



MINORITY SHAREHOLDER WATCHDOG GROUP

Badan Pengawas Pemegang Saham Minoriti Berhad

Incorporated in Malaysia * Company No. 524898-M

The Observer

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MESSAGE FROM THE CEO

On the capital market scene, recently, to our surprise, we learnt of a significant change in the provision of statistics and information pertaining to public listed companies (PLCs) on Bursa Malaysia website.

We have received complaints from retail investors and noticed that statistics and information including company announcements, quarterly financial results and annual reports were only available on the Bursa Malaysia website for 5 years. Hitherto, these information were generally made available for 10 years. We do not know why Bursa has taken this step to truncate information available to the public to only 5 years. In addition, no announcement was made on such a change.

Also, we believe this new development is somewhat regressive. It is always preferable for investors to have longer period of 10 years' statistics including historical data and announcements at a one-stop centre to enable investors to carry out meaningful research. Particularly, if they need to do a time-series analysis which requires longer historical data.

We urge Bursa to reconsider providing these important statistics for the consumption of the general investing public who relies on reliable and up-to-date information in order to develop a more vibrant retail investors' market.

Regards,

Rita

CAPITAL MARKET UPDATE

BURSA MALAYSIA LAUNCHES LISTING eSERVICES FOR THE MARKETPLACE

Bursa Malaysia announced on 27 April 2015 the launch of the new Listing Information Network System (Bursa LINK) and an online listing enquiry service dubbed AskListing@Bursa for the marketplace. Both are part of the Exchange's e-services which will serve as channels for the Exchange to move all enquires from listed issuers' online as well as digitise the disclosure and submission processes. The

services provide improved and digitised functionalities that are aimed at providing greater efficiency in processes and turnaround time between the Exchange and listed issuers, external company secretaries as well as investment banks.

The enhanced Bursa LINK specifically, introduces a new feature which allows electronic submission for applications such as Initial Public Offerings (IPOs) and secondary fund raising activities. This automated process will help improve time to market, increase efficiency for all stakeholders and ultimately, promote a paperless operating environment.

About Bursa LINK and AskListing@Bursa

The new Bursa LINK system is expected to provide more efficient and effective dissemination of information, with the aim to minimise data entry, reduce transcription errors and administrative processes. It also provides greater automation of processes in particular electronic submission of applications such as applications for IPO and secondary fund raisings thus improving efficiency for all stakeholders and better time to market. The AskListing@Bursa online enquiry service, on the other hand, comprises two key components i.e. an online channel for enquiries and interactive listing requirements.

[Source: Media release on Bursa Malaysia's website on 27 April 2015]

MSWG'S QUICK TAKE ON ONGOING CORPORATE TRANSACTIONS

BERJAYA CORPORATION BERHAD (BJCORP) / REDTONE INTERNATIONAL BERHAD (RIB)

The Independent Adviser (IA), Mercury Securities Sdn Bhd had expressed the views that the take-over offer was fair and reasonable. In the Independent Advice Circular (IAC) dated 27 April 2015, the IA advised shareholders to accept the offer at RM0.80 per RIB share and RM0.32 per RIB ICULS which is higher than the fair valuation range of RM0.71 to RM0.76 per RIB share.

However, there are two non-interested shareholders, namely Mathew Thomas A/L Vargis Mathews and Jagdish Singh Dhaliwal who have expressed dissenting view from majority of the Board as well as the IA and advised shareholders to reject the take-over offer as they view the offer price to be low after taking into consideration the long-term growth potential and prospects of the Group.

[Source: RIB's announcement on Bursa Malaysia's website on 27 April 2015]

MSWG'S COMMENTS:

It's not usual to have dissenting views from certain non-interested Board members from the other majority Board members and also the IA. Even some interested Board members who concurred with the recommendation made by the IA, do not fully accept the offer made by Bjcorp and still retained quite a substantial stake in RIB to participate in charting the future growth of RIB Group. Is this a message sent by those shareholders, who accepted the offer despite the view of the IA, that the best strategy for other shareholders is to monetise part of their investment in RIB by accepting the offer while at the same time retaining some shares in RIB to continue participating the long-term growth potential of RIB Group?

It is also interesting to note that since the notice of take-over offer on 27 March 2015 till as late as last week, the market price of RIB share has been trading above the offer price of RM0.80 per RIB share.

MSWG's WATCHLIST

MALAYSIA STEEL WORKS (KL) BERHAD (MASTEEL)

The Board of Directors of Masteel announced on 27 April 2015 that the issuance of Annual Audited Financial Statements for the financial year ended 31 December 2014 together with the Auditors' and Directors' Report (AFS 2014) will be delayed as the External Auditors requires more information to complete its audit and the Company wishes to provide more time for the External Auditors to complete the AFS 2014. The Company is working with the External Auditors to finalise the audit expeditiously.

The Company expects its AFS 2014 on or before 11 May 2015, although the Company is working towards the deadline on 30 April 2015.

Pursuant to paragraph 9.28(5) of the Main Market Listing Requirements (MMLR), if the Company fails to issue the outstanding AFS 2014 within five (5) market days after the expiry of the Relevant Timeframe, in addition to any enforcement action that Bursa Malaysia may take, Bursa Malaysia shall suspend trading in securities of the Company on 12 May 2015 and will be lifted on the market day following the issuance of the outstanding AFS 2014 unless otherwise determined by Bursa Malaysia.

Pursuant to paragraph 9.28(6) of the MMLR, if the Company fails to issue the outstanding AFS 2014 within six (6) months from the expiry of the Relevant Timeframe, in addition to any enforcement action that Bursa Malaysia may take, Bursa Malaysia shall commence de-listing procedures against the Company.

[Source: Masteel's announcement on Bursa Malaysia's website on 27 April 2015]

SCANWOLF CORPORATION BERHAD (SCB)

The Board of Directors of SCB announced on 23 April 2015 that the Company has on even date appointed PKF Covenant Sdn Bhd (PKF Covenant) to conduct an investigative review on the Group.

The circumstances leading to the appointment of PKF Covenant are the findings of insufficient measures, severe discrepancies and possible irregularities in the implementation of the development projects, which were discovered during a review over the management, operation and practice of certain projects and their contract management processes. These findings have prompted concerns of the Board of Directors of SCB about the possible lapses in corporate governance in these projects as well as the Group's other activities.

The scope to be undertaken by PKF Covenant is to review the organisation, reporting structure and financial affairs of the Group, particularly those relating to its property development division, thereby facilitating improvements to its corporate governance policies and the deliberations of the Board of Directors of SCB on the possible courses of action to be taken in respect of its findings.

The full review on the Group is only expected to be completed within 8 weeks from the commencement of work today.

Further announcements on this will be made in due course.

[Source: SCB's announcement on Bursa Malaysia's website on 23 April 2015]

MALAYSIAN MERCHANT MARINE BERHAD (MMM)

The Securities Commission Malaysia (SC) charged the former Executive Deputy Chairman of MMM Dato' Ramesh a/l Rajaratnam on 29 April 2015 with three insider trading charges under the Capital Markets and Services Act 2007. MMM was a company that was previously listed on Bursa Malaysia.

Ramesh was charged at the Kuala Lumpur Sessions Court with three counts of disposing a total of 10,200,800 MMM shares whilst in possession of non-public information. It was alleged that the disposals of the MMM shares were made on 11 January 2010, 19 February 2010 and 22 February 2010.

The charges were preferred before Sessions Court Judge Norsharidah Awang and the accused claimed trial to all three charges. Justice Norsharidah fixed bail at RM200,000 and ordered the accused to surrender his international passport to the court.

With respect to the first charge, the SC alleged that the non-public information related to the proposed downgrade by Malaysian Rating Corporation Berhad of its credit rating on MMM's RM120 million Al-Bai' Bithaman Ajil Islamic Debt Securities from the category of investment grade to non-investment grade.

With regard to the second and third charges, the non-public information related to the classification of MMM as a PN17 company.

The offences carry a punishment of an imprisonment term not exceeding 10 years and a fine of not less than RM1 million.

[Source: Media release on SC's website on 29 April 2015]

LOCAL NEWS AND DEVELOPMENTS

Bursa Malaysia unveils eServices for the marketplace

<http://www.nst.com.my/node/82030>

Ramesh Rajaratnam charged for insider trading

<http://www.theedgemaalaysia.com/en/article/ramesh-rajaratnam-charged-insider-trading>

Redtone independent directors say No to Juara Sejati's takeover offer

<http://www.thestar.com.my/Business/Business-News/2015/04/27/Redtone-directors-divided-on-takeover-offer-by-Juara-Sejati/?style=biz>

BCorp's offer for Redtone 'fair and reasonable'

<http://www.thesundaily.my/news/1397520>

Why Malaysians rejected proposed EPF withdrawal age

<http://www.thestar.com.my/Business/Business-News/2015/04/26/Why-Malaysians-rejected-proposed-EPF-withdrawal-age/?style=biz>

Malaysia aims for 4% annual productivity growth

<http://www.thestar.com.my/Business/Business-News/2015/04/24/Malaysia-aims-for-4-pct-annual-productivity-growth/?style=biz>

MISC has no intention to sell AET Tankers

<http://www.theedgemarkets.com/my/article/misc-has-no-intention-sell-aet-tankers?type=Markets>

Unemployment rate higher in February in Malaysia

<http://www.thestar.com.my/Business/Business-News/2015/04/24/Unemployment-rate-higher-in-February-in-Malaysia/?style=biz>

Scanwolf initiates investigation into irregularities

<http://www.theedgemarkets.com/my/article/scanwolf-initiates-investigation-irregularities?type=Markets>

Former CEO of Inix Technologies Jailed for Submitting False Statements

http://www.sc.com.my/post_archive/former-ceo-of-inix-technologies-jailed-for-submitting-false-statements/

Bursa Securities freezes price of Tecnic

<http://www.thestar.com.my/Business/Business-News/2015/04/27/Bursa-Securities-freezes-price-of-Tecnic/?style=biz>

Proposed establishment of an enterprise option scheme of up to 2% of the issued and paid-up share capital of IHH Healthcare Berhad at any time during the existence of the scheme

<http://www.bursamalaysia.com/market/listed-companies/company-announcements/4719169>

Malaysian Economic Indicators: Leading, Coincident & Lagging Indexes February 2015

http://www.statistics.gov.my/index.php?r=column/cthemByCat&cat=82&bul_id=RERyMmxjTzFTK2tRN GVGWi9ZY1dGdz09&menu_id=YmJrMEFKT0p0WUIxbDl1bzZydW9JQT09

RHB Group appoints Khairussaleh group CEO, group MD

<http://www.themalaymailonline.com/money/article/rhb-group-appoints-khairussaleh-group-ceo-group-md>

Code of conduct important to starve off crises in financial services -AmBank chairman

<http://www.theedgemarkets.com/my/article/code-conduct-important-starve-crises-financial-services-ambank-chairman?type=Markets>

Anthony See not re-elected as Kian Joo's ED

<http://www.theedgemarkets.com/my/article/anthony-see-not-re-elected-kian-joos-ed?type=Markets>

GLOBAL NEWS AND DEVELOPMENTS

US dollar peg to remain - HK chief executive

<http://www.fxstreet.com/news/forex-news/article.aspx?storyid=63524e09-9aa3-4d64-abfb-92d35329c0a9>

VW chairman resigned after alienating group's key directors

<http://www.ft.com/intl/cms/s/0/361c5686-ecdf-11e4-b82f-00144feab7de.html#axzz3YZ9elzdX>

Fitch Downgrades Japan Over Fiscal Concerns

<http://www.wsj.com/articles/fitch-downgrades-japan-over-fiscal-concerns-1430128871>

Share buybacks: who really benefit?

<http://www.ft.com/intl/cms/s/0/4c61165a-e98a-11e4-b863-00144feab7de.html#axzz3YZ9elzdX>

Nepal earthquake: Death toll rises above 3,000

<http://www.bbc.co.uk/news/world-asia-32475030>

Three Reasons Morgan Stanley Is Still Bullish on U.S. Stocks

<http://www.bloomberg.com/news/articles/2015-04-27/three-reasons-morgan-stanley-is-still-bullish-on-u-s-stocks>

HSBC looks at moving HQ from Britain as tax and regulations bite

<http://www.reuters.com/article/2015/04/24/us-hsbc-headquarters-idUSKBN0NF0NA20150424>

China March industrial profits fall 0.4 percent, down 2.7 percent in first-quarter

<http://www.reuters.com/article/2015/04/27/us-china-economy-profits-idUSKBN0NI04Q20150427>

US services sector growth cools in April: Markit

<http://www.cnn.com/id/102622621>

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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 Redtone International Berhad and Scanwolf Corporation Berhad.*

Feedback

We welcome your feedback on our newsletter and our work. Email us at mswg.ceo@mswg.org.my with your comments and suggestions.

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