

MINORITY SHAREHOLDERS WATCH GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia – Registration No.: 200001022382 (524989-M))

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MSWG AGM/EGM WEEKLY WATCH 27 SEPTEMBER 2021 – 1 OCTOBER 2021

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 27 September 2021 – 1 October 2021.

The extraction of the question raised in the letter is highlighted here. For the details of other questions, please login to MSWG website at www.mswg.org.my.

One of the points of interest to be raised:

Company	Points/Issues to Be Raised
Lingkar Trans Kota Holdings Bhd (AGM)	<p>Sundry receivables — compensation claim receivable from the Government amounting to RM77.7 million in FY2021 (FY2020: RM119.1 million) (Note 17 to the Financial Statements, page 92 of AR2021). Timely receipt of such toll compensation due is crucial in managing the Group's financial liquidity position as well as reducing risk of breaching the respective concession companies' loan covenants (page 19 of AR 2021).</p> <p>(a) What is the current status of the compensation payments for 2020 and 2021 from the Government of Malaysia? Given the change in Government in August 2021, does the Company foresee any delay in receipt of toll compensation claims?</p> <p>(b) The concession company (Lingkar Trans Kota Sdn Bhd) is restricted by its Sukuk Musyarakah Programme's covenants such as finance service coverage ratio (FSCR) and maintains a prescribed debt to equity ratio (Note 37 to the Financial Statements, page 115 of AR 2021). Will the delay in receipt of compensation claims impact the concession company's cashflow which in turn will have an impact on the distribution to shareholders? What is the outlook for dividends in 2022?</p>
Esthetics International Group Bhd (AGM)	<p>Product Distribution recorded revenue of RM48.6 million for FYE2021, which was 28.8% lower than FYE2020. The segment reported an operating loss of RM3.9 million as compared to an operating loss of RM1.5 million in FYE2020 (Page 17 of AR 2021).</p> <p>What are the measures taken by the Company to turn around its operating loss position for its Product Distribution segment?</p>
Kanger International Bhd (AGM)	<p>1. Administrative Expenses of the Company rose sharply from RM7.5 million in the previous year to RM25.3 million in FPE 2021. (Page 74 of AR 2021) What were the reasons for the significant rise in Administrative Expenses?</p> <p>2. Other Operating Expenses rose significantly from RM83 in the previous year to RM67.2 million in FPE 2021. (Page 74 of AR 2021) What were the reasons for the huge increase in Other Operating Expenses?</p>

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