



The Observer

30.08.2019

ANALYST'S MESSAGE

Challenging days ahead for Malaysian media

After being a listed company for 25 years, Utusan Melayu (M) Bhd was delisted on 30 August after the Company failed to make an appeal against Bursa Malaysia's decision to remove the securities of the Company from the stock exchange.

Utusan Melayu (M) , the publisher of *Utusan Malaysia* and *Kosmo!*, was listed on the Main Board of the then Kuala Lumpur Stock Exchange in 1994. *Utusan Malaysia*, which was known as *Utusan Melayu* in its early days, was founded by Yusof Ishak in 1939. Yusof Ishak was also the first President of Singapore, serving from 1965 to 1970.

Notwithstanding the delisting, it is a relief that the two papers will continue to be published, saving the journalists and staff from the plight of losing their jobs.

In addition to this, Berjaya Media Berhad (BJMedia), the publisher of the free daily, *theSun* is also facing challenging conditions. The publishing house is in the midst of finalising a regularisation plan subject to entering into a definitive agreement with a prospective white knight by 20 October 2019. It has until 20 December 2019 to submit the plan to Bursa Malaysia.

It is a shame to see the predicaments faced by local media outlets. The emergence of digital space has reverberated not just in the local print media, but also in the information consumption pattern of the public. The print media industry has been facing declining circulation for the past decade.

I reminisce the time I spent on reading newspapers after school. I still love to feel the touch and see the print on paper...but I seldom do that now. I read news mostly via mobile devices nowadays.

With increasing resources being shifted to the virtual space, the advertising expenditure (adex) on print media has felt a tremendous squeeze.

Industry players have certainly taken this to their mind. They have been using technologies and analytics to study and predict how the public consume their content with the objective of increasing engagement. It is hoped that this will provide them some leads on how to create new revenue streams beyond the print medium. Some have taken bold steps to venture into the over-the-top (OTT) segment in a bid to reverse their fortune.

The press remains a key pillar, carrying out its duties and roles, as the fourth estate of the society. This is also a wake-up call for the media industry that it is no longer 'business as usual' for them. They must continue to innovate and transform themselves.

By Lim Cian Yai

MSWG AGM/EGM Weekly Watch 2 – 6 September 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
03.09.19 (Tue) 10.00 am	EASTERN & ORIENTAL BERHAD (EGM)	Ballroom 3, 1st Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, KL
04.09.19 (Wed) 10.30 am	GPA HOLDINGS BERHAD (AGM)	Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara
05.09.19 (Thurs) 10.00 am	SINO HUA-AN INTERNATIONAL BERHAD (EGM)	The Royal Selangor Golf Club, Jalan Kelab Golf, Off Jalan Tun Razak, KL

06.09.19 (Fri) 10.30 am	KANGER INTERNATIONAL BERHAD (EGM)	One World Hotel, First Avenue, Bandar Utama City Centre, 47800 PJ
----------------------------	---	---

One of the points of interest to be raised:

Company	Points/Issues to Be Raised
GPA HOLDINGS BERHAD (AGM)	<p>1) On page 91, of the Annual Report, the impairment loss on trade receivables has increased to RM595,000 in FY2019 compared to RM357,000 in FY2018. What are the measures taken to address this?</p> <p>2) The Group reported a loss on foreign exchange of RM232,000 for the year compared to a gain of RM72,000 in FY2018. Please explain. (Note 22, page 91 of the Annual Report).</p>
SINO HUA-AN INTERNATIONAL BERHAD (EGM)	<p>We note on pages 3 and 4 of the Circular that under the "Interest Rate" clause where the closing price per share of the Company falls below the Minimum Conversion Price for more than 10 consecutive Business Days, the interest rate of all outstanding Notes shall be adjusted upward to 8% per annum retrospectively from the First Business Day of the initial 10 Business Days Period.</p> <p>Further, in the event the Company fails to pay the Relevant Interest by the Relevant Interest Payment Date, an additional default interest rate at the rate of 3% per month shall be compounded on all overdue amount.</p> <p>i. How is the 8% interest rate and the default interest rate of 3% arrived at and the justifications?</p> <p>ii. What is the market practice or benchmark used to ensure the above rates are in the interest of the Company and shareholders?</p>
KANGER INTERNATIONAL BERHAD (EGM)	<p>1) The minimum conversion price (MCP) of the Redeemable Convertible Notes (RCN) programme at RM0.04 per share was arrived after considering the most recent conversion (which is on 16 January 2019 according to page 3 of the Circular) at RM0.0405 as well as the prevailing market prices of Kanger Shares (page 11 of the Circular).</p> <p>However, the closing prices of the Company's shares have been hovering above RM0.07 per share for the past one month between July 25 and August 26. A lower</p>

	<p>conversion price will result in more shares being converted, thus causing greater dilution in the earnings per share (EPS).</p> <p>How is this Proposed Variation by setting MCP at RM0.04 per share be considered as in the best interest of the Company and the shareholders?</p> <p>2) The Conversion Price of the RCN into shares will be decided using the simple average closing price per share on any three consecutive Market Days as selected by the Noteholder during the 45 Market Days immediately preceding the conversion date, provided that the Conversion Price for each Share shall not be less than the MCP of RM0.04 (page 28 of the Circular).</p> <p>However, the decision to give more weight on the closing prices of the selected three-day might skew towards the interest of the Noteholders as the latter will be inclined to select the three consecutive trading days with lowest closing price. This method is not able to measure the change in the Company's share price over a longer term.</p> <p>Please explain.</p>
--	--

MSWG'S WATCHLIST

MINTYE BERHAD

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

Reference is made to the Company's announcements dated 19 August 2019 and 20 August 2019 in relation to the Proposed SCR ("Announcements"). Unless otherwise defined, the definitions used in this announcement shall have the same meanings as those defined in the Announcements.

On behalf of the Board, Hong Leong Investment Bank Berhad wishes to announce that, in accordance with Paragraph 3.06 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions, the Board (save for the Interested Directors), has appointed KAF Investment Bank Berhad as the Independent Adviser to provide their comments, opinions, information and recommendations to the Board (save for the Interested Directors) and to the Entitled Shareholders in respect of the Proposed SCR.

This announcement is dated 28 August 2019.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6266589>

WEGMANS HOLDINGS BERHAD

("WEGMANS" OR THE "COMPANY") PROPOSED TRANSFER OF THE LISTING AND QUOTATION OF THE ENTIRE ISSUED SHARE CAPITAL AND THE OUTSTANDING WARRANTS OF WEGMANS FROM THE ACE MARKET TO THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("PROPOSED TRANSFER")

We refer to the announcement dated 12 June 2019 in relation to the Proposed Transfer. Unless otherwise defined, the definitions set out in the previous announcements shall apply herein.

We refer to the announcements dated 12 June 2019 and 26 June 2019 in relation to the Proposed Transfer.

On behalf of the Board of Directors of Wegmans, RHB Investment Bank Berhad wishes to announce that the application in relation to the Proposed Transfer has been submitted to Bursa Securities on 28 August 2019.

This announcement is dated 28 August 2019.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6267209>

JMR CONGLOMERATION BERHAD

Kindly be advised that the aforesaid Company has changed its name to JADE MARVEL GROUP BERHAD. As such, the Company's shares will be traded and quoted under the new name with effect from 9.00 a.m., Wednesday, 28 August 2019.

The Stock Short Name will be changed as follows:-

Old Name	New Name	Old Stock Short Name	New Stock Short Name
JMR CONGLOMERATION BERHAD	JADE MARVEL GROUP BERHAD	JMR	JADEM

However, the Stock Number remains unchanged.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6263441>

REACH ENERGY BERHAD

CLARIFICATION ON NEWS ARTICLE IN STARBIZ ON TUESDAY, 27 AUGUST 2019

Reference is made to the article titled "Reach to buy remaining 40% in Emir-Oil Concession" which appeared in the Business News, The Star Online on 27 August 2019 ("the Article").

The Board of Directors ("Board") of REB wishes to announce that it is in the process of making due inquiries with regards to the highly specific statements made in the Article, with the intention of making a further announcement in response to the Article.

The Board is cognisant of the need for proper dissemination of information to the public and would release announcement on Bursa Securities on any material issue on a timely basis as required by the Main Market Listing Requirements of the Bursa Securities.

The Company will continue to monitor rumours, reports or inaccurate information affecting the Company. The Company views this matter seriously and is considering all appropriate action including legal recourse as it deems fit against any party that initiates, disseminates or circulates baseless allegations or rumours.

This announcement is dated 28 August 2019.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6269125>

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/>

REGULATORY NEWS

AUDIT FIRM AND AUDITORS FINED AND PROHIBITED FROM AUDITING

The Securities Commission Malaysia's Audit Oversight Board (AOB) fined and prohibited Chengco PLT and its partners from accepting public interest entities (PIEs) or schedule funds as clients and auditing their financial statements for 12 months.

Source: <https://www.sc.com.my/resources/media-releases-and-announcements>

LOCAL NEWS AND DEVELOPMENTS

Litrak, MOF Inc extend cut-off date for highway takeover talks to Oct 31

<https://www.thestar.com.my/business/business-news/2019/08/30/litrak-mof-inc-extend-cut-off-date-for-highway-takeover-talks-to-oct-31#McEGeicfEOQl6VTS.99>

Malaysian companies featured in Forbes' new "Best Over A Billion" list

<https://www.thestar.com.my/business/business-news/2019/08/28/malaysian-companies-featured-in-forbes-new-best-over-a-billion-list#KDGyEEYsQz9b1PkZ.99>

FGV Q2 operating profit up 30.4% to RM102.3m on-year

<https://www.thestar.com.my/business/business-news/2019/08/28/fgv-q2-operating-profit-up-304-to-rm1023m-on-year#kiJ5qUTX4zXVWUG8.99>

Sime Property Q2 net profit jumps 340% to RM205.26mil, upbeat on outlook

<https://www.thestar.com.my/business/business-news/2019/08/28/sime-property-q2-net-profit-jumps-340-to-rm20526mil-upbeat-on-outlook#HSFAGC9JerOHW3vq.99>

Telekom Malaysia Q2 net profit up 12% to RM114m on lower costs

<https://www.thestar.com.my/business/business-news/2019/08/28/telekom-malaysia-q2-net-profit-up-12-to-rm114m-on-lower-costs#gSAqI5zXL8epclXb.99>

Paramount banks on big deal to hit RM1b property sales target

<https://www.theedgemarkets.com/article/paramount-banks-big-deal-hit-rm1b-property-sales-target>

Malaysian palm oil price soars to 6-month high tracking buoyant Dalian futures

<https://www.thestar.com.my/business/business-news/2019/08/27/malaysian-palm-oil-price-soars-to-6-month-high-tracking-buoyant-dalian-futures#EhgLPHrCjoomjKv.99>

GLOBAL NEWS AND DEVELOPMENT

More Americans Say the Economy Is Declining, and They're Blaming Trump

<https://www.bloomberg.com/news/articles/2019-08-28/trump-increasingly-blamed-by-voters-for-declining-economy?srnd=premium-asia>

China Prepares for the Worst on Trade War After Trump's Flip-Flops

<https://www.bloomberg.com/news/articles/2019-08-27/wary-of-trump-s-flip-flops-china-prepares-for-worst-on-trade>

What Happens to Hong Kong When 'One Country, Two Systems' Expires in 2047

<https://www.bloomberg.com/news/articles/2019-08-27/countdown-to-2047-what-will-happen-to-hong-kong-quicktake?srnd=premium-asia>

Singapore Faces Rising Tide of Bad Debt With Record Bonds Maturing

<https://www.bloomberg.com/news/articles/2019-08-26/singapore-seen-facing-tide-of-distress-as-trade-war-hits-economy?srnd=premium-asia>

Why Indonesia Is Shifting Its Capital From Jakarta

<https://www.bloomberg.com/news/articles/2019-08-24/why-indonesia-is-shifting-its-capital-from-jakarta-quicktake?srnd=premium-asia>

As China's Economy Slows, Why the World Should Care

<https://www.bloomberg.com/news/articles/2019-01-16/as-china-s-economy-slows-why-the-world-should-care-quicktake?srnd=premium-asia>

Trump Shifts Tone on China But Not Tactics as Deal Grows Distant

<https://www.bloomberg.com/news/articles/2019-08-26/trump-shifts-tone-on-china-but-not-tactics-as-deal-grows-distant?srnd=premium-asia>

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

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 Wegmans Holdings Berhad.

Feedback

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

DISCLAIMER

This newsletter and the contents thereof and all rights relating thereto including all copyright is owned by the Badan Pengawas Pemegang Saham Minoriti Berhad, also known as the Minority Shareholders Watch Group (MSWG).

The contents and the opinions expressed in this newsletter are based on information in the public domain and are intended to provide the user with general information and for reference only. Best efforts have been made to ensure that the information contained in this newsletter is accurate and current as at the date of publication. However, MSWG makes no express or implied warranty as to the accuracy or completeness of any such information and opinions contained in this newsletter. No information in this newsletter is intended to be or should be construed as a recommendation to buy or sell or an invitation to subscribe for any, of the subject securities, related investments or other financial instruments thereof.

MSWG must be acknowledged for any part of this newsletter which is reproduced.

MSWG bears no responsibility or liability for any reliance on any information or comments appearing herein or for reproduction of the same by third parties. All readers or investors are advised to obtain legal or other professional advice before taking any action based on this newsletter.

ENDS. /