



MINORITY SHAREHOLDERS WATCH GROUP
Badan Pengawas Pemegang Saham Minoriti Berhad (524989-M)

The Observer

05.07.2019

PLEASE MARK YOUR CALENDER

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

The findings and results of the level of Corporate Governance of Malaysian public listed companies using the ASEAN Corporate Governance Scorecard methodology will be announced followed by an award presentation ceremony to recognise the companies that have demonstrated high level of corporate governance practices.

We look forward to your participation and support at the event.

MSWG AGM/EGM Weekly Watch 1 to 5 July 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
09.07.19 (Tue) 11.00 am	George Kent (Malaysia) Bhd (AGM)	George Kent Technology Centre, 1115, Jalan Puchong, Taman Meranti Jaya, Puchong, Selangor
10.07.19 (Wed) 10.00 am	Hiap Teck Venture Bhd (EGM)	Setia City Convention Centre, Setia Alam, Seksyen U13, Shah Alam, Selangor
10.07.19 (Wed) 10.30 am	JKG Land Bhd (AGM)	Bukit Kiara Equestrian and Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, KL
10.07.19 (Wed) 10.30 am	Paramount Corporation Bhd (EGM)	Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, KL
11.07.19 (Thur) 10.30 am	Yinson Holding Bhd (AGM)	Pullman Kuala Lumpur Bangsar, No. 1, Jalan Pantai Jaya, Tower 3, KL
12.07.19 (Fri) 10.30 am	Quality Concrete Holdings Bhd (AGM)	Wisma Bukit Mata Kuching, Jalan Tunku Abdul Rahman, Kuching, Sarawak

One of the points of interest to be raised:

Company	Points/Issues to Be Raised
George Kent (Malaysia) Bhd (AGM)	<p>"The Group Engineering Division revenue registered at RM298.6 million from RM464.6 million in FY2018, contributing 69.2% to the Group's top line" (Page 12 of the Annual Report 2019).</p> <p>(a) How will the Board address the decline in revenue and what will be the targeted percentage of revenue contribution to the Group's topline in FY2020?</p> <p>(b) What is the Division's current orderbook and what is the Division's targeted order book for the next three years? Please brief on the probability of being awarded new contracts.</p>

JKG Land Bhd (AGM)	<p>The Group acquired freehold land valued at RM41.1 million from a subsidiary and classified it as an Investment Property as disclosed on page 101 of the Annual Report.</p> <p>(a) What is the reason for classifying the freehold land as investment property?</p> <p>(b) Where is the land located?</p> <p>(c) When will the Company start developing the land and what is the type of development on the land?</p>
Paramount Corporation Bhd (EGM)	<p>Why were three different valuation methods used in the disposal of KDUUC, KDUPG and KDUPJ? (page 48 of the Circular)</p> <p>(a) The sales consideration of RM16 million for the 65% equity interest in KDUUC is based on 1.3 times of KDUUC's adjusted net assets of RM18.7 million as at 31 December 2017 after taking other adjustments into consideration?</p> <p>(b) The sales consideration of RM 22 million for the 65% equity interest in KDUPG is based on nine (9) times of KDUPG's adjusted EBITDA of RM3.707 million registered for the FYE 31 December 2017 and after adjustment for net liabilities.</p> <p>(c) The sales consideration of RM 0.5 million for the 70% equity interest in KDUPJ is based on KDUPJ's licence to operate a college business after taking into consideration its adjusted net liabilities of RM1.2 million as at 31 December 2018 and after other adjustments.</p>
Quality Concrete Holdings Bhd (AGM)	<p>Trade receivables (Page140 of the Annual Report 2019)</p> <p>As at 31st January 2019, the allowance for impairment was at RM18,894,000 (an increase of more than 40%) compared to RM13,253,000 in FY2018.</p> <p>(a) What are the reasons for this increase?</p> <p>(b) What are the chances of recovery of the amount of RM18,894,000 and what steps have been taken by the Board to collect the receivables?</p>

MSWG'S WATCHLIST

YEE LEE CORPORATION BHD ("YEE LEE")

PRIVATISATION OF YEE LEE FALLS THROUGH

In a filing to Bursa Malaysia after the offer closed at 5pm, Yee Lee announced that the joint offerors have only managed to secure 89.85% shareholding in the company, which is a whisker away from the 90% threshold needed to suspend trading of Yee Lee's securities.

Source: <https://www.theedgemarkets.com/article/privatisation-yee-lee-falls-through>

LONDON BISCUITS BERHAD ("LONDON BISCUITS")

LONDON BISCUITS DEFAULTS ON DEBT PAYMENT; DIRECTORS RESIGN

London Biscuits Bhd announced yesterday that it has defaulted in RM9.83 million debt repayment to Bank of Nova Scotia Bhd (BNSB) due to "cash flow constraint".

In separate filings, London Biscuit also saw changes in its boardroom, with executive director Datuk Wira Ranjeet Singh Sidhu and chief financial officer Loo Seng Kit resigning voluntarily, while independent and non-executive director Leslie Looi Meng resigned due to professional work commitments.

Source: <https://www.theedgemarkets.com/article/london-biscuits-defaults-debt-payment-directors-resign>

SUMATEC RESOURCES BERHAD ("THE COMPANY" OR "SUMATEC")

GENERAL ANNOUNCEMENT

The Company wishes to announce that it had on 2 July 2019 received a letter from CaspiOilGas LLP ("COG") a copy of which is attached to this announcement which is self-explanatory.

The Company is of the view that contents of the COG's letter, which concerns the interest of Sumatec under the Joint Investment Agreement ("JIA"), is of material information pursuant to the Main Market Listing Requirement ("MMLR") under Chapter 9.03 (a) Part C.

This announcement is dated 2 July 2019.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6211397>

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 the Company wishes to announce that its subsidiary, Daya CMT Sdn Bhd has not paid the outstanding amount of RM277,638.22, which was due and payable pursuant to the banking facilities granted by AmBank (M) Berhad.

This announcement is dated 2 July 2019.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6211289>

KUMPULAN PERANGSANG SELANGOR BERHAD ("PERANGSANG SELANGOR" OR "THE COMPANY")

PROPOSED OFFER TO PURCHASE ALL THE SECURITIES HELD BY SISTEM PENYURAIAN TRAFIK KL BARAT HOLDINGS SDN BHD ("SPRINT HOLDINGS"), A 20% ASSOCIATED COMPANY OF PERANGSANG SELANGOR, IN SISTEM PENYURAIAN TRAFIK KL BARAT SDN BHD ("SPRINT") BY MINISTER OF FINANCE (INCORPORATED) ("MOF INC")

Reference is made to the Company's earlier announcement dated 24 June 2019 in relation to MOF Inc's offer to acquire all the securities (including all ordinary shares, preference shares and loan stocks) of SPRINT ("SPRINT Offer"). Unless otherwise stated, words and phrases used in this announcement shall have the same meanings as defined in the aforesaid announcements.

Pursuant to Paragraph 9.03 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), the Board of Directors of Perangsang Selangor ("Board") wishes to announce that the Board had today deliberated on the SPRINT Offer and has resolved to vote in favour of accepting the SPRINT Offer at the SPRINT Holdings.

The Board will make the appropriate announcements in due course after going through the relevant due process with SPRINT Holdings.

This announcement is dated 2 July 2019.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6210981>

ORIENTAL INTEREST BERHAD (“OIB”)

PROPOSED ACQUISITION BY MYRA LAND SDN. BHD., A SUBSIDIARY, OF LAND MEASURING APPROXIMATELY 423401.6813 METER PERSEGI (104 EKAR 2 ROOD 20.0000 POLE.) IN AREA FOR A TOTAL PURCHASE PRICE OF RM40,105,309.00

The Board of Directors of OIB wishes to inform that its subsidiary, Myra Land Sdn. Bhd. (Company No. 1142636-T) (“Myra Land” or “the Purchaser”) had, on 1 July 2019, entered into a Sale and Purchase Agreement (the “Agreement”) with Sime Darby Plantation Berhad (Company No. 647766-V) (“Vendor”) for the acquisition of all that piece of land held under Geran 94107, Lot 2496, Mukim of Tanjung Dua Belas, District of Kuala Langat, Selangor Darul Ehsan (“Land”), for a purchase price of RM40,105,309.00 (“Purchase Price”) subject to the terms and conditions of the Agreement (“Proposed Acquisition”).

This announcement is dated 1 July 2019.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6211289>

PRESTARIANG BERHAD (“THE COMPANY”)

LETTER OF AWARD FROM MINISTRY OF FINANCE

Further to the Company's announcement dated 29 January 2018 (reference number GA1-23012018-00083), the Company is pleased to announce that today, its wholly-owned subsidiary, Prestariang Systems Sdn Bhd (“PSSB”) had received a Letter of Award (“LOA”) dated 28 June 2019 from the Ministry of Finance to supply Microsoft software licenses, products and services under the Master Licensing Agreement (“MLA”) 3.0 to the Ministry of Education (“MOE”), for a period of one (1) year at a total price of RM22,942,505.00.

The LOA formalises the appointment of PSSB to supply Microsoft software licenses, products and services under MLA 3.0 to MOE which will be managed through the following programs:-

- Education Alliance Agreement (EAA) to all schools under MOE, shall be effective from 10 March 2019 until 9 March 2020 at a price of RM11,226,005.00; and
- Enrolment for Education Solutions (EES) to all agencies under MOE, shall be effective from 3 July 2019 until 2 July 2020 at a price of RM11,716,500.00.

This announcement is dated 1 July 2019.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6208781>

TASEK CORPORATION BERHAD (“TASEK CORP” OR “TASEK”)

TASEK SHAREHOLDERS ADVISED TO ACCEPT TAKEOVER OFFER FROM HONG LEONG ASIA

Tasek Corp Bhd's minority shareholders have been advised to accept the takeover offer by Singapore-listed Hong Leong Asia Ltd (HLA) in a deal worth an estimated RM128.61 million, based on the offer price of RM5.50 for every ordinary as well as preference share.

Source:<https://www.theedgemarkets.com/article/tasek-shareholders-advised-accept-takeover-offer-hong-leong-asia>

MSWG'S VIGILANCE

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. MAA GROUP BERHAD
14. MALAYSIA PACIFIC CORPORATION BERHAD
15. MAXWELL INTERNATIONAL HOLDINGS BERHAD
16. MULTI SPORTS HOLDINGS LTD
17. PERISAI PETROLEUM TEKNOLOGI BERHAD
18. SEACERA GROUP BERHAD
19. SUMATEC RESOURCES BERHAD
20. TH HEAVY ENGINEERING BERHAD
21. 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

SC CAUTIONS INVESTORS AGAINST UNAUTHORISED INITIAL COIN OFFERINGS AND DIGITAL ASSET EXCHANGES

Source:

<https://www.sc.com.my/news/media-releases-and-announcements/sc-cautions-investors-against-unauthorised-initial-coin-offerings-and-digital-asset-exchanges>

FORMER DIRECTORS OF BESTINO GROUP FOUND GUILTY OF DISTRIBUTING APPLICATION FORMS FOR SECURITIES WITHOUT PROSPECTUS

Source:

<https://www.sc.com.my/news/media-releases-and-announcements/former-directors-of-bestino-group-found-guilty-of-distributing-application-forms-for-securities-without-prospectus>

SC REACHES OUT TO CAPITAL MARKET INVESTORS IN SABAH

Source:

<https://www.sc.com.my/news/media-releases-and-announcements/sc-reaches-out-to-capital-market-investors-in-sabah>

CONSULTATION PAPER NO. 2/2019

PROPOSED AMENDMENTS TO THE RULES OF BURSA MALAYSIA DEPOSITORY SENDIRIAN BERHAD IN RELATION TO CDS eSERVICES (RELEASE 2) & OTHER AMENDMENTS

Date of Issue: 30 May 2019

Source:

http://www.bursamalaysia.com/misc/system/assets/27073/ConsultPaperCDS_eServices_withR1.FINAL.pdf

LOCAL NEWS AND DEVELOPMENTS

Malaysia's June palm stocks seen dropping to nearly 1-yr low — Reuters survey

<https://www.theedgemarkets.com/article/malaysias-june-palm-stocks-seen-dropping-nearly-1-yr-low-%E2%80%94-reuters-survey>

May exports exceed forecast to reach RM84.15b, CPO picks up

<https://www.thestar.com.my/business/business-news/2019/07/04/may-exports-exceed-forecast-to-reach-rm8415b-cpo-picks-up/>

O&G decommissioning works in big demand

<https://www.thestar.com.my/business/business-news/2019/07/03/og-decommissioning-works-in-big-demand/>

Malaysian palm oil prices rise with soyoil but gains seen limited

<https://www.thestar.com.my/business/business-news/2019/07/03/palm-oil-prices-rise-with-soyoil-but-gains-seen-limited/>

More than 51,000 units of property in Johor unsold as of Q1 2019

<https://www.thestar.com.my/business/business-news/2019/07/02/more-than-51000-units-of-property-in-johor-unsold-as-of-q1-2019/>

Khazanah appoints three directors

<https://www.thestar.com.my/business/business-news/2019/07/02/khazanah-appoints-three-directors/>

GLOBAL NEWS AND DEVELOPMENTS

U.S. job growth seen accelerating, rate cut still expected

<https://www.reuters.com/article/us-usa-economy/u-s-job-growth-seen-accelerating-rate-cut-still-expected-idUSKCN1U00AF>

India expects economy to rebound this year

<https://www.thestar.com.my/business/business-news/2019/07/04/india-expects-economy-to-rebound-this-year/>

Weak economic data, tariff concerns weigh on stocks globally

<https://www.thestar.com.my/business/business-news/2019/07/03/weak-economic-data-tariff-concerns-weigh-on-stocks-globally/>

Under pressure from Trump, OPEC embraces Putin

<https://www.reuters.com/article/us-oil-opec-putin-trump-analysis/under-pressure-from-trump-opec-embraces-putin-idUSKCN1TX287>

Oil edges up after steep fall; OPEC cuts, stocks draw support

<https://www.reuters.com/article/us-global-oil/oil-edges-up-after-steep-fall-opec-cuts-stocks-draw-support-idUSKCN1TY03B>

Vietnam economy grows nearly 7% on trade war tailwinds

<https://asia.nikkei.com/Economy/Vietnam-economy-grows-nearly-7-on-trade-war-tailwinds>

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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 Tasek Corporation Berhad, Kumpulan Perangsang Selangor Berhad, and Yee Lee Corporation Bhd*

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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