



The Observer

28.06.2019

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.

ANALYST'S MESSAGE

Non-attendance of Directors at Annual General Meeting

The Annual General Meeting (AGM) is not only mandatory but also undeniably one of the most important meetings to be held by a listed company during the financial year. It serves as a platform not only for shareholders to keep tab of the company, but also an opportune time for shareholders to pose insightful questions, comments and suggestions on the company's business to the Board and management.

Gone were the days where shareholders were not so vocal and may not raise very insightful questions, comments or suggestions. Nowadays, the Board cannot afford to rest on their laurels and underestimate the standard and quality of issues raised. There were instances where shareholders even provided very good suggestions readily accepted by the Board.

It is moreover only a once-a-year affair where shareholders will have the opportunity to engage with the Board and management.

In view of its importance, it is only appropriate that directors and key management staff should attend the meeting and be well prepared to answer

in detail the questions raised by shareholders. The full attendance of the entire board is paramount as this demonstrates their commitment and accountability towards the mandates entrusted by shareholders upon them.

In only some exceptional cases, the absence of directors should only be excused for valid reasons such as illness and other extenuating circumstances. Other than that, shareholders expect full attendance of board members at the AGM.

The Companies Act 2016 requires public companies (which include listed companies as they are all public companies) to hold their AGMs within 6 months of the company's financial year-end, with the notice of AGM to be issued at least 21 days prior to the AGM date.

Often, the AGM dates are fixed much earlier than the 6 months and as such, directors have ample time to block that date and to re-arrange their other affairs.

Having said that, there have been cases of directors being absent from AGMs without apologies and/or without giving acceptable reasons for their absence. There have also been instances where directors seeking re-election were not present at the AGM.

This may incur the wrath or dissatisfaction of shareholders and true enough, there were instances where shareholders questioned why the said directors were absent especially if they wish to obtain shareholders' approval for their re-election or re-appointment.

The writer once attended an AGM of a Johor-based company and noted that one of the executive directors was absent from the meeting. When enquired about the matter, an independent director of the company simply dismissed the concern, stating that what was most important to shareholders was the attendance of the company's managing director who was also the major shareholder of the company.

An executive director is a salaried full-time employee of the company. Such response does not reflect too well on the said independent director and also does not seem to give shareholders the due respect.

In the first place, it was rather surprising and unusual that the independent director responded instead of the Chairman who should have explained the reasons for the absence of the executive director. Besides, a good chairman would not have summarily dismissed the query. Instead, the Chairman should have given a valid reason for the absence, if any.

In another occurrence, there was this executive director who was absent from AGMs for four consecutive years. The reasons given mainly revolved around

work commitment, family matters and personal health condition. The director was up for re-election during the meeting.

While health condition is understandable, but to be absent from AGMs for a few years straight with different reasons may tend to suggest the director's lackadaisical attitude towards his commitment as a director.

According to the Report of AGM Practices by Malaysian Companies published by MSWG in 2015, of the total 261 AGMs attended by MSWG's corporate representative and assessed, it was found that:

- 70% of AGMs had the presence of all directors;
- 78% of AGMs had instances of directors being absent, and the Chairmen had voluntarily explained the reasons for the non-attendance; and
- 89% of AGMs had the presence of directors seeking re-election

The aforesaid data shows that there had been at least 30% of AGMs that did not have the full attendance of directors of the companies. The boards of listed companies should make concerted efforts to prevent or at least minimise the occurrence of absent directors in AGMs.

Notwithstanding their busy schedules and other commitments, all members of the board of directors of a company should make every effort to be present at the company's once-a-year AGM. This is also aligned with Practice 12.2 of the Malaysian Code on Corporate Governance which requires all directors to attend General Meetings.

The level of directors' commitment would greatly enhance the perception of shareholders toward the directors' sincerity and commitment.

By Lim Cian Yai

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
03.07.19 (Wed) 10.00 am	Comintel Corporation Bhd (AGM)	Holiday Villa Subang, No. 9, Jalan SS12/1, Subang Jaya
03.07.19 (Wed) 10.00 am	Sapura Resources Bhd (EGM)	Sapura @ Mines, No. 7, Jalan Tasik, The Mines Resort City, Sri Kembangan

One of the points of interest to be raised:

Company	Points/Issues to Be Raised
Comintel Corporation Bhd (AGM)	Other Investments in the form of unit trusts account for a significant 60% of Group's total assets in FY2019 compared to 0.24% in FY2018, what is the Company's rationale and plan for this investment? What types of asset class are the units invested in?

MSWG'S WATCHLIST
ASIA MEDIA GROUP BERHAD

- **SPECIAL NOTICE TO REMOVE DIRECTORS OF AMEDIA PURSUANT TO SECTION 206 READ WITH SECTION 322 OF THE COMPANIES ACT 2016 ("THE ACT"); AND**
- **NOTICE TO CONVENE GENERAL MEETING OF MEMBERS OF THE COMPANY PURSUANT TO SECTION 310(b) OF THE ACT.**

The Board of Directors of Asia Media Group Berhad (AMEDIA) wishes to announce that the Company had on 25 June 2019 received a Special Notice on the Removal of Directors and Appointment of Directors and Notice of Covering Extraordinary General Meeting to be held on 25 July 2019 from six (6) shareholders of the Company holding at least ten per centum of the total issued capital of the Company carrying the right of voting at general meeting of the Company as at the date of deposit of the said Special Notice.

The group of shareholders proposed to seek shareholders' approval to remove Chow Zee Neng, Dato' Wong Shee Kai, Ong Kar Kian, Paul Jong Jun Hian and Ong Chooi Lee from the Board of AMEDIA.

Meanwhile, they proposed to appoint Dato' Prof Raja Munir Shah bin Raja Mustapha, Yap Ping Tiong, Datuk Kang Hua Keong and Datuk Chiw Tiang Chai as directors of the Company in the upcoming EGM.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6202513>

BERJAYA MEDIA BERHAD ("BMEDIA" OR "THE COMPANY")

EXTENSION OF TIME TO SUBMIT A REGULARISATION PLAN UNDER PRACTICE NOTE 17 OF BURSA MALAYSIA SECURITIES BERHADS MAIN MARKET LISTING REQUIREMENTS

On behalf of the Board of Directors of BMedia, AmlInvestment Bank Berhad ("AmlInvestment Bank") wishes to announce that Bursa Malaysia Securities Berhad ("Bursa Securities") had, vide its letter dated 25 June 2019, granted the Company an extension of time up to 20 December 2019 to submit a regularisation plan ("Plan") to the regulatory authorities subject to BMedia entering into a definitive agreement with a proposed white knight by 20 October 2019.

The aforesaid extension of time is without prejudice to Bursa Securities' right to proceed to suspend the trading of the listed securities of BMedia and to de-list the Company in the event:-

1. the Company fails to enter into the said definitive agreement by 20 October 2019;

2. the Company fails to submit the Plan to the regulatory authorities on or before 20 December 2019;
3. the Company fails to obtain the approval from any of the regulatory authorities necessary for the implementation of the Plan; and
4. the Company fails to implement the Plan within the time frame or extended time frame stipulated by any of the regulatory authorities.

Upon occurrence of any of the events set out in 1 to 4 above, Bursa Securities shall suspend the trading of the listed securities of BMedia on the 6th market day after the date of notification of suspension by Bursa Securities and de-list the Company, subject to the Company's right to appeal against the delisting.

This Announcement is dated 26 June 2019.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6202861>

SUIWAH CORPORATION BERHAD

Kindly be advised that trading of the Company's shares will be suspended with effect from 9.00 a.m., Monday, 1 July 2019 in order to facilitate the SCR.

Your attention is drawn to the Company's announcement on Notice of Book Closure dated 21 June 2019 and Notice to Shareholders dated 24 June 2019.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6202853>

PERAK CORPORATION BERHAD TERMINATION OF LICENSE AGREEMENTS WITH IMPS S.A.

On behalf of the Board of Directors of Perak Corporation Berhad ("Company"), we wish to announce that Animation Theme Park Sdn Bhd ("ATP"), an indirect 51%-owned subsidiary of the Company, has, on 20 June 2019, received a notice from IMPS S.A. to terminate the Theme Park License Agreement dated 1 April 2015, as amended by an addendum dated 30 March 2017, and Merchandising License Agreement dated 1 April 2015 (collectively the "License Agreements"), that were entered into between IMPS S.A. and ATP, with immediate effect.

IMPS S.A. has opted to terminate the License Agreements prematurely for the reason being ATP failing to settle the outstanding payments of the flat fees and royalties pursuant to the License Agreements amounting to USD248,438.61 in total.

ATP is taking the necessary action to remove all Smurf's intellectual properties and attractions in the Movie Animation Park Studios.

The related intellectual properties rights acquired under the License Agreements which are classified as intangible assets in the books of ATP have a carrying value of RM381,453 as at 31 May 2019. This amount together with the related inventories and estimated Smurf's attractions cost of RM2,780,683 will be written off in the current financial year.

This announcement is dated 25 June 2019.

Source: <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6201489>

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

Malaysia Capital Market Audit Regulator Issues Annual Report and Annual Inspection Report 2018

Source: <https://www.sc.com.my/news/media-releases-and-announcements/malaysia-capital-market-audit-regulator-issues-annual-report-and-annual-inspection-report-2018>

LOCAL NEWS AND DEVELOPMENTS

Malaysia moves closer towards natural gas market liberalisation

<https://www.thestar.com.my/business/business-news/2019/06/26/malaysia-moves-closer-towards-natural-gas-market-liberalisation/>

Malaysia palm oil price tumbles on lacklustre export data

<https://www.thestar.com.my/business/business-news/2019/06/26/palm-tumbles-on-lacklustre-export-data/>

No plan for inheritance tax in Budget 2020

<https://www.thestar.com.my/business/business-news/2019/06/26/no-plan-for-inheritance-tax-in-budget-2020/>

Current account surplus unlikely to be threatened

<https://www.thestar.com.my/business/business-news/2019/06/26/current-account-surplus-unlikely-to-be-threatened/>

Gamuda accepts govt's offer to take over its toll concession companies

<https://www.thestar.com.my/business/business-news/2019/06/27/gamuda-accepts-govt-offer-to-take-over-its-toll-concession-companies/>

GLOBAL NEWS AND DEVELOPMENTS

Nissan Reappoints Saikawa to Board as Shareholders Hammer Renault

<https://www.nytimes.com/2019/06/25/business/nissan-annual-meeting-ghosn-saikawa.html>

Bitcoin soars past \$13,000 as Facebook's Libra fuels demand

<https://www.reuters.com/article/us-crypto-currencies/bitcoin-soars-past-13000-as-facebooks-libra-fuels-demand-idUSKCN1TR10L>

U.S. Treasury Secretary says U.S., China were close to trade deal: CNBC

<https://www.reuters.com/article/us-usa-trade-china-mnuchin/u-s-treasury-secretary-says-u-s-china-were-close-to-trade-deal-cnbc-idUSKCN1TR1RM>

Trade-War Winner Vietnam Is Now a Target for Trump's Tariffs

<https://www.bloomberg.com/news/articles/2019-06-27/trade-war-winner-vietnam-is-finding-itself-in-trump-s-crosshairs>

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 Asia Media Group Berhad.*

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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