



MSWG

MINORITY SHAREHOLDER WATCHDOG GROUP

Badan Pengawas Pemegang Saham Minoriti Berhad

Incorporated in Malaysia * Company No. 524898-M

The Observer

01 September 2017

We at MSWG wish to take this opportunity to wish all our readers a Happy Merdeka Day and to all Muslims Selamat Hari Raya Aidil Adha. Have a safe and pleasant trip for those travelling.

MSWG IN THE NEWS

WATCHDOG GROUP AGREES WITH SCOMI'S RATIONALE FOR CONSOLIDATION

<http://www.theedgemarkets.com/article/watchdog-group-agrees-scomis-rationale-consolidation>

MSWG'S QUICK TAKE ON-ONGOING CORPORATE DEVELOPMENTS

RHB BANK BERHAD ("RHB") / AMMB HOLDINGS BERHAD ("AMMB")

RHB and AMMB announced that after much deliberation and negotiations, both RHB and AMMB had not been able to reach an agreement on mutually acceptable terms and conditions for the proposed merger of the businesses and undertakings of RHB and AMMB ("Proposed Merger").

Following thereto, both parties have mutually agreed to end the negotiations and not proceed with the Proposed Merger. In this respect, the exclusivity period pursuant to the exclusivity agreement between both parties dated 1 June 2017 would lapse with immediate effect.

[Source: RHB and AMMB's announcements on Bursa Malaysia's website on 22 August 2017]

MSWG'S COMMENTS:

We believe that both parties after having deliberated on the merger deal and with the fallout would now remain focussed on their business plans, going forward. The decision to end the negotiations swiftly by the parties was a good move irrespective of the reasons so that the management can now proceed with their agendas without unnecessary interruptions.

MSWG'S AGM WEEKLY WATCH 4 SEPTEMBER 2017 - 9 SEPTEMBER 2017

For this week, the following are the AGMs/EGMs of companies which are in the Minority Shareholder Watchdog 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
06.09.17 (Wed) 02.00 pm	Karyon Industries Bhd (AGM)	Ponderosa Golf & Country Resort Berhad, Taman Ponderosa, JB
07.09.17 (Thur) 09.30 am	MTD ACPI Engineering Bhd (AGM)	1, Jalan Batu Caves, Batu Caves, Selangor
07.09.17 (Thur) 10.00 am	Focus Dynamics Group Bhd (EGM)	Menara Lien Hoe, No. 8, Persiaran Tropicana Tropicana Golf & Country Resort, PJ
09.09.17 (Sat) 09.00 am	Icapital Biz. Bhd (AGM)	Renaissance Kuala Lumpur Hotel Corner of Jalan Sultan Ismail and Jalan Ampang, KL

The points of interest to be raised:	
Company	Points/Issues to Be Raised
MTD ACPI Engineering Bhd (AGM)	<p>The MD & A reported that the Manufacturing segment had experienced a decrease in revenue over the past five (5) years mainly due to the delay in commencement of projects secured that subsequently affected the segment's planned production and delivery performance.</p> <p>(a) How would the Board ensure the Manufacturing segment's sustainability in terms of its revenue and bottom-line with the Manufacturing segment's portion of its order book currently at RM113.6 million?</p> <p>(b) What are the revival plans, improvements and initiatives in place and the outlook for the Manufacturing segment amid the risk and measures reported in the MD & A?</p> <p>(c) What are the Board's strategies and direction for the Manufacturing segment in relation to its railway-related products, Industrialised Building System ("IBS"), precast products and other engineered infrastructure products in the face of intense competitions from China-based companies?</p>
Focus Dynamics Group Bhd (EGM)	<p>The indicative salient terms of the proposed ICPS showed that the holders of the proposed ICPS are not entitled to any dividends during the tenure of 10 years for the proposed ICPS while the tenure of the Warrants D is 5 years.</p> <p>(a) Without dividends for the proposed ICPS, how would the Board assess the subscription to the proposed ICPS to be attractive to minority shareholders?</p> <p>(b) How would the Board decide on the Exercise Price during the tenure of the Warrants D and would there be attractive premiums to the market price of the Company's shares in order to encourage the Warrant holders to convert into the Company's shares?</p> <p>(c) Why has the proposed ICPS be fixed with a tenure of 10 years without dividend entitlement whereas the tenure of the Warrants D is 5 years? Could the Board clarify?</p>

REGULATOR'S REPRIMAND LIST OF THE WEEK

No	Regulator	Companies	Reasons
1	Bursa Malaysia	Asdion Berhad (Asdion)	<p>Bursa Malaysia has publicly reprimanded Asdion for committing the breaches of the Bursa Malaysia ACE Market Listing Requirements by failing to issue its annual report for the financial year ended 31 March 2016 (AR 2016) by the stipulated timeframe of 31 July 2016 and for failing to ensure that the company's announcement dated 31 May 2016 on the fourth quarterly report for the financial year ended (FYE) 31 March 2016 (QR 4/2016) took into account the adjustments as stated in the Company's announcement dated 12 August 2016.</p> <p>The Board of Directors of ASDION at the material time were as follows:-</p> <ol style="list-style-type: none">1. Datuk Seri Maglin Dennis D'Cruz2. Mohamad Farid Bin Mohd Yusof3. Low Jyh Sing4. Jason Minos Anak Peter5. Lye Siang Long6. Selva Rasan a/l Dato' Puspa Das7. Datuk Raime Bin Unggi8. See Poh Yee9. Dato' Hj. Zulkifli Bin Hj. Alias10. Ang Chin Poo <p>[Date: 24 August 2017]</p>

LOCAL NEWS AND DEVELOPMENTS

What is the purpose of the RCI in forex losses?

<http://www.thestar.com.my/business/business-news/2017/08/26/what-is-the-purpose-of-the-rci-in-forex-losses/>

Petronas raises dividend payment to government

<http://www.thestar.com.my/business/business-news/2017/08/26/petronas-raises-dividend-payment-to-government/>

MIDF may become an Islamic financial institution

<http://www.thestar.com.my/business/business-news/2017/08/26/midf-may-become-an-islamic-financial-institution/>

Palette Multimedia says considering private placement after UMA query

<http://www.thesundaily.my/news/2017/08/25/palette-multimedia-says-considering-private-placement-after-uma-query>

Hong Leong Bank rules out mergers and acquisitions

<http://www.thestar.com.my/business/business-news/2017/08/25/hong-leong-bank-rules-out-ma/>

Measuring Malaysia's GDP in US dollars not relevant, inappropriate: Johari

<http://www.thesundaily.my/news/2017/08/24/measuring-malaysias-gdp-us-dollars-not-relevant-inappropriate-johari>

Headline inflation up 3.2%

<http://www.thestar.com.my/business/business-news/2017/08/24/headline-inflation-up-32/>

Malaysian Economic Indicators: Leading, Coincident & Lagging Indexes June 2017

https://www.dosm.gov.my/v1/index.php?r=column/cthemByCat&cat=82&bul_id=K2VqSTV6VTvkQjVqZkVEU0lzdGN2Zz09&menu_id=YmJrMEFKT0p0WUIxbDl1bzZydW9JQT09

Adviser recommends Hwang Capital minorities to accept privatisation bid

<http://www.theedgemarkets.com/article/adviser-recommends-hwang-capital-minorities-accept-privatisation-bid>

GLOBAL NEWS AND DEVELOPMENTS

China July industrial profits rise at slowest pace in three months

<http://www.thestar.com.my/business/business-news/2017/08/28/china-july-industrial-profits-rise-at-slowest-pace-in-three-months/>

China liquidity stress signs build as fund cost jumps at auction

<http://www.theedgemarkets.com/article/china-liquidity-stress-signs-build-fund-cost-jumps-auction>

Wall Street cheering for tax cuts

<http://www.thestar.com.my/business/business-news/2017/08/26/wall-street-cheering-for-tax-cuts/>

US jobless claims rise slightly as labor market tightens

<http://www.theedgemarkets.com/article/us-jobless-claims-rise-slightly-labor-market-tightens>

Malaysian launches takeover bid for Singapore's Blumont

<http://www.thestar.com.my/business/business-news/2017/08/26/malaysian-launches-takeover-bid-for-singapores-blumont/>

Indonesia's move to cut rates fails to lift consumer spending

<http://www.thestar.com.my/business/business-news/2017/08/24/indonesias-move-to-cut-rates-fails-to-lift-consumer-spending/>

China's 'robot revolution' affects rest of the world

<http://www.thestar.com.my/business/business-news/2017/08/24/chinas-robot-revolution-affects-rest-of-the-world/>

Seoul court to rule on Samsung scion Lee in bribery trial

<http://www.theedgemarkets.com/article/seoul-court-rule-samsung-scion-lee-bribery-trial>

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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 Asdion Berhad.*
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Feedback

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

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