MINORITY SHAREHOLDERS WATCH GROUP
BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
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The Observer

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❖ Call for banks to better safeguard customers from fraud and scams

There has been a recent spate of phishing scams using malicious mobile applications. These have fuelled calls for banks and financial institutions to up their game in better safeguarding depositors' money from financial fraud and scams.

With the prevalence of e-commerce and the age of digitalization, it is not surprising that many fall prey to various scams. Phishing scams via mobile apps first emerged in late 2021 and has been growing since with more cases reported.

One can only speculate on the number of unreported cases. They go unreported for many reasons but mainly due to embarrassment and protecting their brand and reputation. Imagine if a bank was to report that it has been hacked. There may be a run on the bank of sorts. In such instances, regulators also may adopt a stance where they sacrifice transparency (that a bank has been hacked) for the greater good of the banking system by protecting the name of the hacked bank. The end justifies the means, apparently.

Scam victims were sometimes reported to have lost their hard-earned money and savings to the tune of six figures. Most of the victims claimed that they were not aware that money was being transferred out of their bank accounts until they received SMS notifications from banks.

Also, they allege that no TAC (Transaction Authorisation Code)/OTP (One Time Password)

The modus operandi of phishing scams via apps

The modus operandi of a phishing scam via mobile apps is fairly elaborated and sophisticated. To begin with, fraudsters display advertisements on social media by impersonating legitimate businesses with "too good to be true" deals e.g., huge discounts on products and services, cashback et cetera, to lure unsuspecting victims.

Once users clicked on the advertisement, they are led to a WhatsApp chat where they would be given a link to an app download which is not to the Google Play Store or Apple App Store. Instead, it is an Android Package Kit (APK) file – the file format that Android uses to distribute and install apps. For users to use the app, the app requires permission to read SMS messages (which is often necessary for others legitimate mobile apps).

Upon installation, the app requires users to set up an account with information such as mobile phone number and email address required for registration. Then, users are presented with payment options of credit cards and FPX bank transfers.

However, usually, the first payment option would not be available (which is being done intentionally to prompt victims logging in to their bank accounts). Thus, users would have no choice but resort to FPX bank transfers by keying in their username and password.

Now, since the username and password are captured, and the permission to read SMS (to get hold of TAC/OTP code) is granted, and voila! Scammers now get hold of everything they need to clear out your bank account.

was received for these transactions nor were there calls from banks to them to verify the suspicious and multiple transactions.

Response from the central bank

As the number of scams grow, the number of victims is climbing. But help was not forthcoming for victims.

Banks were reported of being nonchalant in responding and handling customers' concerns. The view held was that it was the fault of the users who "willingly" (albeit unknowingly or carelessly) granted fraudsters access to their information.

There was a risk that confidence in financial institutions may erode arising from the scams.

With that, Bank Negara Malaysia had on 10 June called for banks and financial institutions to take adequate steps to protect their customers. BNM stated that it would take "appropriate supervisory and enforcement actions" against banks which fail to do so.

The central bank also urged the public to be extra vigilant in safeguarding their personal information and downloading files or applications from unverified sources onto mobile devices. Besides, it had also required all licensed banks to ensure proper communication, as well as fair redress for customers who have taken necessary steps to protect themselves and have not acted fraudulently.

Despite repeated assurance from banks and authorities that the current banking systems and security remain intact and not compromised, there were backlashes on social media against banks and authorities over their "inaction".

Meanwhile, Singapore seems to be taking a harder approach in handling similar scams.

Just last month, OCBC bank was slapped with an additional capital requirement of approximately S$330 million by the Monetary Authority of Singapore (MAS) for its deficiencies in responding to a wave of spoofed SMS phishing scams in December 2021. The SMS phishing scams happened last December involving SMSes impersonating OCBC Bank. A total of S$13.7 million was lost in the spate of phishing scams involving 790 victims.

The Bank later proceeded to make full goodwill payouts to fully cover scam victims' losses which were made as a one-off gesture and were not meant to set a general precedent for future cases.

The additional capital requirement translated to a 0.21% impact on OCBC Bank's Group capital ratio.

What do higher capital requirements mean for banks?

Capital requirements are imposed upon banks and financial holding companies to ensure their continuing ability to meet their obligations as and when they fall due while maintaining the confidence of customers, depositors, creditors, and other stakeholders in their dealings with the institution.

The requirements also seek to further protect depositors and other senior creditors in a going concern situation by promoting an additional cushion of assets that may be used to meet claims in liquidation.

However, the opponents to higher capital requirements argue that these may significantly increase the cost of bank credit, lower liquidity and hinder economic activity.

As required by BNM, local financial institutions shall hold and maintain the following minimum capital adequacy ratios of 4.5%, 6.0% and 8.0% for their CET1 Capital Ratio, Tier 1 Capital Ratio and Total Capital Ratio.

As for Domestic Systemically Important Banks (D-SIBs), they are required to maintain higher capital buffers to meet regulatory capital requirements that include a Higher Loss Absorbency (HLA) requirement. The applicable HLA requirement for the three D-SIBs (Malayan Banking Berhad, CIMB Group Holdings Berhad and Public Bank Berhad) range from 0.5% to 1.0% of risk-weighted assets, at the consolidated level.

Banks' duties to prevent, detect and respond to scams

In announcing the additional capital requirements on OCBC Bank, MAS also stressed that financial institutions must put in place robust measures to prevent, detect, and respond to scams.

"This means ensuring that their controls remain effective against evolving scam tactics, and prompt actions are taken as soon as a scam is detected. Consumers must also remain vigilant against persistent attempts by scammers to deceive them into divulging their log-in credentials or initiating transfers themselves," it said in a media release dated 26 May.

Swiftly after the incidents, OCBC Bank had introduced a few enhanced security measures to combat financial fraud. These include lowering the default fund transfer daily limit, a cooling-off period of at least 12 hours for key account changes such as updating mobile number for notifications, and the rollout of a "kill switch" that enables customers to immediately freeze all their current and savings accounts in an emergency.

Conclusion

Alongside the advent of technology, fraudsters are becoming increasingly more sophisticated with their tactics. Many of today's scams – especially those which are online – are merely modified versions of old schemes that have been used to fleece offline investors for years; only the medium has changed – from physical to virtual.

Scammers tend to capitalise on greed to entice the vulnerable and unsuspecting. While financial institutions have their part to play in ensuring customers are protected, no amount of security could protect us if we are not vigilant and careful.

Devanesan Evanson
Chief Executive Officer

MSWG AGM/EGM Weekly Watch 20 – 24 June 2022

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	Quick-take
20.06.22 (Mon) 10.00 am	PBA Holdings Berhad (AGM)	PBA recorded a marginal lower (0.44% decline y-o-y) revenue of RM334.82 million in FY2021 for 2021. Meanwhile, its net profit amounted to RM36.74 million, reflecting a 48.4% increase y-o-y, contributed by a deferred tax benefit of RM9 million, as well as the utilisation of unabsorbed reinvestment allowances of RM78 million in FY2021 as compared to about RM12.0 million in FY2020.
21.06.22 (Tue) 09.00 am	Duopharma Biotech Berhad (AGM)	The company suffered a setback in FY2021 when its plans to distribute Russian Sputnik V COVID-19 vaccine did not materialise. Nevertheless, it was appointed as a distributor for China's Sinopharm's vaccine Covillo. Its performance in FY2022 would continue to be driven by supply of pharmaceutical and non-pharmaceutical products to government, sale of consumer healthcare products and supply of medicines to private ethical sectors.
21.06.22 (Tue) 10.00 am	Suria Capital Holdings Berhad (AGM)	Spurred by the higher operating revenue from port operations, as well as from construction services for concession infrastructure of the Sapangar Bay Oil Terminal's jetty extension, the group's revenue was 10.2% higher at RM251.3 million in FY2021, compared to RM228.0 million a

		year ago. This resulted in higher pre-tax profit of RM58.6million against RM48.0 million in previous year.
21.06.22 (Tue) 10.00 am	Harn Len Corporation Bhd (AGM)	In FY2021, Harn Len's revenue increased by 80% to RM219.4 million mainly due to higher CPO and PK prices and better sales volume. However, it recorded a pre-tax loss of RM23.2 million due to lower profits from the Plantation Segment, losses in the Property and Other Segments, and a one-off impairment of other receivables. The losses incurred from the property operations were largely due to rental waivers and low occupancy rates, and impairment of other receivables.
22.06.22 (Wed) 10.00 am	DRB-Hicom Berhad (AGM)	The Group achieved total revenue of RM12.4 billion (FY2020: RM13.2 billion) which was 6.1% lower than last year. Excluding the RM1.28 billion derived from the divestment of property assets in FY2020, its operating revenue for FY2021 would have been RM0.5 billion higher than the normalised revenue of RM11.9 billion in FY2020. Although it recorded a LBT of RM291.3 million, as opposed to a PBT of RM540.1 million in FY2020, this was mainly due to the injection of gain on the sale of property in FY2020. If not for the property sale, the Group's loss would have contracted significantly year on year, thanks to positive contribution from the Automotive Division.
22.06.22 (Wed) 11.00 am	Sapura Industrial Berhad (AGM)	The Group recorded a loss of RM3.8 million compared to a net profit of RM0.7 million for FY2021. This loss had taken into account the non-recurring income of RM4.1 million following receipt of

		proceeds from Sapura Schulz Hydroforming Sdn. Bhd. (Sapura Schulz) liquidation proceedings.
22.06.22 (Wed) 02.00 pm	Astro Malaysia Holdings Berhad (AGM)	For FY22, its PATAMI eased by 15% to RM461 million (FY21: RM540 million), resulting from the lower EBITDA offset by reductions in net finance cost, as well as depreciation and amortisation expenses. Consequently, EPS dipped by 15% to 8.8 sen.
22.06.22 (Wed) 02.30 pm	Muhibbah Engineering (M) Bhd (AGM)	In FY2021, Muhibbah recorded a net profit of RM2.5 million, compared to a net loss of RM84.11 million recorded in FY2020. The significant improvement bottom-line was due to a profit of RM55.71 million registered from operating activities, compared to a loss of RM59.58 million from operating activities in the year before.
22.06.22 (Wed) 03.30 pm	Muhibbah Engineering (M) Bhd (EGM)	It proposes to establish a new employees' share issuance scheme, which comprises an employees' share option scheme and a share grant plan.
23.06.22 (Thur) 11.00 am	FGV Holdings Berhad (AGM)	FGV's revenue rose 39% y-o-y to RM19.57 billion (2020: RM14.08 billion), while net profit increased significantly to RM1.17 billion in FY2021 (FY2020: RM0.15 billion), thanks to higher products margins arising from higher CPO price, the turnaround of its Sugar business and increased volume of high-value products and lower variable operating cost in its Logistics business. This was its best performing year since its listing.
23.06.22 (Thur) 10.00 am	My E.G. Services Berhad (AGM)	The Group registered a 36.1% y-o-y growth in revenue to a record high of RM721.88 million (FY2020: RM530.46 million), while net profit also reached a record RM316.7 million, up 18.5% from the previous year (FY2020: RM267.2 million). The commendable financial results were derived from across

		the spectrum of its businesses, ranging from concession services to commercial services. The contribution from new services, particularly within the health care space, and the broader uptrend in online transaction volumes had contributed to its robust financial performance in FY2021.
23.06.22 (Thur) 10.00 am	UEM Sunrise Berhad (AGM)	The Company exceeded its sales target of RM1.2 billion by 22% and achieved total property sales of RM1.5 billion. However, it sustained a net loss of RM213 million due to impairment provisions for inventories and assets which had affected its margin in Q4FY2021. This inevitably impacted its overall in FY2021.
23.06.22 (Thur) 10.00 am	Sarawak Oil Palms Berhad (AGM)	In FY2021, SOP posted a record high net profit of RM541 million, up by 146% from RM220 million a year ago, driven by higher palm products prices despite a decline in FFB production. The higher prices realised for palm products sold also drove a 60% jump in revenue to RM4.4 billion in FY2021. The average realised price of CPO has increased by 62% from RM2,729 to RM4,430 per metric tonne.
23.06.22 (Thur) 10.30 am	Adventa Berhad (AGM)	Adventa managed to turn around its performance in FY2021 after 2 years of losses to register a net profit of RM13 million. It is expanding its product lines and further building on its in-house brand of hospital and surgical disposable supplies under the name of "Connecx".
23.06.22 (Thur) 10.30 am	BCM Alliance Berhad (AGM)	Despite recording a 10.5% growth in revenue to RM75.3 million in FY2021, BCM slipped into red with a net loss of RM1.18 million

		recorded as compared to a net profit of RM2.66 million in the FY2020. The losses incurred was mainly due to higher professional fees incurred for the healthcare products business and marketing expense for the Group's Covid-19 test kits business and on-demand laundry services business.
23.06.22 (Thur) 11.00 am	Sarawak Oil Palms Berhad (EGM)	SOP proposed a bonus issue of up to 303.14 million shares on the basis of one bonus share for every two existing shares held.
23.06.22 (Thur) 11.00 am	TDM Berhad (AGM)	TDM achieved a 15.5% increase in revenue to RM511.6 million in FY2021, contributed by higher CPO prices from the Plantation segment as well as recovery of the Healthcare segment. The revenue from the Plantation segment grew by 19.6% to RM287.3 million. As for the Healthcare division, its revenue increased by 10.7% to RM224.3 million. A substantial rise in outpatient treatment and significantly higher average revenue per inpatient more than offset a decline in inpatients and occupancy rate.
23.06.22 (Thur) 03.00 pm	Sunway Berhad (AGM)	The group recorded revenue of RM3.71 billion and pre-tax profit of RM463.9 million from continuing operations in FY2021. Revenue for the year was 15.8% higher due to higher contributions from most business segments except property investment division. Its pre-tax profit in FY2021 was 5.3% lower due to lower profit contributions from property development and quarry divisions. Its profit would have been higher had the operating performance of the healthcare division not

		been disclosed separately under discontinued operations.
24.06.22 (Fri) 09.00 am	Watta Holdings Berhad (AGM)	The Group's turnover has dropped slightly y-o-y by 1.8% to RM11.980 million (2020: RM12.196 million), however its performance showed improvement from a loss of RM1.437 million to RM1.163 million in FY2021. The improvement was mainly due to the revaluation surplus on investment properties amounted to RM0.47 million. Overall, its performance was impacted by the COVID-19 pandemic, nevertheless turnover from the handphone servicing and repairs had shown improvement from August 2021 onwards. It is expecting a higher volume of repair works in 2022 with the anticipated increase in sales of handphones in Malaysia.
24.06.22 (Fri) 09.00 am	China Ouhua Winery Holdings Limited (AGM)	In 2021, its revenue decreased from RMB20.499 million to RMB15.721 million reflecting decline of 23.31%. The net loss for the year was RMB4.263 million. Excluding the loss of RMB0.4 million from inventories write-down, its operating results were still badly affected by the prolonged impact of the COVID-19 pandemic. The exacerbated competition in Chinese winery market and the increase in the market share of imported wines in China had led to a general decline in the sales performance of major brands of domestic wines.
24.06.22 (Fri) 05.00 pm	SC Estate Builder Berhad (EGM)	SCBUILD is served with a Notice of Requisition from 3 shareholders (who hold at least 10% of the Company's shares) for convene

		an EGM with the agenda to remove 11 directors while appoint 6 people to be directors of the Company.

One of the points of interest to be raised:	
Company	**Points/Issues to Be Raised**
PBA Holdings Berhad (AGM)	"While maintaining "people-friendly" water tariffs in Penang has always been a priority, "water availability" should be prioritised over "water affordability" when a foreseeable water crisis is looming over the horizon." (Page 37 of 2021 annual report). Furthermore, Penang has the highest domestic water consumption of 308 litres/person/day. Considering the above, Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) will apply for a water tariff review based on its 5th business plan submission to SPAN. When is the 5th business plan expected to be submitted and when is the outcome expected to be known?
Duopharma Biotech Berhad (AGM)	1. The Company had preliminary negotiations with the Government to distribute the Russian manufactured vaccine called Sputnik V. However, the negotiations did not materialise. However, in July 2021, the Company obtained conditional registration approval by Malaysia's Drug Control Authority (DCA) for Sinopharm, manufactured in China. And in September 2021 it received its first shipments of the vaccine, totalling close to one million doses. Currently, the vaccine (known as Covilo) is available in private clinics and hospitals. (Page 13 of AR 2021) a) What is the total number of Covilo vaccines which will be brought into the country under the deal with Sinopharm? b) What is the expected revenue from this deal which will be reflected in FYE 2022? 2. The global halal pharmaceutical market continues to grow and is projected to hit USD105 billion in 2024 from USD94 billion in 2019, driven by increasing demand from Muslim population around the world. What are the measures taken by the Company to further penetrate the global Halal pharmaceutical market?
Suria Capital Holdings Berhad (AGM)	The Group diversifies its business into property development to capitalise and maximise the value of its land assets within the Central Business District adjacent to Kota Kinabalu Port's land.

	a) The certificate of occupancy for Jesselton Quay Central (JQC) Phase 1 was awarded on 19 January 2022. How many percent of SURIA's entitlement as the landowner of the development was in the form of cash and payment in kinds (property units)? b) The Phase 2 of JQC and Parcel A of Jesselton Quay which will be developed on the remaining parcel of land, are being re-planned and targeted to be launched before the end of 2022. What are the components in Phase 2 of JQC and Parcel A of Jesselton Quay and what is the estimated gross development value? c) Suria and Gabungan AQRS Berhad had mutually agreed to terminate the plan to jointly develop One Jesselton Waterfront. Does SURIA have any immediate plan the 8.28-acre land?
Harn Len Corporation Bhd (AGM)	In 2017, the Company disposed of its 100% interest in a subsidiary, Gemilang Bumimas Sdn. Bhd., for RM13.6 million cash to an external party whose related party is also a supplier to the Group and the Company. The Group has been withholding payment to the supplier and the amount payable is in excess of the sales proceeds receivable. During the year, the Directors of the Company have not been able to negotiate the right to offset the balance and therefore have decided to fully impair the amount receivable. Negotiation with the supplier is still on-going subsequent to the balance sheet date and offset agreement has not been reached as at the date of the report. (page 154 of AR 2021) What is the latest status of the negotiation with the supplier? Do you expect to recover the RM13.6 million?
DRB-Hicom Berhad (AGM)	The year-end flood also saw 118,000 CKD engine sets stored at a warehouse in Shah Alam being inundated, causing a production slowdown until April 2022 (page 124 of AR2021). Write-off of property, plant and equipment increased significantly to RM33.4 million (2020: RM4.6 million) (page 162 of AR2021). Included in the write-off were certain property, plant and equipment with carrying amount of RM32.7 million. The write-off was due to the severe flooding in Shah Alam in mid-December 2021. (Note 13, page 241 of AR2021) a) What was the total financial and non-financial impact on the Group arising from the flooding incident?

	b) What are the measures taken by the Group to prevent flooding in the future to avoid disruption to its operations?
Sapura Industrial Berhad (AGM)	The Group has consistently written-off large amounts of plant, machinery, electrical installation, factory equipment and application tools, ("PMEIFEAT") of RM32.2 million in FY 2022 and RM27.3 million in FY 2021. (Pages 115 & 117 of AR) a) What were the reasons for the Group to write-off large amounts of PMEIFEAT in the past two years? b) What categories of assets from the PMEIFEAT have been written-off in FYs 2022 and 2021? c) Does the Company need to change the depreciation rates on PMEIFEAT that have frequent write-offs? If yes, what are the new depreciation rates? d) Will there be similar large write-offs in PMEIFEAT in FY 2023?
Astro Malaysia Holdings Berhad (AGM)	As at end FY22 and FY21, gross trade receivables stood at RM277.430 million and RM295.824 million respectively. Impairment of trade receivables amounted to RM42.361million and RM48.733 million constituting 15.3% and 16.5% respectively (Pages 249 and 274 of IAR 2022). Why is there such a high percentage of trade receivables which is impaired? Should there not be a review of the Group's credit risk management policy to minimize the amount of trade receivables that are being impaired? What is the probability of recovering the impaired amount?
Muhibbah Engineering (M) Bhd (AGM)	There is a share of loss of associates, net of tax of RM28,053,000 in FY2021 (FY2020: Share of profit of associates, net of tax of RM12,482,000) (Page 56 of the Annual Report 2021). a) Which associate companies contributed to the share of losses to the Group? b) What are the reasons for the losses incurred by the associate companies? c) Are any of these associate companies expected to continue incurring losses in FY2022? If so, why?
Muhibbah Engineering (M) Bhd (EGM)	In line with better corporate governance, MSWG does not encourage the practice of giving ESOS to any non-executive directors (NEDs) as they play the independent check and balance role (and not an executive role) in the Company and are responsible for monitoring the allocation to employees and executive directors.

	Furthermore, ESOS, by definition, refers to a scheme for employees only. There is also the risk that the NEDs may be fixated with the share price of the Company and this may affect their impartial decision-making, which should be made without reference to share price considerations. Under the proposed granting of SIS Options and SGP Awards to the directors of MEB, there is one NED, namely Mazlan bin Abdul Hamid, who is eligible to subscribe for new Shares as well as SGP Awards (Ordinary Resolution 6, Notice of EGM). a) Why is the SIS extended to the NED since he does not perform an executive role? Should not the directors' fee and other benefits he receives be adequate to compensate for the services rendered by him? b) Considering the non-executive role of the director in MEB, what is his view on the SIS? Is he keen to accept the shares if the SIS Options and SGP Awards are offered to him?
FGV Holdings Berhad (AGM)	1. The Group's replanting efforts were ongoing except that due to the year's challenges, the Group only managed to complete felling 13,127 Hectare (Ha) and replanted 2,815 Ha of its landbank. Going forward, the Group is committed to get back on track with targeted replanting of 15,000 Ha yearly. (page 45 of AIR2021) To-date, has the Group been able to get back on track on its replanting schedule? What is the current status of the Group's replanting of palm oil trees? 2. Written off inventories increased significantly to RM9.2 million (2020: RM3.6 million) (page 21 of Audited Financial Statements 2021 ("AFS2021")), what are the reasons for the huge increase in write-off of inventories?
My E.G. Services Berhad (AGM)	Inventories increased significantly to RM18.3 million (FY2020: RM3.4 million) (page 150 of AR2021) What is the reason for the significant increase in inventories? What comprises these inventories?
UEM Sunrise Berhad (AGM)	The Group has reclassified the "Sukuk Prihatin" to short-term investment since the maturity period will be ending on 22 September 2022. The "Sukuk Prihatin" was issued by the Government of Malaysia and earns profit at 2.0% (2020: 2.0%) per annum. (Page 247 of IAR)

	a) Why has the Group fully impaired the Sukuk Prihatin of RM22.53 million in FY2020 as it was issued by the Government of Malaysia and should be considered as a safe sovereign debt? b) What were the reasons for the Group investing in Sukuk Prihatin? c) Has the Group received any profit from Sukuk Prihatin since the date of purchase? If yes, what was the amount received to date. d) The Group has another RM5 million Sukuk Prihatin classified as short -term investment in Note 27. Why was this amount not fully impaired like the RM22.53 million mentioned above? (Page 260 of IAR)
Sarawak Oil Palms Berhad (AGM)	On plantation operations, the FFB production in 2021 was 1,246,249 metric tonnes, down 8% from 1,358,049 metric tonnes achieved in 2020. The yield decreased to 15.23 metric tonnes per hectare compared to 16.58 metric tonnes in 2020 due primarily to severe plantation labour shortages particularly the harvesters. (page 24 of AR 2021) What is the Group's projected growth in FFB production for FY2022? Do you expect yield to recover this year and why?
Adventa Berhad (AGM)	The Company is expanding its product lines and further building on its in-house brand of hospital and surgical disposable supplies under the name of "Connecx". (Page 5 of AR 2021) a) What was the revenue derived from the sales of "Connecx" in FYE 2021? b) What are the Company's plans to further develop the sales of this product going forward?
BCM Alliance Berhad (AGM)	Other receivables increased from RM1.5 million in FY2020 to RM36.5 million in FY2021. It further ballooned to RM65.4 million (other receivables, deposits and prepayments) in Q1FY2022. (page 125 of AR 2021 and page 3 of Q1 FY2022 report) What do the other receivables comprise? What were the reasons for the huge increase in other receivables in FY2021 and in Q1 FY2022?
TDM Berhad (AGM)	The attempt to dispose of the plantation assets in Kalimantan, Indonesia, was aborted in 3Q2021, resulting in steeply rising losses from the discontinued operations

	and leading to a total comprehensive loss for TDM in FY2021. However, in 1Q2022, the Group has accepted a new offer for the proposed disposal of its loss-making Indonesian assets for RM115 million cash. TDM has already impaired the investment of its Indonesian assets since FY2017, amounting to RM729 million, and the Indonesian subsidiaries of the Group have also been classified as assets held for sale since FY2019. The two loss-making subsidiaries have been unprofitable since their incorporation and are not expected to be profitable in the near term. The proposed disposal allows TDM and its subsidiaries to exit its Indonesian operations and focus its resources on its Malaysian operations. (page 27 and 34 of Annual Report (AR) 2021) a) What are the reasons for the huge impairment totalling RM729 million since FY2017? What has gone wrong? b) When did the Group first invest in these Indonesian subsidiaries and how much have you invested since then? c) Why have they not been profitable since their incorporation?
Sunway Berhad (AGM)	The gross amount of trade receivables more than 120 days past due jumped from RM148.2m as at 31 December 2020 to RM211.7m as at 31 December 2021. a) Which segment has the biggest share in the trade receivables more than 120 days? b) What are the measures being taken to recover the overdue trade receivables?
Watta Holdings Berhad (AGM)	Given the continued COVID19 pandemic, the Group turnover has dropped slightly to RM11.980 million (2020: RM12.196 million). To supplement the Group's loss in revenue, the Group started to sell impact proof screen protectors and introduce repair offers, extended warranty and also started selling handphone accessories. (page 13 of AR2021) a) To what extent did the sale of impact proof screen protectors and handphone accessories contribute to the Group's total revenue? b) What are the Group's plans in terms of growing its revenue, going forward?

China Ouhua Winery Holdings Limited (AGM)	On 17 December 2013, the Group entered into a Sale and Purchase Agreement (SPA) with Huangwu Subdistrict Office, Zhifu District, Yantai City, PRC (Local Government) to acquire all the land, buildings and ancillary facilities including 320 KVA power distribution equipment, water supply system, roads surrounding the factory and enclosing wall (collectively the Assets) located at No. 3 Wolong North Road, Yantai City which the Group has been leasing since 1997, for a total cash consideration of RMB132,000,000. (Page 87of AR) The Group had paid RMB118.8 million to the Local Government and the Assets have yet to be transferred to the Company. a) Why is the Local Government unable to transfer the Assets to the Group? b) Why did the Group not terminate the agreement as it has remained unresolved for the past 9 years? c) Why did the Group not seek the refund of the deposit of RMB118.8 million from the Local Government? d) What are the challenges the Company faced in resolving the transfer of the Assets?

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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.

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