

**MSWG****MINORITY SHAREHOLDER WATCHDOG GROUP****Badan Pengawas Pemegang Saham Minoriti Berhad**

Incorporated in Malaysia * Company No. 524898-M

The Observer

03.12.2017

MSWG'S QUICK TAKE ON-ONGOING CORPORATE DEVELOPMENTS

SUPERMAX CORPORATION BERHAD ("SUPERMAX")

According to the announcement released by Supermax, Dato' Seri Stanley Thai who is the Executive Director and Group Managing Director of the company has been convicted by the Securities Commission for insider trading offences under Section 188 of the Capital Markets and Services Act 2007. The Court has granted a stay of execution and an appeal has been filed against the conviction and sentence.

The company informed members of the public that it is business as usual in Supermax and that its Management team is committed to delivering good business performance and profitability in the interest of the company and its shareholders.

The position of the business remains intact and the Management stands strong in growing the business forward.

[Source: Supermax's announcement on Bursa Malaysia's website on 24 November 2017]

MSWG'S COMMENTS:

We wish to reiterate our stand that directors who have been convicted of a criminal offence, whether the directors applied for stay of execution and appealing their case, should have taken absence of leave from their Board.

In addition, we do not subscribe to the statement issued by the Chairman of Supermax that Dato' Seri Stanley Thai's charge is related only to APLI and not the company. We believe the Board should review and incorporate certain aspects of corporate governance and conduct which are more robust into their present Code of Ethics to include systems allowing for disqualifying, suspending or debarring directors whose business integrity have been compromised for certain convicted offences.

MSWG'S AGM WEEKLY WATCH 4 - 8 DECEMBER 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
04.12.17 (Mon) 10.00 am	IOI Corporation Bhd (EGM)	Putrajaya Marriott Hotel, IOI Resort City, Sepang Utara
06.12.17 (Wed) 11.30 am	Scientex Bhd (AGM/EGM)	Scientex Packaging Film Sdn Bhd, Taman Perindustrian Pulau Indah, Port Klang
07.12.17 (Thur) 09.30 am	Seal Incorporated Bhd (AGM)	Olive Tree Hotel, Bayan Lepas, Penang
07.12.17 (Thur) 10.00 am	My E.G. Services Bhd (AGM/EGM)	Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, KL
07.12.17 (Thur) 10.00 am	Gamuda Bhd (AGM)	Kota Permai Golf & Country Club, Kota Kemuning, Shah Alam
07.12.17 (Thur) 03.00 pm	MUI Properties Bhd (AGM)	Corus Paradise resort Port Dickson
07.12.17 (Thur) 04.00 pm	Malayan United Industries Bhd (AGM)	Corus Paradise resort Port Dickson
08.12.17 (Fri) 11.00 am	Tiger Synergy Bhd (AGM)	Royal Sungei Ujong Club, Seremban, N9

The points of interest to be raised:	
Company	Points/Issues to Be Raised
Scientex Bhd (AGM/EGM)	<p>(i) What are the current utilisation rates for the Group's plants and the targeted capacity to achieve in the next few years in line with the Group's expansion trajectory?</p> <p>(ii) To-date, how much funds have been spent for capital expenditure? What is the Group's rate of return on the capital investment?</p> <p>(iii) What is the update on the Group's effort to explore new suppliers to expand its supplier base to meet its growth? Please explain.</p> <p>(iv) Please brief shareholders on the aggressive marketing stance launched by the Group, its budgeted cost as well as the current achievement.</p>
Seal Incorporated Bhd (AGM)	<p>1. Under the market outlook, there are indicators of the market which would continue to pose players with some challenges. Nevertheless, the Group has managed to survive in the sluggish property market, particularly for FY2017.</p> <p>How would the Board plan and sustain its property business as uncertainty continues to prevail in the domestic environment?</p> <p>2. What is the Company's response to the latest Bank Negara preventive measures for the property high end segments?</p>
My E.G. Services Bhd (AGM)	<p>The Company had on 16 February 2017 received confirmation from its solicitor that the Application for Judicial Review to the Kuala Lumpur High Court against Bursa Malaysia Securities Berhad and Bursa Malaysia Berhad on the Public Reprimand had been filed on 10 February 2017 and the case management would be heard on 27 February 2017.</p> <p>Could the Board provide an update on the matter?</p>
My E.G. Services Bhd	The Company stated that the foreign workers accommodation programme

The points of interest to be raised:	
(EGM)	<p>("FWAP") can be considered as a capital intensive business, depending on the size and location.</p> <p>How would the diversification be expected to affect the gearing of the Group?</p>
Gamuda Bhd (AGM)	<p>1. Could the Board share with shareholders their views/thoughts on the developments pertaining to the property industry and their potential impact to the Group, for instance, the temporary freeze on luxury property developments in Malaysia by the regulator?</p> <p>Please update on the latest situation and the negative implication to the Group and explain how these policies would impact its operation and financial performance?</p> <p>2. As stated in the Statement from the Group Managing Director that the Group invested in two digitally-integrated Industrialised Building System (IBS) factories.</p> <p>(i) Would IBS address or mitigate the labour intensity and related issues in the construction and infrastructure projects of the Group? To what extent has this translated into cost and time savings or optimisation? Shareholders would be interested to know how and to what degree has it helped the Group to be more competitive and at the same time enhanced its margin.</p> <p>(ii) Is there any incentive offered by the government for the adoption of IBS in construction projects?</p> <p>(iii) Does the Group's IBS involve the application of 3D printing for precise customisation of components?</p>
MUI Properties Bhd (AGM)	<p>The property segment is faced with the risk of high loan rejection rates, weaker consumers' and market sentiments together with a possible interest rate hike in the 1st Quarter of 2018.</p> <p>(i) What measures have been taken to address the above risks and please brief on the impact arising from the latest property measures introduced by Bank Negara Malaysia to mitigate and address the oversupply of properties in the market?</p> <p>(ii) Please brief on, if any, overhang supply or unsold properties in the Group's portfolio and the measures taken to address.</p> <p>(iii) What are the current developments in Bandar Springhill and what are the potential launches for FYE 2018?</p>
Malayan United Industries Bhd (AGM)	<p>We noted that unrealized foreign exchange translation loss (RM15.5 million) on intragroup balances arising from depreciation of Ringgit Malaysia against major foreign currencies also contributed to the overall loss.</p> <p>(i) Could the Board share on the key measures to be taken to minimize the unfavourable foreign exchange losses in the next financial year?</p> <p>(ii) Is there any form of hedging policy to be implemented in the near future?</p>

MSWG'S WATCHLIST

CHINA STATIONERY LIMITED ("CSL")

CSL announced that the company is unable to release its Third Quarter Results by 30 November 2017 ("Timeframe") to Bursa Malaysia as required under Paragraph 9.22(1) of the MMLR.

Pursuant to Paragraph 9.28(5) of Main Market Listing Requirements of Bursa Malaysia ("MMLR"), if CSL fails to issue the Third Quarter Results within 5 market days after the expiry of the timeframe (the last day of this 5 market days shall hereinafter be referred to as "Suspension Deadline"), in addition to any enforcement action that Bursa Malaysia may take, Bursa Malaysia shall suspend trading in the securities of CSL.

The suspension shall be effected on the next market day following the expiry of the Suspension Deadline and will be uplifted on the market day following the issuance of the Third Quarter Results, unless otherwise determined by Bursa Securities. As such, the suspension will be effected on 11 December 2017.

Pursuant to Paragraph 9.28(6) of the MMLR, if CSL fails to issue the Third Quarter Results within 6 months from the expiry of the Timeframe, in addition to any enforcement action that Bursa Securities may take, de-listing procedures shall be commenced against CSL.

Please note that CSL has on 27 November 2017 also announced that it has failed to comply with the status updates (on several aspects of the company's material litigation and financial information such as its cash and bank balances, receivables, advertisement expenses and etc.) by 5.00 p.m., Friday, 24 November 2017, as directed by Bursa Malaysia for which, the trading of CSL's shares will be suspended with effect from 9.00 a.m., Tuesday, 5 December 2017 pursuant to Paragraph 16.02(1)(j) of the MMLR.

In view of the above, the trading of CSL's shares will be suspended with effect from 9.00 a.m., Tuesday, 5 December 2017.

[Source: CSL's announcements on Bursa Malaysia's website on 22 & 27 November 2017]

LOCAL NEWS AND DEVELOPMENTS

Leap Market to see more listings next year

<https://www.thestar.com.my/business/business-news/2017/11/29/leap-market-to-see-more-listings-next-year/>

October CPI rises 3.7%

<http://www.thesundaily.my/news/2017/11/24/october-cpi-rises-37>

Court Declares in Favour of SC in Axis Insider Trading Case

https://www.sc.com.my/post_archive/court-declares-in-favour-of-sc-in-axis-insider-trading-case/

Johor to discuss with SAJ Ranhill's biggest shareholder on possible takeover

<https://www.thestar.com.my/business/business-news/2017/11/27/johor-to-discuss-with-saj-ranhills-biggest-shareholder-on-possible-takeover/>

Appointment of New Deputy Governor of Bank Negara Malaysia

http://www.bnm.gov.my/index.php?ch=en_press&pg=en_press&ac=4554&lang=en

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

https://www.dosm.gov.my/v1/index.php?r=column/cthemedByCat&cat=82&bul_id=NnNwdEdxZm1SUzA3citxTURONGRmdz09&menu_id=YmJrMEFKT0p0WUIxbDl1bzZydW9JQT09

Top Glove to buy Aspion to become world's largest surgical glove producer

<https://www.nst.com.my/business/2017/11/307012/top-glove-buy-aspion-become-worlds-largest-surgical-glove-producer>

Johari to meet PM over property freeze

<http://www.theedgemarkets.com/article/johari-meet-pm-over-property-freeze>

Bank Negara denies that it may appoint an official cryptocurrency exchange

<http://www.theedgemarkets.com/article/bank-negara-denies-it-may-appoint-official-cryptocurrency-exchange>

Listing reference price for Sime Darby Plantation at RM5.59, Sime Darby Property at RM1.50

<http://www.theedgemarkets.com/article/listing-reference-price-sime-darby-plantation-rm559-sime-darby-property-rm150>

GLOBAL NEWS AND DEVELOPMENTS

China's industrial profits surge in October

<https://www.thestar.com.my/business/business-news/2017/11/27/china-industrial-profits-surge-in-october/>

US goods trade deficit widens in October, inventories fall

<http://www.theedgemarkets.com/article/us-goods-trade-deficit-widens-october-inventories-fall>

Japan's factory output seen rebounding in October

<https://www.thestar.com.my/business/business-news/2017/11/24/japan-factory-output-seen-rebounding-in-october/>

Fed chair nominee Powell defends push to review financial regulations

<https://www.thestar.com.my/business/business-news/2017/11/29/fed-chair-nominee-powell-defends-push-to-review-financial-regulations/>

Japan plans extra budget of US\$24b -US\$26b for fiscal 2017 – sources

<http://www.theedgemarkets.com/article/japan-plans-extra-budget-us24b-us26b-fiscal-2017---sources>

Bitcoin guns for US\$10,000 as cryptocurrency mania defies skeptics

<http://www.theedgemarkets.com/article/bitcoin-guns-us10000-cryptocurrency-mania-defies-skeptics>

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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 China Stationery Limited.*
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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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