MINORITY SHAREHOLDERS WATCH GROUP
BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia . Registration No. 200001022382 (524989-M))

The Observer

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The Observer weekly newsletter is now available in Bahasa Melayu. The translated version will be uploaded on MSWG's website every Monday. Please check out www.mswg.org.my for further details.

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❖ Inix's unusual blunder over submission of annual report

The intriguing episode of miscommunication between Inix Technologies Holdings Berhad and its auditor which led to a wrong assumption of whether a sign-off is compulsory or otherwise should serve as a valuable lesson to all public listed companies (PLCs).

To re-cap, Inix had released its annual report for the financial year ended 30 June 2021 (FY2021) on 8 November 2021, but only to announce the retraction of annual report on 11 November because its auditor SBY Partners PLT had not signed-off the Audited Financial Statements (AFS) for FY2021.

As such, investors are advised not to refer to the said AR2021 which was uploaded on 8 November 2021. Inix said it targeted to upload the final signed version of AR2021 by 12 November.

However, a day later, Inix announced that it was still unable to upload the final signed version of AR2021 on the stated day as the auditors had yet to sign-off the AFS for FY2021. Thus, it had missed the targeted deadline to upload the AR2021.

Pursuant to a query by Bursa Malaysia, on 15 November, Inix explained that the delay in signing-off the AFS was due to further queries from auditors arising from their Engagement Quality Control Review, the details of which were not divulged to Inix's management earlier.

As to why the Company went ahead to upload/release its Annual Report 2021 on 8 November without the signing-off of its auditors, Inix explained that it was under the impression that it could submit its latest annual report to Bursa Malaysia after the audit partner of SBY Partners PLT informed Inix that it can proceed to print and issue the accounts.

The Company nevertheless said a final copy of the AR2021 would be uploaded on 15 November.

For the record, trading of INIX's shares has been suspended from 15 November following its failure to meet its targeted deadline of 12 November to publish the signed-off annual report.

The trading suspension was uplifted on 17 November following its submission of AR2021 on 16 November.

This blunder has created confusion among shareholders and affected investors' confidence on the board and management of the Company. Minority shareholders may have made investment decisions based on the unsigned AFS thinking that they were signed AFS.

❖ UMA slapped on MGRC as its share price slumps

Often Bursa Malaysia issues an unusual market query (UMA) if the share price of a listed issuer has shot through the roof or when its volume has risen exponentially. But the market regulator can also do the exact opposite as with ACE Market-listed Malaysian Genomics Resource Centre Bhd (MGRC) recently.

The operator of one of the largest bio-computational centres for genomics in the region was issued an UMA query on 8 November as its share price plunged 56 sen or 28% to an intra-day low of RM1.44 prior to paring some losses to close at RM1.64. Its share price was still down 36 sen or 18% with 18.3 million shares exchanging hands at the close of trading.

In its response to the UMA query, MGRC said it was unaware of any corporate development or rumours/report concerning the business and affairs of the group that may have impacted its share price movement, except the appointment of two new independent non-executive directors namely Wong Yew Sen and Dr. Khoo Boo Boon, as well as an announcement of share acquisition by a substantial shareholder.

Re-emergence of substantial shareholder

Before MGRC was slapped with the UMA query from Bursa Securities, the market saw the re-emergence of Pixelvest Sdn Bhd as a substantial shareholder of MGRC on 3 November with its stake in MGRC increasing to 5.378% after the acquisition of 550,000 shares in the open market.

Earlier, Pixelvest had itself ceased to be a substantial shareholder of MGRC on 10 September following disposal of 1.5 million shares in the open market on 9 September. The re-emergence of Pixelvest also followed the ceasing of I Concept Global Growth Fund as a substantial shareholder of MGRC after the latter's disposal of 4.69 million shares in MGRC between 1 November and 2 November via the open market.

Following this, Pixelvest continued to accumulate shares in MGRC with total interest of 6.55% as of 18 November.

In a stock exchange filing dated 1 November, MGRC said it remains an affected listed corporation under Rule 8.03A of the ACE Market Listing Requirements following its disposal of MPath Group in December 2019 for RM42 million.

"The company has approximately two months until 23 December 2021 to submit a regularisation plan to the relevant authorities for approval and will make further announcements in relation to any latest development," MGRC pointed out.

Financial-wise, MGRC fell into the red in its financial year ended 30 June 2021, with a net loss of RM4.29 million (FY2020: net profit of RM17.1 million) mainly because the recognition of profit from discontinued operations amounted to RM23.34 million in the previous financial year.

Revenue meanwhile came in at RM1.78 million – up from RM951,000 in the previous corresponding period – mainly on the de-recognition of the progress of genome sequencing and analysis services.

Year-to-date, MGRC's share price has edged up 167% from RM1.02 on 4 January to an all-time high of RM2.72 on 29 October prior to the 8 November's downslide.

Devanesan Evanson
Chief Executive Officer

MSWG AGM/EGM Weekly Watch 22 – 26 November 2021

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
22.11.21 (Mon) 10.00 am	Yong Tai Bhd (AGM)	The Group's revenue rebounded to RM114.3 million in FY2021 (FY2020: RM42.6 million) mainly due to the advanced work progress of its property development projects. It recorded a net loss of RM8.3 million because of non-operating expenses such as depreciation of theatre building, amortization of intangible assets and finance cost incurred.

22.11.21 (Mon) 10.00 am	Bintai Kinden Corporation Bhd (EGM)	The EGM is to seek shareholders' approval for the following: - Proposed acquisition of entire equity interest in Johnson Medical International Sdn Bhd for RM50 million to be satisfied via a combination of cash payment and issuance of new shares. - Proposed diversification of business to include property development and property management segment. - Proposed private placement of up to 114.57 million new shares representing 30% of the existing issued ordinary shares to independent investors. - Proposed issuance of up to 190.95 million redeemable convertible preference shares (RCPS) in Bintai to OUD Asset Management Sdn Bhd at an issue price of RM0.10 per RCPS. - Proposed amendment to the constitution of Bintai to facilitate the proposed issuance of RCPS.
23.11.21 (Tue) 10.30 am	LFE Corporation Bhd (EGM)	The EGM is to seek shareholders' approval for the proposed diversification of the existing principal activities of LFE to include property development.
24.11.21 (Wed) 10.00 am	Awanbiru Technology Bhd (AGM)	The Group's total revenue decreased by 31.4% y-o-y to RM104.9 million (FY2020: RM152.9 million), mainly due to the dual effect of the expiry of Master Licensing Agreement with Malaysian government and the discontinuation of membership in the Microsoft Partner Network effective 31

		January 2021. However, it registered a PAT of RM9.3 million (FY2020: LAT of RM18.0 million), mainly due to a one-off gain obtained from the disposal of a subsidiary.
24.11.21 (Wed) 10.30 am	Green Ocean Corporation Bhd (AGM)	Green Ocean revenue dipped by 83.7% to RM36.3 million in FY2021 compared to FPE2020, mainly due to its strategy to limit palm oil products trading activities to reduce exposure due to uncertainty of COVID-19. It registered pre-tax loss of RM12.5 million in FY2021 (FPE2020: RM11.4 million), mainly due to share based expense for ESOS and provision of impairment loss on trade receivables. It has obtained its shareholders' approval in October 2020 to diversify into glove business and plans to set up 12 production lines in stages over the course of 36 months.
25.11.21 (Thur) 10.00 am	Sern Kou Resources Bhd (AGM)	Sern Kou had achieved its all-time high revenue of RM324.7 million and net profit of RM17.6 million for FYE 2021, despite the pandemic affecting many companies adversely. Going forward, the Company's ability to venture into new export markets will be pivotal in it enhancing its performance for FYE 2022.
25.11.21 (Thur) 10.00 am	Titijaya Land Bhd (AGM)	On the back of inventories written down recognised, Titijaya's net loss for FYE2021 stood at RM14.0 million versus a net profit of RM2.1 million in FY2020.
25.11.21 (Thur) 10.00 am	Malton Bhd (AGM)	Malton's revenue stood at RM999.2 million (FY2020: RM1,809.0 million). The drop in revenue was mainly attributed to lower billings from the

		Property Development division as the Pavilion Bukit Jalil mall, Villa 22 and The Park 2 projects are in advance stage of completion at the end of the current financial year. Consequently, the Group's PBT for the current financial year stood at RM22.6 million (FY2020:RM51.6 million).
25.11.21 (Thur) 10.00 am	AWC Bhd (AGM)	With the orderbook size of RM862 million as of 30 June 2021, AWC aspires to achieve a steady and sustainable growth in the foreseeable future. The new contracts secured, and renewal of existing projects are expected to contribute positively to AWC's future performance.
25.11.21 (Thur) 10.00 am	Pestech International Bhd (AGM)	In FY2021, Pestech recorded highest ever group revenue of RM889.4 million, surged by 12% compared to last year mainly due to the robustness of the stages of project progress during FY2021. In line with the above, it registered higher net profit of RM66.2 million as compared to RM51.4 million in FY2020. Barring further negative impact due to the Covid-19 pandemic, Pestech is confident in sustaining positive reporting trend backed by the Group's outstanding order book of RM1.76 billion.
25.11.21 (Thur) 11.30 am	Pestech International Bhd (EGM)	The EGM is to seek shareholders' approval for the proposed bonus issue of 191.07 million new ordinary shares in Pestech on the basis of 2 bonus shares for every 8 existing Pestech shares held.
25.11.21 (Thur) 11.00 am	Inari Amertron Bhd (AGM)	Inari revenue increased by 35% y-o-y to RM1.43 billion (2020: RM1.06 billion),

		representing the highest revenue recorded since its's listing on Bursa Malaysia back in 2011. It also registered historical high net profit of RM330.7 million, representing a significant increase of 111.4% y-o-y as compared to RM156.4 million achieved in the previous financial year. The impressive performance was primarily attributed to strong demand in the RF business segment and greater cost efficiency and productivity in its operations.
26.11.21 (Fri) 10.00 am	Padini Holdings Bhd (AGM)	Padini recorded a revenue of RM1.03 billion in FY2021, a 24% decline as compared to RM1.35 billion in FY2020. Consequently, net profit also fell by 28.1% to RM54.1 million in FY2021 mainly due to the negative impact of Covid-19 pandemic and the lockdown restriction. Its domestic operation will continue to be the main revenue and profit driver given the uncertainties from the pandemic, it expects the outlook for the Malaysian economy for the remaining of 2021 and 2022 to be challenging.
26.11.21 (Fri) 10.00 am	Jaya Tiasa Holdings Bhd (AGM)	Jaya Tiasa's revenue increased by 3% y-o-y to RM723.4 million (FY2020: RM701.9 million). Despite the loss of RM45.5 million in CPO Futures hedging, PBT grew by 159% to RM76.1 million (2020: LBT of RM129.6 million). The turnaround performance was driven by better performance in the Oil Palm division on the back of rising CPO price, notwithstanding a 22% decrease in FFB production.
26.11.21 (Fri) 10.00 am	Scicom (MSC) Bhd (AGM)	Scicom saw an increase of 19.2% in revenue to RM216.2 million, driven by increased

		revenue from existing clients on the back of higher billable headcount for BPO operations and expansion of services for existing clients. Moving forward, Scicom will continue to expand the offering of its BPO services, focusing on providing Business Process as a Service (BPaaS) solution.
26.11.21 (Fri) 10.30 am	Paos Holdings Bhd (AGM)	Paos had narrowed its loss marking position marginally for FYE 2021. The pandemic had an adverse impact on its profitability and moving forward its ability to secure a major client in the US for its bar soap position in 2021 may see it back on the path of profitability.
26.11.21 (Fri) 10.30 am	Golden Land Bhd (AGM)	Golden Land's revenue increased by 187.3% y-o-y to RM83.9 million (FY2020: RM29.2 million), due to higher revenue contribution from both its plantation and property development segments. The property development segment was the key driver to the Group's operations and accounted for 78% of the Group's total revenue, with the oil palm plantation segment accounting for the remaining 22%. Net loss narrowed to RM20.7 million from RM21.9 million in the previous financial year.

One of the points of interest to be raised:	
Company	**Points/Issues to Be Raised**
Yong Tai Bhd (AGM)	The Group is in the midst of its Phase III clinical trial of the inactivated COVID-19 vaccine, KCONVAC, developed by its strategic partner Shenzhen Kangtai Biological Products Co., Ltd. (Page of 18 AR) a) Has the clinical trial been completed? When does the Group expect to start marketing the KCONVAC vaccine?

	b) The Group is also applying for the Conditional Registration Approval("CRA") with the National Pharmaceutical Regulatory Agency ("NPRA"). Has the Group obtained the approval from NPRA? If not, when does it expect to obtain the approval? c) With the country's adult population more than 95% fully vaccinated, is there a market for the KCONVAC vaccine? d) What are the strategies to ensure that the Company is able to sell 10 million doses of KCONVAC vaccine per annum for a period of 5 years? e) How much has the Group spent in the clinical trial of KCONVAC vaccine?
Bintai Kinden Corporation Bhd (EGM)	The issue price of the Proposed Private Placement of up to 30% of the existing number of issued shares of Bintai is proposed to be priced at a discount of not more than 20% to the 5D-VWAMP of Bintai shares immediately preceding the price fixing date (page 22 of the Circular). a) In view of the 30% dilution to the existing shareholders' shareholdings and the substantial discount of up to 20% to be given to the third-party investor(s) for the Proposed Private Placement, is the Proposed Private Placement a fair fundraising option to the existing shareholders? b) Bintai has completed 2 private placements last year (one on 28 September 2020 and the other on 12 November 2020) (page iv and 29 of the Circular), why were not the existing shareholders given the opportunity to participate in the Company's fund-raising exercise this round?
Awanbiru Technology Bhd (AGM)	In Malaysia, the Government has mandated 80% (estimated value at RM1.76 billion) usage of cloud storage across the government services by 2022. Public sector Cloud spend in 2022 is anticipated at RM2.2 billion (page 15 of Annual Report 2021 ("AR2021")). a) In relation to the above, what is the estimated percentage of Government spending on Cloud that the Group targets to secure in 2022? b) To-date, what is the total value of tenders submitted and expected to be submitted for financial year ending 2022?

Green Ocean Corporation Bhd (AGM)	1. Other expenses have increased significantly to RM7.3 million in FY2021 (FY2020: RM28) (page 50 of the AR 2021). What is the reason for the substantial increase in other expenses? Please provide a breakdown. 2. The Group's allowance for impairment losses on trade receivables amounting to RM7.3 million constituting 79% of the Group's trade receivables of RM9.2 million in FY2021 (Note 10, page 84 of AR 2021). a) What are the profiles of the customers with long outstanding trade receivables? Please include details such as name of customers, amount due, overdue period etc. b) Why was such a huge amount impaired and what percentage of these impairments are expected to be non-recoverable? c) What actions have been taken to recover the said amount? To-date, how much of these impaired trade receivables have been recovered?
Sern Kou Resources Bhd (AGM)	Other Expenses of the Company rose significantly in FYE 2021 to RM1.2 million from RM215k in FYE 2020. (Page 73 of AR 2021) What were the reasons for the significant increase?
Titijaya Land Bhd (AGM)	Amidst the challenging backdrop, the Group has also recognised inventory written down totalling RM25.2 million inclusive of the development of Odeon for RM20.1 million, the development of Bukit Padang for RM4.0 million and completed unit of Embun for RM1.1 million respectively (Page 16 of the Annual Report 2021). Are there any prospects of reversing the written down inventories? If so, what is the expected amount of reversal of the written down inventories?
Malton Bhd (AGM)	The Group recorded a net allowance for impairment loss on trade/other receivables of RM11.3 million in the current financial year. (Page 15 of AR) a) Please explain the reasons for the higher allowances for impairment on trade and other receivables in FY 2021? b) What measures has the Group taken to mitigate the allowance for impairment on trade/other receivables from moving higher?

	c) How much has the Group collected from the impaired trade/other receivables as of September 2021?
AWC Bhd (AGM)	As of 30 June 2021, AWC's allowance for impairment losses on trade receivables amounted to RM27.5 million, representing 22.84% of the Group's trade receivables of RM120.39 million (Note 13 - Trade and Other Receivables, page 135 of AR2021) a) To which business segments do the allowance of impairment losses relate to? b) What actions have been taken to recover the said amount? c) To-date, how much of these impaired trade receivables have been recovered? d) What is the percentage of these impairments that are expected to be recovered?
Pestech International Bhd (AGM)	The Group's outstanding order book stood at RM1.76 billion as at 30 June 2021. Pestech will continuously look out for new opportunities in the sustainable power infrastructure area to steer the Group towards the reduce, reuse and recycle business and social responsibility philosophy (page 34 of AR 2021). a) What is the Group's current outstanding order book (as of 31 October 2021) for ongoing projects? How long will this order book last? b) What is the current tender book and targeted order book replenishment in the next two financial years? c) To-date, how many potential contracts has the Group been exploring in the ASEAN region for the renewable energy sector? Please brief on the probability of being awarded the new contracts in 2022. d) In bidding for new projects locally or in overseas markets, are contracts written to protect the Group from Covid-19 related delays that are out of the Group's control?
Inari Amertron Bhd (AGM)	Inari has rapidly grown its operations into a portfolio of ten (10) plants located across Malaysia, Philippines and China with a total built-up area of approximately 1,800,000 square feet. Moving forward, the Group will continue to look at expanding its production capacity via further building or acquiring plant space. (page 24 of Annual Report 2021 ("AR2021"))

	What is the average utilisation rate for the Group's plants in Malaysia, Philippines and China, respectively, for FY2021 and to-date?
Padini Holdings Bhd (AGM)	Padini's online shopping has experienced a growth, but technology is for more than just shopping online, it is important to find a balance between reaching out to existing customers and attracting new customers. Due to various lockdowns, the Company has placed increased focus on further developing digital retailing to reach out to and extend the purchasing channels for the convenience of its customers and for future growth (page 12 & 18 of AR 2021). a) How successful is the Group's e-Commerce business such as online stores on Shopee, Lazada, Facebook Live, Padini Mobile App and brand awareness online? How much e-Commerce sales accounted for the group's total revenue for FY2021? b) What are the metrics used by the board to track the Group's progress in e-Commerce? c) In addition, has the board set any mid-term targets for management in terms of growing its e-Commerce business?
Jaya Tiasa Holdings Bhd (AGM)	1. Write-down of inventories amount to RM9.3 million (2020: Nil) (page 74 of AR2021) What is the nature of these inventories that have been written-down? Are the inventories written-down still saleable? 2. Net loss on equity instrument designated as fair value through other comprehensive income was RM1.9 million (2020: net gain RM11.9 million) (page 68 of AR2021). a) To which equity instrument does the net loss relate to? b) Why did the Board approve the disposal of the equity instrument at a loss?
Scicom (MSC) Bhd (AGM)	In FY2021, Scicom recorded a net increase (excluding discontinued projects) of 19.2% or RM34.87 million in revenue to RM216.2 million (page 39 of Annual Report 2021). The growth in revenue was mainly driven by increased revenue from existing clients amounting to RM39.72 million, on the back of higher billable headcount for BPO operations and expansion of services for existing clients.

	a) Looking forward to FY2022, what will be the catalysts driving higher revenue contribution from existing clients especially in Scicom's Malaysia home market? b) Due to discontinuation of some projects, Scicom recorded a RM7.02 million loss in revenue in FY2021. What is the expected impact of discontinued projects on Scicom's topline in FY2022??
Paos Holdings Bhd (AGM)	The Company narrowed its loss-after tax at RM1.15 million for FYE 2021 compared to an after-tax loss of RM1.34 million in the preceding year. It attributed the loss for the lethargic business sentiment due to the Covid-19 pandemic. (Page 16 of AR 2021) a) What are the steps that will be taken by the Company to ensure that it returns to profitability for FYE 2022? b) What are the measures put in place by the Company to mitigate the effects of a prolonged pandemic?
Golden Land Bhd (AGM)	Operations were substantially delayed as materials, in particular, oil palm seeds, fertilizers and chemicals could not reach the Group's plantation sites in a timely manner due to severe logistical delays internationally as well as in Indonesia (page 5 of Annual Report 2021 ("AR2021")). To what extent has logistical delays impacted the Group's operating cost? To-date, have these challenges being resolved? If not, how will it impact the Group, going forward?

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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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