-malaysia-must-prepare-for-possible-global-recession/>

GLOBAL NEWS AND DEVELOPMENTS

Global economic growth rut at risk of deepening despite rate cuts: Reuters polls

<https://www.reuters.com/article/us-global-economy-poll/global-economic-growth-rut-at-risk-of-deepening-despite-rate-cuts-reuters-polls-idUSKCN1UL00M>

To survive trade war, some U.S. importers embark on major revamps of product lines

<https://www.reuters.com/article/us-usa-trade-china-tariffs-focus/>

Nissan plans to cut over 10,000 jobs globally

<https://www.thestar.com.my/business/business-news/2019/07/24/nissan-plans-to-cut-over-10000-jobs-globally/>

Singapore's trade war-induced tumble looks more like a blip

<https://www.thestar.com.my/business/business-news/2019/07/21/singapores-trade-war-induced-tumble-looks-more-like-a-blip/>

Funds managing \$2 trillion urge cement makers to act on climate impact

<https://www.reuters.com/article/us-climate-change-cement/funds-managing-2-trillion-urge-cement-makers-to-act-on-climate-impact-idUSKCN1UG0RU>

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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 LTKM Berhad and Asia Media Group 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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