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Tricor Roots Consulting Sdn Bhd

The Business Enablers

Member of Tricor and The Bank of East Asia Group



InTOUCH

Tricor Roots InTouch Newsletter

Welcome to the February 2017 edition of Tricor Roots InTouch. This Newsletter is aimed to keeping our Clients, Partners & Associates updated on what is happening in the world of Performance, Governance, Risk & Compliance (GRC).

Bursa Malaysia Berhad (“**Bursa Malaysia**” or “**the Exchange**”) had issued various amendments to the Main Market and ACE Market Listing Requirements (collectively the “**LR**”) during 2016 to raise the standards of disclosure and Corporate Governance (“**CG**”) practices. The compliance to these requirements was implemented on a staggered basis, commencing from 30 April 2016 to ensure a sufficient grace period for listed issuers to understand and comply with the amendments.

As we are now in 2017, the additional reporting for the year ended 31 December 2016 is now applicable for all listed issuers on Bursa Malaysia. Is your Organisation in compliance? Read below to find out your reporting obligation and ensure you are in compliance.

We hope you will enjoy reading this Newsletter and as always please do not hesitate to contact us should you have any queries. We would love to hear from you.

Your Trusted Consultant,

Tricor Roots Consulting Executive Team

1. New Risk Management Disclosure for Listed Organisations on Bursa Malaysia for Financial Year ended 31 December 2016. Are you in Compliance ?



As part of the Listing Requirements ("LR") changes on Bursa Malaysia which were introduced in 2016 and applies to Listed issuers from the financial year 31 December 2016 was the introduction of the Management discussion and analysis (MD&A), which focuses on the disclosure of non-financial information. The information required to be disclosed includes:

- Overview of the Organisation's business and operations including its objectives and strategies for achieving the objectives
- Discussion and analysis of the financial results and financial condition
- Review of operating activities including on the main factors that may affect the operating activities of each principal business segment of the organization, impact on future operating activities, and the approach or action taken in dealing with the effect or outcome of such matters on its business activities.
- Forward-looking statements including commentary on the Organisation's possible trend, outlook and sustainability

In addition to the above required disclosure, one of the key new disclosure is on any identified anticipated (ie forward looking) or known risks that the Organisation is exposed to which may have a material effect on the Organisation's operations, performance, financial condition and liquidity together with a discussion of the plans or strategies to mitigate such risks.

It should be noted that this requirement on the risk is ON TOP of the already existing disclosure requirement on the Statement on Internal Control and Risk Management. If you are a listed Issuer, you need to assess if your disclosure is sufficiently comprehensive in line with the disclosure requirements.

2. Critical Emerging Strategic Performance & Risk Issues

To better support our clients, we have outlined below recent global strategic performance and risk issues. The information contained is based on sources we believe to be reliable, but we do not guarantee its accuracy. Tricor Roots Consulting does not have any ownership over this information, nor does it represent our opinion.

Headline	Outline
<p>US exit from TPP : What it means and what could happen next</p> <p><i>Strategic Risk</i></p> <p><i>February 2016</i></p>	<p>President Donald Trump on Monday (Jan 23) made good his promise of pulling out of the Trans-Pacific Partnership (TPP) free trade pact by signing an executive order for the US to formally withdraw from the 12-nation agreement.</p> <p>"We've been talking about this for a long time...great thing for the American workers what we just did," said Mr Trump, who had denounced the TPP as a "job killer" and a "rape" of American interests.</p> <p>His decision is a blow to the pact, which took five years of negotiations before a deal was reached in 2015. The TPP, which Washington had</p>

signed but not ratified, was a pillar of former President Barack Obama's pivot to Asia.

Here's a quick guide on the TPP and the implications of the US withdrawal:

WHAT TPP EXIT MEANS FOR AMERICA

US businesses will lose access to potential new markets. Automakers had hoped to see tariffs slashed in Asia, and farmers wanted the removal of trade taxes that currently prevent them from selling products, particularly poultry, overseas. Tech companies such as Google and mobile phone providers had sought to lessen regulations and gain entry into some of the countries involved in the deal.

Analysts say many of the manufacturing and low-skill jobs lost to other countries will not return to the US due to factors such as rising wages and new technology, contrary to what Mr Trump thinks.

The business community also feels that Mr Trump is detached from the reality that goods are sold cheaper in the US because they are made overseas; and that US companies also benefit from trade deals, making trillions of dollars selling their own products overseas.

Republican Senator John McCain has described US withdrawal as a "serious mistake that will have lasting consequences for America's economy and our strategic position in the Asia-Pacific region." He said the decision will "forfeit the opportunity to promote American exports, reduce trade barriers, open new markets, and protect American invention and innovation"

More significantly, it will "create an opening for China to rewrite the economic rules of the road at the expense of American workers. And it will send a troubling signal of American disengagement in the Asia-Pacific region at a time we can least afford it."

Killing TPP "really undermines the United States" in the eyes of Asian allies, said Mr Ian Bremmer, president of the Eurasia group. "They put a lot of effort into it, and now they feel like they can't rely on the United States."

WHAT IT MEANS FOR ASIAN TPP MEMBERS

The development is seen as a blow to Japan, which has spent considerable political capital championing the pact. It was the last nation to join the pact, which would give its manufacturers tariff-free access to export markets in the US and other Asian countries, but would bring its automakers into competition with lower-wage countries like Mexico. Mr Abe became a strong enthusiast after making politically painful concessions on agricultural imports that the US had sought.

The withdrawal of the US also represents a loss of opportunities for Vietnam, Malaysia, Brunei and to a smaller extent, Singapore.

Malaysia and Vietnam stand out among the TPP members without existing US FTAs. Through the TPP, Vietnam and Malaysia were projected to enjoy some of the largest gains in exports, of 30.1 per cent and 20.1 per cent respectively, from access to protected foreign markets.

They were also forecast to enjoy the largest boost to real incomes, by 8.1 per cent and 7.6 per cent respectively, by 2030.

WHAT COULD HAPPEN NEXT

The US could renegotiate the pact or Asia could proceed with an alternative trade deal backed by China.

The US is unlikely to walk away from a trade pact that accounts for more than 40 per cent of the world's GDP and leave the door open for the China-backed RCEP. "Much of China's economic diplomacy is beneficial, but the hidden cost is that, at this stage, China is not committed to the open trading system that the US had sought to build, and will not likely promote open trade in services or reduction of non-tariff barriers such as subsidies," says Mr Philip Jeyaretnam, senior counsel and regional chief executive at Singapore-based Dentons Rodyk.

In short, a regional trade pact that does not involve the US is not desirable.

If Washington returns to the negotiating table, it will probably try to extract a bigger concession, given Mr Trump's election bluster over international trade. At the same time, the TPP signatories are not likely to bend over backwards for him, so protracted negotiation for a revised trade pact can be expected.

To read more, click here:

<http://www.straitstimes.com/world/united-states/5-things-to-know-about-trans-pacific-partnership-tpp-free-trade-pact>

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