



MINORITY SHAREHOLDER WATCHDOG GROUP

Badan Pengawas Pemegang Saham Minoriti Berhad

Incorporated in Malaysia \* Company No. 524898-M

## The Observer

04 September 2015

### MSWG'S QUICK TAKE ON ONGOING CORPORATE TRANSACTIONS

#### **SCAN ASSOCIATES BERHAD ("SAB")**

The Board of Directors of SAB announced that the KL High Court Suit No. 22NCC-130-05/2015 dated 10 May 2015 between SAB ("Plaintiff") and Bursa Malaysia ("Defendant") to restrain the Defendant from enforcing the Directive dated 8 May 2015 ("Suit"), has been withdrawn on even date with costs of RM30,000.00 paid to the Defendant and with no liberty to file afresh.

Following thereto, the Plaintiff will withdraw Civil Appeal No. W-02(IM)(NCC)-941-06/2-15 filed in the Court of Appeal against the decision of the learned High Court Judge in dismissing the Plaintiff's application for an interlocutory injunction with no order as to costs.

The company is of the view that the withdrawal of the Suit is in the best interest of the company.

*[Source: SAB's announcement on Bursa Malaysia's website on 27 August 2015]*

#### **MSWG'S COMMENTS:**

After SAB had withdrawn the court case against Bursa Malaysia with costs of RM30,000, we noted SAB had on the next day announced another set of losses which rendered SAB to be a technically insolvent company with net liabilities per share of RM0.03. Bursa Malaysia had taken precautionary measures in protecting the interest of minority shareholders of SAB through the classification of SAB as a GN3 company.

#### **SOUTHERN ACIDS (M) BERHAD ("SAMB")**

SAMB held its 34<sup>th</sup> AGM on 28 August 2015 where all the resolutions as set out in the notice of the AGM were passed by shareholders/proxies of the company.

*[Source: SAMB's announcement on Bursa Malaysia's website on 28 August 2015]*

#### **MSWG'S COMMENTS:**

There were several minority shareholders unhappy about the decision of the Board on some 20 acres of land belong to the Group in Kota Kemuning which had been given to a third party to build an access

highway despite the attempts by the Board to clarify that the said 20 acres of land was still under the ownership of the Group and the highway would enhance the value of the remaining 600 acres of land. There was almost a fight among 2 shareholders after a heated argument on the land issue.

#### ***AIRASIA X BERHAD (“AAXB”)***

The Board of AAXB disclosed that its internal and external auditors have discovered that certain payments have been made to a service provider between the period of 2010 to 2014 for services which have now been established to be fictitious.

Following the discovery of the irregularities, the Board has on the recommendation of the Audit Committee appointed PwC Consulting Services Sdn. Bhd. (“PwCCS”) to carry out a forensics audit and instructed the management to ensure the availability of all relevant documents and/or key personnel for PwCCS to review and interview, where applicable.

The findings of the forensics audit established that the irregularities have been confined only to a sum of RM7.01 million.

*[Source: AAXB’s announcement on Bursa Malaysia’s website on 27 August 2015]*

#### **MSWG’S COMMENTS:**

AAXB’s Shareholders certainly were surprised as regards the irregularities disclosed by AAXB and were wondering if this was just the tip of the iceberg and why AAXB took 4 years to discover such irregularities.

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### **MSWG’S WATCHLIST**

#### ***GREEN PACKET BERHAD (“GPB”)***

GPB released its latest quarter financial result on 27 August 2015 where its profit attributable to ordinary equity holders of the parent amounted to RM24.4 million. However, GPB had on 28 August 2015 revised a loss attributable to ordinary equity holders of the parent to RM24.4 million.

*[Source: GPB’s announcement on Bursa Malaysia’s website on 27 August 2015 and 28 August 2015]*

#### ***OSK PROPERTY HOLDINGS BERHAD (“OPHB”)***

OPHB announced that the closing date for the unconditional take-over offer to acquire all the remaining shares of OPHB (“Offer”) made by OSK Holdings Berhad (“Offeror”) and time for acceptance of the Offer has been extended from 1 September 2015 to 15 September 2015.

The total number of OPHB’s shares held by and for which acceptances under the Offer received by the Offeror were 307,512,102 shares, represents 93.84% of the total paid-up shares of OPHB.

*[Source: OPHB’s announcement on Bursa Malaysia’s website on 28 August 2015]*

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## LOCAL NEWS AND DEVELOPMENTS

Fresh start for national carrier

<http://www.nst.com.my/node/98814>

AirAsia X auditors discover RM7.01m worth of fictitious payments

<http://www.nst.com.my/node/98122>

AGM gatecrashers

<http://www.thestar.com.my/Business/Business-News/2015/08/29/AGM-gatecrashers/?style=biz>

EPF posts 14.6pc jump in 2015 first half investment income to RM22b

<http://www.themalaymailonline.com/money/article/epf-posts-14.6pc-jump-in-2015-first-half-investment-income-to-rm22b>

BNM: Monetary and Financial Developments in July 2015

[http://www.bnm.gov.my/files/publication/msb/2015/7/i\\_en.pdf](http://www.bnm.gov.my/files/publication/msb/2015/7/i_en.pdf)

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## GLOBAL NEWS AND DEVELOPMENTS

U.S. consumer spending rises in July; inflation muted

<http://www.theedgemarkets.com/en/article/us-consumer-spending-rises-july-inflation-muted?type=Markets>

China central bank injects \$22B into economy

<http://www.cnbc.com/2015/08/26/china-central-bank-injects-22b-into-economy.html>

India's economic growth slows to 7%

<http://www.bbc.com/news/business-34107648>

Toshiba Drops After New Accounting Problems Delay Results

<http://www.bloomberg.com/news/articles/2015-08-31/toshiba-delays-earnings-report-on-additional-accounting-probe>

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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 Scan Associates Berhad.*

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#### **Feedback**

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

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