



The Observer

10.05.2019

ANALYST'S MESSAGE

Trive Property Group Berhad – Some Issues and Concerns

Trive Property Group Berhad (“Trive” or “the Company”) had on 19 April 2019 issued the Notice of the Extraordinary General Meeting (EGM) for the following:-

- (i) Proposed subscription by Trive of 150 new ordinary shares in Avenue Escape Sdn Bhd (“AESB”), representing 60% equity interest in the enlarged issued share capital of AESB, for a subscription consideration of RM17,356,898 (“Proposed Subscription”); and
- (ii) Proposed variation of the utilisation of proceeds previously raised from the Company’s share issuance exercise with Macquarie Bank Limited (“Proposed Variation”).

(Collectively referred to as the “Proposals”)

[Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6132389>]

Upon perusal of the Circular to the shareholders dated 22 April 2019 (“Circular”), pertaining to the Proposed Subscription, we note several questionable issues and concerns that require further clarification. Some of them are as follows:

1. Trive proposes to subscribe for 150 new ordinary shares in AESB, representing 60% equity interest in AESB for RM17.36 million in cash (“Subscription Consideration”). AESB is a property investment holding company that owns Persoft Tower, a 22-year old commercial office building which is located at Persiaran Tropicana in Petaling Jaya, Selangor.

Persoft Tower has a low occupancy rate of 37% as at 31 December 2018 (Section 2.4 of the Circular) and is experiencing the effects of an oversupply situation with an expected increase in the supply of new purpose-built offices (Sections 5.2 and 5.3 of the Circular). The remaining lease terms of the Persoft

Tower are between 0.06 years and 1.9 years (Appendix V, page 69 of the Circular).

Given the above circumstances, it would be interesting to see how Trive plans to address the following challenges upon its acquisition of AESB:

- The oversupply situation which will negatively impact further the dismal occupancy rate of 37%

- The imminent end of the tenancy leases with the risk that the tenants may not prefer a 22-year old building when newer buildings are available nearby at affordable and possibly lower rates due to the oversupply situation

2. "Moving forward, in order to enhance the occupancy rate of Persoft Tower, Trive intends to embark on asset enhancement initiatives to improve the condition of Persoft Tower. The timeframe and estimated expenses for such plans can only be determined upon Trive's full review of the condition of Persoft Tower to assess and identify potential areas which may be enhanced. **The review process can only be undertaken upon completion of the Proposed Subscription.**" - page 17 of the Circular (*emphasis ours*)

The above approach may be risky as the Company is subscribing for AESB shares without doing a proper due diligence on the condition of Persoft Tower. What if the cost of enhancements turns out to be extremely high? It would be too late to unwind the position as the deal would have already gone through. The high risk is further exacerbated by the low occupancy rate of Persoft Tower (which may reflect the quality of the Tower) coupled with the fact that the building is 22 years old.

3. For FYE 31 July 2018, the Group's loss after tax attributable to owners of the Company ("LAT") was RM11.7 million and the Proposed Subscription will further widen the Group's losses to RM13.9 million (Section 7.3 of the Circular). After the Proposed Subscription, the Group's gearing will increase from nil to 0.75 times (Section 7.2 of the Circular). Additionally, the Group via AESB will be expected to fund the monthly principal repayments and interest expenses in relation to AESB's borrowings (Section 6.2 of the Circular).

We are concerned if the Group has enough funds to service AESB's loan for the next 12 months, given that AESB's FYE 30 April 2018 was loss making while Trive also made losses in the 6-month financial period ended 31 January 2019, couple with its negative net operating cash flow position. With the Group's current dire financial condition, we are curious on how the Proposed Subscription will create shareholder value.

4. We also note that from the Company's Annual Report 2018 that Trive's registered office is in Penang and (from its website) the Company's business address is in Kulim Hi-Tech Park, Kedah. Further, the Proposed Subscription is in

relation to a property located in Petaling Jaya, Selangor. However, the EGM is to be held in Senai, Johor.

The choice of location to hold the EGM would definitely act as a deterrent for minority shareholders who would like to attend the meeting due to the distance that they would have to travel.

Based on the above concerns, the rationale and benefits stated in Section 4 of the Circular are not convincing to justify the Proposed Subscription together with the Proposed Variation which we feel is not in the best interests of the minority shareholders.

Considering the numerous challenges and concerns coupled with the Group's poor financials including negative net operating cash flow, shareholders would certainly be wondering what is the most compelling reason for the Group to venture into this investment. Surely, the Group cannot bank on rental yield as the considerably low occupancy rate of 37% certainly cannot support that.

On a separate note, upon completion of the Proposals, approximately 99% of the Subscription Consideration will be utilised towards repayment of the advances owing by AESB to two Existing AESB shareholders who will collectively have 40% holding in AESB upon completion (Section 2.3 of the Circular). Presumably the two Existing AESB shareholders should be pleased to recoup approximately RM17 million from the Proposals.

MSWG's Representatives will attend the EGM on 15 May 2019 to seek further clarification from the Board of Trive.

MSWG'S QUICK TAKE ON-ONGOING CORPORATE DEVELOPMENTS

LAFARGE MALAYSIA BERHAD

The Board of Directors of Lafarge ("Board") wishes to announce that the Board had on 2 May 2019 received a notice of unconditional mandatory take-over offer ("Notice") from Maybank Investment Bank Berhad on behalf of YTL Cement Berhad, the Offeror to acquire all the remaining ordinary shares in Lafarge not already owned by the Offeror ("Offer Shares") at a cash offer price of RM3.75 per Offer Share.

A copy of the Notice is enclosed to this announcement and will be posted to the holders of the Offer Shares within 7 days from the date of this announcement.

This announcement is dated 2 May 2019.

MSWG's comment: The offer from YTL Cement Berhad to acquire all the remaining ordinary shares in Lafarge Malaysia Berhad has received mixed responses from market.

The deal could be a windfall for shareholders who purchased the shares at about RM1.80 to RM2 early this year. However, for shareholders who invested in the company at a level of higher than the offer price, it is a bitter pill to swallow. The share price of Lafarge Malaysia once traded at RM11 per share back in May 2013 when the local construction sector was booming.

Nevertheless, some analysts opine that this is a fair deal for shareholders in view of the over 20% premium to Lafarge Malaysia's net tangible assets (NTA) per share of RM2.99 as at 31 December 2018.

Besides, the cement manufacturer has also been bleeding red since 2017 and is currently operating in a challenging environment.

However, those against the offer price believe the stock could fetch a better valuation if it remains listed, and that the industry dynamics will gradually improve after the acquisition of 51% stake by YTL Cement. YTL Cement and Lafarge Malaysia collectively own about 60% market share of the local cement market.

YTL Cement intends to maintain the listing status of Lafarge Malaysia, unless it receives acceptance level of more than 90% from shareholders.

Among the factors that the minority shareholders will be considering are their entry price and their views on the intrinsic value of the shares.

Minority shareholders are also advised to consult their stockbroker, bank manager, solicitor, accountant or other professional adviser if they have any doubt on the offer.

KHEE SAN BERHAD

The above Company has failed to submit its Annual Report that includes the annual audited financial statements together with the auditors' and directors' report in respect of the financial period ended 31 December 2018 ("Annual Report 2018") to Bursa Malaysia Securities Berhad ("Bursa Securities") for public release within the stipulated timeframe i.e. 30 April 2019 pursuant to Paragraph 9.23(1) of Bursa Securities' Main Market Listing Requirements ("LR").

Pursuant to Paragraph 9.28(5) of the LR, if a listed issuer fails to issue the outstanding financial statements within 5 market days after the expiry of the relevant timeframes as stated in Paragraph 9.23(1) of the LR (the last day of the 5 market days is referred to as "Suspension Deadline"), in addition to any enforcement action that Bursa Securities may take, Bursa Securities shall

suspend the trading in the securities of such listed issuer. The suspension shall be effected on the next market day after the Suspension Deadline.

In view of the above and in the event that KHEESAN is unable to submit the outstanding Annual Report 2018 on or before 8 May 2019, the trading in the above Company's shares will be suspended with effect from 9.00 am, Thursday, 9 May 2019 until further notice.

Pursuant to Paragraph 9.28(6) of the LR, if a listed issuer fails to issue the outstanding financial statements within 6 months from the expiry of the relevant timeframes, in addition to any enforcement action that Bursa Securities may take; de-listing procedures shall be commenced against such listed issuer.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6148737>

PASDEC HOLDINGS BERHAD (PASDEC OR "The Company")

Further to the Company's announcement dated 25 April 2019, the Board of Directors ("Board") of PASDEC wishes to announce that based on the deliberations between the Management, the external auditors of our South African subsidiaries, Pasdec Resources SA Ltd. ("PRSA") and its group of companies and our external auditors, Messrs. Hanafiah Raslan & Mohamad (HRM), the conclusion of the audit of PASDEC Group for the financial year ended 31 December 2018 is still pending the completion of audit of PRSA and its group of companies.

The Annual Report 2018 that includes the Audited Financial Statements together with the Auditors' and Directors' Reports for the financial year ended 31 December 2018 ("Annual Report 2018") is now expected to be released to Bursa Malaysia Securities Berhad ("Bursa Securities") not later than 31 May 2019.

Notwithstanding the above, the Company endeavours to issue and submit the Annual Report 2018 to Bursa Securities and shareholders as early as practicable.

The Board would like to assure all shareholders that apart from the reason stated above, there is no other reason for the delay in releasing the Annual Report 2018 of PASDEC.

Pursuant to Paragraph 9.28(5) of the Main Market Listing Requirements, Bursa Securities shall suspend trading in the securities of the Company from 9 May 2019 and shall uplift the suspension on the market day following the announcement/issuance of the Annual Report 2018 unless otherwise determined by Bursa Securities.

This announcement is dated 8 May 2019.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6154809>

MSWG's comment:

Both Khee San and PASDEC are caught with the issue of delay in submission of annual report and audited financial statements.

Nevertheless shareholders of Khee San can heave a sigh of relief for now as the Company has resolved the issue by submitting its Annual Report, the annual audited financial statements, the auditors' and directors' reports for the financial period ended 31 December 2018 (FPE2018) to Bursa Malaysia Securities Berhad on 8 May 2019.

However, the fate of PASDEC remains uncertain as the relevant documents are expected to be submitted to Bursa Malaysia on 31 May 2019 only – one month after the deadline stated on Paragraph 9.23(1) of Bursa Securities' Main Market Listing Requirements.

The incident is due to the delay of the completion of the audit of PASDEC's South African subsidiaries Pasdec Resources SA Ltd.

The management of both companies have to do more and to restore investors' confidence on the counter due to the abovementioned incident.

The importance of annual reports and audited financial statements to investors cannot be stressed enough. Regular communication and updates via annual reports and audited financial statements help investors to keep tabs on the company's performance and development. This in turn helps to build a more meaningful relationship between the Board, the management and shareholders.

A wise investor will never make an investment decision solely based on the tone and figures of an annual report or a financial statement. Nevertheless, these documents give us some important clues about the company, its performance, its view on its future prospect, etc.

Listed companies should be mindful about their Listing Requirement-obligation of ensuring timely and accurate disclosure of all material information to the public.

Such continuing disclosure provides a plethora of information which helps create transparency which in turn facilitates a vibrant capital market. Shareholders and potential investors are then in a better position to make better investment decisions.

DAYA MATERIALS BERHAD (“DAYA” or “the Company”)

The Board of Directors (“Board”) of the Company announced on 6 May 2019 that the Company’s independent auditors, Deloitte PLT, had expressed a disclaimer of opinion in the audited financial statements of the Company for the financial year ended 31 December 2018 (FYE2018).

Source : <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6152977>

MSWG’s comment:

DAYA was classified as a PN17 Company per paragraph 2.1.(a) of Practice Note (“PN”) 17 on 28 February 2018 due to the Company’s shareholders’ equity on a consolidated basis falling below RM40 million and represented less than 25% of its issued share capital based on its unaudited consolidated financial statements for the financial year ended 31 December 2017 (FYE2017).

Subsequently on 4 March 2019, DAYA announced that the Company had triggered paragraph 2.1(f) of PN17 as a result of the default by its major subsidiary, namely Daya Proffscorp Sdn Bhd, in the payment of both the principal sum and interest to Malayan Banking Berhad and Small Medium Enterprise Development Bank Malaysia Berhad, and the Company’s inability to provide a solvency declaration to Bursa Securities,

Then now on 6 May 2019, DAYA announced that the Company has triggered the paragraph 2.1(d) of PN17 of the Listing Requirements as their independent auditors, Deloitte PLT, have expressed a disclaimer of opinion in their financial statements for the FYE 2018.

The disclaimer of opinion as defined under the International Standard on Auditing (“ISA”) 705 - Modifications to the Opinion in the Independent Auditor’s Report states that *“the auditor shall disclaim an opinion when the auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, and the auditor concludes that the possible effects on the financial statements of undetected misstatements, if any, could be both material and pervasive.”*

The disclaimer was issued by Deloitte due to the following:

1) Going concern basis – whether the Company will be able to realise its assets and settle the liabilities in the normal course of business

a) As of 31 December 2018, DAYA has a capital deficiency of RM136.25 million. The current liabilities had exceeded the current assets by RM214.14 million as a result of losses incurred during the current financial year.

For the FYE 2018, the Group recorded a loss after tax (LAT) of RM178.3 million on a revenue of RM281.6 million. The higher losses in FYE 2018 as compared to LAT of RM76.67 million in FYE 2017, was primarily due to a one-off impairment charge on goodwill and property, plant and equipment amounting to RM99.3 million and allowance for doubtful receivables of RM39.6 million.

Excluding the one-off adjustments (impairment and allowance), the Company incurred a LAT of RM39.4 million in FYE2018 attributable mainly to losses incurred by our Technical Services segment due to project delay resulting in costs overrun and provision for liquidated ascertained damages.

b) PN17 status

DAYA is currently in the midst of formulating a plan to regularise its financial condition (Regularisation Plan) as the Company was required to submit the Regularisation Plan by 27 February 2019.

However, the Company had on 15 February 2019 made an application to Bursa Securities for an extension of time up to 27 August 2019 to submit the Regularisation Plan. On 8 March 2019, Bursa Securities granted DAYA the extension of time as requested.

c) Notice of demand from 3 licensed financial institutions for failure to pay the monthly installment under the hire-purchase facilities and default of repayment of trade facilities

2) Uncertainty of the outcome of a legal suit against a customer

3) Unable to obtain sufficient audit evidence on the recognition and measurement of a Put Option

4) Unable to obtain from DAYA the assessment on recognition of an estimated liability and expected cash flows required to settle the defaulted borrowings and interest payable from 2 licenced financial institutions

The stock's last done price as at 9 May 2019 was at 1sen. Shareholders are cautioned to closely monitor the counter and be on the lookout for any development announced by the Company.

PERAK CORPORATION BERHAD

BURSA MALAYSIA SECURITIES PUBLICLY REPRIMANDS PERAK CORPORATION BERHAD AND ITS DIRECTORS AND FINES 7 DIRECTORS

Bursa Malaysia Securities Berhad (Bursa Malaysia Securities) has publicly reprimanded Perak Corporation Berhad (PRKCORP or the Company) and 7 of its former directors for breaches of the Bursa Malaysia Securities Main Market Listing Requirements (Main LR). In addition, the 7 former directors of PRKCORP were imposed total fines of RM237,500.

PRKCORP was publicly reprimanded for breach of: -

(1) paragraph 9.23(1) of the Main LR for failing to issue its annual report that included the annual audited financial statements together with the auditors' and directors' reports for the financial year ended (FYE) 31 December 2016 (AR 2016) on or before 30 April 2017. The AR 2016 was only issued on 6 June 2017;

(2) paragraph 2.23(1) of the Main LR for failing to comply with Bursa Malaysia Securities' directive vide letters dated 28 April 2016 and 26 August 2016 for the Company to carry out a limited review on the Company's quarterly reports for the financial period ended 30 September 2016 (QR3/2016), 31 December 2016 (QR4/2016), 31 March 2017 (QR1/2017) and 30 June 2017 (QR2/2017) and ensure the quarterly report announcements stated that it has been reviewed by the Company's external auditors (the Limited Review Directive); and

(3) paragraph 9.16(1)(a) of the Main LR for failing to ensure that the QR4/2016 announced on 28 February 2017 took into account the adjustments as stated in the Company's announcement on 1 June 2017.

7 former directors of PRKCORP at the material time had breached paragraph 16.13(b) of the Main LR for permitting knowingly or where they had reasonable means of obtaining such knowledge, PRKCORP to commit the above breach of paragraph 9.23(1) and/or 2.23(1) of the Main LR.

6 of the directors had resigned on various dates in 2018 and 1 resigned on 1 March 2019.

For more details, see the link below.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6152425>

MSWG's comment:

Briefly, the aforesaid breaches of the Main LR can be stated as follows:

(i) The late issuance of annual report that included the annual audited financial statements together with the auditors' and directors' reports;

(ii) Failure to carry out a limited review on the Company's quarterly reports and to ensure the quarterly report announcements stated that it has been reviewed by the Company's external auditors;

(iii) Failure to ensure that the quarterly report took into account the adjustments as stated in the Company's announcement.

It is rather disappointing and disconcerting to see that increasingly more and more of such breaches have occurred. And of further concern is when the company singly committed several breaches – in the case of PRKCORP, 3 breaches.

Such occurrences reflect poorly on the company's governance particularly the concern on the integrity of its financial reporting and thus the financial statements. The Audit Committee and those very much involved in financial reporting will fall under greater scrutiny.

It is, therefore, only appropriate that Bursa Malaysia Securities also required PRKCORP to review and ensure the adequacy and effectiveness of its financial reporting function and carry out a limited review on its quarterly report submissions. In addition, PRKCORP must ensure all its directors and relevant personnel attend a training programme in relation to compliance with the Main LR pertaining to financial statements.

MSWG'S AGM/EGM WEEKLY WATCH 13 – 17 May 2019

For this week, the following are the AGMs/EGM 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
14.05.19 (Tue) 10.00 am	DIGI. Com. Bhd (AGM)	Connexion @ Nexus, No. 7, Jalan Kerinchi, Bangsar South City, KL
14.05.19 (Tue) 10.00 am	Tenaga Nasional Bhd (AGM)	The Malaysia International Trade & Exhibition Centre (MITEC), Kompleks MITEC, KL
15.05.19 (Wed) 10.00 am	UEM Edgenta Bhd (AGM)	Persada PLUS, Persimpangan Bertingkat Subang KM15, NKVE, PJ
15.05.19 (Wed) 10.00 am	BIMB Holdings Bhd (AGM)	Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, KL
15.05.19 (Wed) 11.00 am	Trive Property Group Bhd (EGM)	Le Grandeur Palm Resort Johor, Jalan Persiaran Golf, Senai, Johor
16.05.19 (Thur) 11.00 am	SP Setia Bhd (AGM)	Setia City Convention Centre, Setia Alam, Seksyen U13, Shah Alam
16.05.19 (Thur) 03.00 pm	Gas Malaysia Bhd (AGM)	Hotel Istana, 73, Jalan Raja Chulan, KL
17.05.19 (Fri) 10.00 am	PPB Group Bhd (AGM)	Shangri-La Hotel Kuala Lumpur, 11 Jalan Sultan Ismail, KL

One of the points of interest to be raised:

Company	Points/Issues to Be Raised
DIGI. Com. Bhd (AGM)	<p>We note on page 15 of the Annual Report 2018 that the Company's prepaid subscribers stood at 8.9 million (2017: 9.3 million). During the 1st quarter ended 31 March 2019, the Company's subscribers were 8.4 million – a decrease of 459,000 subscribers.</p> <p>(a) What are the main reasons for the losses in prepaid subscribers?</p> <p>(b) How will the decrease in prepaid subscribers impact the Company for the financial year ending 2019?</p>

	<p>(c) Do you expect the loss of prepaid subscribers to increase further?</p>
<p>Tenaga Nasional Bhd (AGM)</p>	<p>On page 34 of IAR 2018, it was disclosed that in FY2018, TNB conducted high speed broadband pilot using TNB's fibre optic cable in line with Government's National Fiberisation and Connectivity Plan ("NFCP") in Jasin, Melaka involving 1,100 homes.</p> <p>With the NFCP in place, TNB can monetise its mostly dormant fibre infrastructure and also help catalyse the government's drive to offer broadband connectivity that is "twice the speed, at half the cost".</p> <p>The above mentioned initiative, put TNB in a competitive position with Telekom Malaysia Berhad.</p> <p>One of your directors, Ms Gee Siew Yoong is a director of both TNB and Telekom Malaysia Berhad and as such is in a conflict of interest situation.</p> <p>Has the Board discussed this conflict of interest situation? What is the Board's stance on this issue?</p>
<p>UEM Edgenta Bhd (AGM)</p>	<p><u>The Property & Facility Solutions Division</u></p> <p>As reported by Bernama on 16 April 2019, Edgenta Berhad's consultancy arm, Opus Consultants (M) Sdn Bhd has been named project management consultant (PMC) by the Sarawak government for its RM11 billion Coastal Road Network and Second Trunk Roads project and was recently awarded the first package of the project worth RM50 million and would be working with the Sarawak Public Works Department, in providing overall project management and technical expertise.</p> <p>a) How much is the project expected to contribute to the Group's bottom-line?</p> <p>b) Is there any opportunity to provide Operations & Maintenance (O&M) services for the road pavement works via Edgenta PROPEL Berhad after completion?</p>

<p>BIMB Holdings Bhd (AGM)</p>	<p>Digitalisation is a key driver in your Group's transformation strategy for your Islamic banking and Takaful businesses, going forward. (page 54, Integrated Annual Report)</p> <p>a) What is the estimated budget for the next 3 years for the Islamic banking and Takaful business?</p> <p>b) How do your Group differentiate and compete with increasing presence of FinTech firms, digital-only Islamic banks, Shariah-compliant crowdfunding and cryptocurrency startups and several other technology players in the market place?</p>
<p>Trive Property Group Bhd (EGM)</p>	<p>"Moving forward, in order to enhance the occupancy rate of Persoft Tower, Trive intends to embark on asset enhancement initiatives to improve the condition of Persoft Tower. The timeframe and estimated expenses for such plans can only be determined upon Trive's full review of the condition of Persoft Tower to assess and identify potential areas which may be enhanced. The review process can only be undertaken upon completion of the Proposed Subscription." - page 17 of the Circular</p> <p>The above approach may be considered as high risk as the Company is subscribing AESB shares without doing a proper due diligence. What if the cost of enhancements turn out to be so high that the Proposed Subscription exercise is not in the best interest of shareholders? The high risk is further evidenced by the low occupancy rate of Persoft Tower and the age of the building of 22 years.</p> <p>Please explain.</p>
<p>SP Setia Bhd (AGM)</p>	<p>It was reported in the Financial Times newspaper dated 23 March 2019 that the 2nd and 3rd phases of the Battersea Power Station project has run into difficulty. A number of house buyers from the 2nd phase are claiming their deposits back and cancelling their purchases.</p> <p>(a) How serious is the cancellation problem? Please provide statistics.</p> <p>(b) Is the project plagued by cost overrun as reported?</p>

	<p>(c) Is there heavy staff turnover and low morale affecting the staff of the Battersea Power Station Development Company?</p> <p>(d) What are the measures taken to overcome the problems mentioned in (b) and (c), if true?</p>
Gas Malaysia Bhd (AGM)	<p>We note on Page 177 (Note 19) that the Group has investment funds with a licensed financial institution (unquoted) which increased from nil in 2017 to RM171.2 million in 2018.</p> <p>What is the nature of the investment funds, the reason for investing in such funds and the returns in 2018?</p>
PPB Group Bhd (AGM)	<p>The Company's financial result depends substantially on Wilmar International Limited's business performance by virtue of its 18.5% stake in the latter (page 33 of AR2018). What will be the impact on Wilmar with the prolonged trade tension between United States and China?</p>

MSWG'S WATCHLIST

Axiata Group Berhad ("AXIATA" OR "THE COMPANY")

The Board of Directors of Axiata Group Berhad had on 6 May 2019 announced that Axiata Group Berhad and Telenor ASA ("Telenor") (together "Parties") are in discussions to establish a new merged global entity ("Proposed Transaction") by combining Axiata and Telenor's Asian operations within both their ASEAN and South Asia footprint markets.

The Parties have indicated that there is no certainty the Proposed Transaction will result in any binding agreement or obligations on the Parties to proceed with any acquisition, merger or divestment.

Axiata will provide further updates as required.

Source: <http://www.bursamalaysia.com/market/listed-companies/company/announcements/6152305>

FSBM HOLDINGS BERHAD ("FSBM" OR "THE COMPANY")

Further to the Company's announcement dated 3 May 2019 with reference number GA1-03052019-00019, the Board of Directors of FSBM hereby announces that the Company has on 8 May 2019 submitted its written representations to Bursa Malaysia Securities Berhad ("Bursa Securities") as to

why FSBM's securities should not be removed from the Official List of Bursa Securities.

The written representations to Bursa Securities is made within five (5) market days (from the date of receipt of Bursa Securities' letter dated 2 May 2019 in respect of Notice to Show Cause on de-listing of the securities of FSBM) as accorded by Bursa Securities.

This announcement is dated 8 May 2019.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6155461>

METRONIC GLOBAL BERHAD

The Company wishes to inform that the Company had filed a Suit in the High Court in Kuala Lumpur against

1. TAN EW CHEW (No K/P: 570822-04-5473),
 2. TAN KIAN HONG (No K/P: 851109-04-5487),
 3. TAN HONG HONG (No K/P: 920619-14-6946),
 4. TAN LIAN HONG (No K/P: 870212-14-5201),
 5. OOI CHIENG SIM (No K/P: 690602-07-5503),
 6. LAGENDA PERDANA SDN BHD (No Syarikat: 278059-X),
 7. PROGEREX SDN BHD (No Syarikat: 257136-V),
 8. SKYLITECH RESOURCES SDN BHD (No Syarikat: 230298-T),
 9. HOCK LOK SIEW REALTY SDN BHD (No Syarikat: 159911-M),
 10. A1 CAPITAL SDN BHD (No Syarikat: 744921-V) and
 11. NG WAI YUAN (No K/P: 790507-10-5258) ("Defendants")
- premised on the Company's belief or contention that –

- a) The Defendants have control around 39% of the shares of the Company;
- b) The Defendants are 'Persons Acting In Concert' ("PAC") who had gained 'Control' over the Company, as defined by the Securities Laws. Yet, the Defendants had failed to comply with Sections 137 and 138 of the Companies Act 2016;
- c) Also, the Defendants had failed to undertake a Mandatory General Offer as prescribed by the Securities Laws and the Code;
- d) The Defendants had conspired to injure the Company, and had blackmailed the Company for RM20,000,000-00 and to withdraw the police report against Tan Ew Chew. For avoidance of doubt, the Company had made a police report earlier which as a result, Tan Ew Chew was charged for Criminal Breach of Trust in the Criminal Court; and
- e) The Notice issued by Lagenda Perdana Sdn Bhd, Tan Lian Hong and Ng Wai Yuan pursuant to section 311(3)(a) of the Companies Act 2016 dated 25.4.2019 ("Requisition") is invalid.

Through the Suit, the Company is seeking the following relief (amongst other) –

- a) A declaration that the Defendants are PAC;
- b) A Declaration that the Defendants had obtained control over the Plaintiff as defined by the Securities Laws;

c) A Declaration that the Requisition is null and void; and
d) Damages.

Any further material development will be announced accordingly.
This announcement is dated 9 May 2019.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6157045>

MSWG'S VIGILANCE

PN17 Companies

1. APFT BERHAD
2. BERJAYA MEDIA BERHAD
3. BERTAM ALLIANCE BERHAD
4. BRAHIM'S HOLDINGS BERHAD
5. CHINA AUTOMOBILE PARTS HOLDINGS LIMITED
6. COMINTEL CORPORATION BERHAD
7. DAYA MATERIALS BERHAD
8. EKA NOODLES BERHAD
9. HB GLOBAL LIMITED
10. KINSTEEL BHD
11. KUANTAN FLOUR MILLS BERHAD
12. MAA GROUP BERHAD
13. MALAYSIA PACIFIC CORPORATION BERHAD
14. MAXWELL INTERNATIONAL HOLDINGS BERHAD
15. MULTI SPORTS HOLDINGS LTD
16. PERISAI PETROLEUM TEKNOLOGI BERHAD
17. SEACERA GROUP BERHAD
18. STONE MASTER CORPORATION BERHAD
19. SUMATEC RESOURCES BERHAD
20. TH HEAVY ENGINEERING BERHAD
21. UTUSAN MELAYU (MALAYSIA) BERHAD
22. YFG 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 inaugural CG Monitor Reports encouraging adoption of corporate governance best practices

<https://www.sc.com.my/news/media-releases-and-announcements/scs-inaugural-cg-monitor-reports-encouraging-adoption-of-corporate-governance-best-practices>

Bursa Malaysia Securities publicly reprimands Wintoni Group Berhad (in liquidation), the liquidator and fines 7 former directors a total of rm165,400

<http://www.bursamalaysia.com/corporate/media-centre/media-releases/6109>

Bursa Malaysia Securities reprimands, fines and suspends Lo Ling for misconducts and violation of rules

<http://www.bursamalaysia.com/corporate/media-centre/media-releases/6113>

Monetary Policy Statement

http://www.bnm.gov.my/index.php?ch=en_press&pg=en_press&ac=4850&lang=en

LOCAL NEWS AND DEVELOPMENTS

Malaysian palm stocks seen near 3mil tonnes until year-end

<https://www.thestar.com.my/business/business-news/2019/05/09/malaysian-palm-stocks-seen-near-3-mln-tonnes-until-year-end/>

Miti revises anti-dumping duties

<https://www.thestar.com.my/business/business-news/2019/05/09/miti-revises-antidumping-duties/>

Nepal court extends stay order on Ncell's application — Axiata

<https://www.theedgemarkets.com/article/nepal-court-extends-stay-order-ncells-application-%E2%80%94-axiata>

Scomi Rail placed under receivership

<https://www.thestar.com.my/business/business-news/2019/05/09/scomi-rail-placed-under-receivership/>

GLOBAL NEWS AND DEVELOPMENTS

China Defaults Hit Record in 2018. 2019 Pace Is Triple That

<https://www.bloomberg.com/news/articles/2019-05-07/china-defaults-hit-record-in-2018-the-2019-pace-is-triple-that>

JPMorgan, Citi to face EU fines over currency collusion

<https://www.businesstimes.com.sg/banking-finance/jpmorgan-citi-said-to-face-eu-fines-over-currency-collusion>

LafargeHolcim sells Philippines business for US\$2.15bil

<https://www.reuters.com/article/us-lafargeholcim-divestment/lafargeholcim-sells-philippines-business-in-2-15-billion-deal-idUSKCN1SF254>

MSWG TEAM

Devanesan Evanson, Chief Executive Officer, devanesan@mswg.org.my

Siva Yamini, Head, Corporate Services, yamini@mswg.org.my

Quah Ban Aik, Head, Corporate Monitoring, banaik.quah@mswg.org.my

Hoo Ley Beng, Acting Head Research & Development,
linnert.hoo@mswg.org.my

Norhisam Sidek, Manager, Corporate Monitoring, norhisam@mswg.org.my

Lee Chee Meng, Manager, Corporate Monitoring, cheemeng@mswg.org.my

Elaine Choo Yi Ling, Manager, Corporate Monitoring,
elaine.choo@mswg.org.my

Lim Cian Yai, Senior Analyst, 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 for Pasdec 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./