



# The Observer

**25.06.2021**

*The Minority Shareholders Watch Group is now on Twitter. The presence at Twitter is the first step for us to create a strong social media presence and engage with our stakeholders more effectively. Do follow MSWG's Twitter account at @MSWGMalaysia and share your thoughts on our tweets from time to time.*

## ❖ **Minority Shareholders Can Contribute to a Better AGM Experience**

Recently, we have written about Malayan Banking Berhad's (Maybank) mammoth 6-hour AGM. Long AGMs are not a good experience for minority shareholders who attend the meeting, and neither is it a good experience for the company.

In Maybank's case, approximately 1,200 pre-AGM questions and live comments/queries were received during its recent AGM. Having said that, many were repetitive questions that had already been addressed during the CEO's presentation or during the early part of the Q&A session.

But in the spirit of addressing every single question posed by shareholders, the Board read and responded to all questions received on the Group's performance, business and strategy during the meeting. Consequently, shareholders ended up attending a six-hour-long AGM.

In this case, a shorter AGM would have resulted in a more efficient and economical use of resources for all parties concerned. In this context, we believe that minority shareholders can contribute to a better AGM experience. No minority shareholder wants to spend more time than necessary when attending AGMs – virtual or physical.

### **Posting questions before the AGM**

It would be good if we could send in our questions prior to the meeting rather than during the virtual or physical meetings. Still, this does not take away our inherent right to ask questions during the meeting. If we send our questions before the meeting, the company can better prepare and provide more meaningful well-researched answers to our questions. Furthermore, similar questions can be addressed together and answered together, thus saving AGM time.

### **Attending the AGM from the start**

Sometimes, shareholders pose questions that have already been answered earlier during the meeting. This happens when they join the meeting halfway, or they are unable to follow the proceedings throughout the Q&A session.

It will not be fair to other attendees if the company were to keep answering these repetitive questions repeatedly. Perhaps, we should make it a point to be punctual for AGMs and follow the proceedings continuously to avoid asking repetitive questions.

Some companies have made it clear that they will not be repeating the responses for questions that have already been answered during the AGM. Nevertheless, they assure shareholders that all the common questions will be published on the corporate website along with the answers.

It is a Listing Requirement that the Key Matters Discussed at the AGM should be disclosed on the corporate website as soon as possible after the conclusion of the AGM.

Soon, pursuant to the Malaysian Code on Corporate Governance 2021, it will be a recommend practice for PLCs to circulate the minutes of meeting to shareholders not later than 30 business days after the conclusion of the meeting.

### **Read the Administrative Notes**

Most of the PLCs have Administrative Notes issued along with their Notice of the Meeting. Information related to the meeting such as registration procedures, Q&A procedures and voting procedures will normally be found in the Administrative Notes. Shareholders are encouraged to read these notes before attending the meeting. This will greatly reduce the number of queries on the registration procedures, Q&A procedures and voting procedures.

### **No time limit for Q&A**

PLCs have asked MSWG whether a reasonable time limit can be imposed for the Q&A session during an AGM. MSWG has been resolute in its stance that all relevant questions should be answered regardless of the time taken. Notwithstanding this, there will be some irrelevant, meaningless, off-tangent, administrative and repetitive questions at a meeting; it is for the Chairman to manage such questions.

### **Post-mortem analysis**

Companies that feel that their AGMs are unduly long should conduct a post-mortem analysis of their AGMs. By resolute introspection and analysis, they will realize that there are opportunities to improve the AGM experience.

### **Personal data protection issues when publishing the minutes of meeting**

A couple of PLCs have published and uploaded their minutes on the corporate website along with some sensitive personal shareholder-details e.g., name, Mykad number, email addresses, handphone number, number of shares held etc.

While transparency is well and good, there is regulation on personal data protection (the Personal Data Protection Act 2010) which seeks to protect the privacy of personal details and to prevent the abuse and misuse of data. Companies should not rely on the fact that they have a waiver from the shareholders as justification to include such

sensitive personal data in their minutes and hope that they are protected. Companies are reminded to be mindful of the need to preserve the confidentiality of shareholders' sensitive personal details.

There are unscrupulous people out there who will not hesitate to abuse and misuse such information.

### ❖ **Corporate Chieftains and Their Vital Roles in CSR Agenda**

The recent announcement that the chief executive officer of MSM Malaysia Holdings Berhad (MSM), Syed Feizal Syed Mohammad, has been appointed Adjunct Professor by the Universiti Teknologi Malaysia (UTM) Azman Hashim International Business School (AHIBS) is great news for CSR in Malaysia.

In his academic role, Syed Feizal will contribute to UTM AHIBS on industrial knowledge with an emphasis on leadership, business, management, innovation as well as entrepreneurship. These are very important and relevant knowledge for our tertiary students, especially those who intend to pursue careers in business.

MSWG would like to extend our heartiest congratulations to Syed Feizal on his appointment as an Adjunct Professor.

Corporate chieftains can contribute to the CSR agenda by virtue of their leadership position. They have much to share with the younger generation in terms of their real-life work experience and practical knowledge in the competitive and often challenging business world.

Syed Feizal's acceptance of this added role is a clear example of how one can contribute in one's individual capacity to CSR instead of only relying on the company to meet these responsibilities. This will also encourage other C-suites and senior management to follow suit.

Time is always going to prove to be a challenge to busy executives trying to juggle their corporate and social responsibilities. But then again, their senior position is an inherent testament that this will not prove to be a problem. As the old saying goes, if you want something done, you should ask a busy man to do it.

MSWG would like to make a clarion call to all other senior corporate heads to seek out avenues to contribute to CSR agenda in their personal capacity.

**Devanesan Evanson**  
**Chief Executive Officer**

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### **MSWG AGM/EGM Weekly Watch 28 June – 2 July 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](http://www.mswg.org.my).

Date & Time	Company	Quick-take
28.06.21 (Mon) 10.00 am	KKB Engineering Bhd (AGM)	<p>KKB Group posted lower revenue of RM408 million in FY2020 (FY2019: RM560 million), mainly due to lower progress billings from Civil Construction and Steel Fabrication divisions. Consequently, PAT decreased by 64.5% y-o-y to RM22 million because of lower profit margin and lower revenue registered by the abovementioned divisions.</p> <p>Moving forward, KKB's performance is underpinned by its healthy orderbook of RM780 million and pent-up customer demand for Mild Steel Pipes required under the Sarawak Water Supply Grid Programme.</p>
28.06.21 (Mon) 10.00 am	Minda Global Bhd (AGM)	<p>Minda Global was badly affected by the COVID-19 pandemic as its educational establishments had to pivot to a new normal when classes had to be conducted online compared to traditional classroom teaching. Going forward, its success will hinge on how it will develop and sustain the online teaching model and whether it can increase its student enrolment under the new norm.</p>
28.06.21 (Mon) 02.00 pm	Velesto Energy Bhd (AGM)	<p>Velesto posted a lower revenue of RM547 million and a lower EBITDA of RM293 million in FY2020. However, it incurred a net loss of RM492 million due to impairment of assets and accelerated depreciation of RM462 million and RM23 million respectively. If it were not for these, it would have recorded a much lower net loss of RM7 million.</p>
29.06.21 (Tue) 10.00 am	KNM Group Bhd (AGM)	<p>KNM's ESOS allocation and exercise of ESOS shares by directors will likely be the topic of discussion among shareholders during the upcoming AGM.</p> <p>In FY2020, there were 91.976 million ESOS shares granted on 27 March 2021 exercised at 11 sen per share.</p>

		Of the total ESOS shares exercised in FY2020, 80 million shares or 87% of it were exercised by executive vice chairman Madam Gan Siew Liat and the person connected to her.
29.06.21 (Tue) 10.00 am	Formosa Prosonic Industries Bhd (AGM)	The Company had been little affected by the COVID-19 pandemic as it managed to post a respectable net profit of RM55 million for FY2020. Going forward, the Company should do reasonably well if it maintains its current business momentum by ensuring its operations continue to follow the pace set in FY2020. For the time being, the downside risks for the Company seemed well mitigated.
29.06.21 (Tue) 10.30 am	Perak Corporation Berhad (AGM)	On 11 February 2020, Perak Corporation (PCB) was classified as a PN17 company as it was unable to declare that it was solvent following the Group's default in certain loans and bank borrowings. To restructure the Group's debts, PCB had obtained Non-Financial Institutions Scheme Creditors' approval at the Court Convened Meeting on 19 April 2021 for the Proposed Scheme. To-date, PCB is still in discussion with the banks on the private debt settlement arrangement and formulating the regularisation plan to submit to the relevant authorities for approval.
29.06.21 (Tue) 10.30 am	Press Metal Aluminium Holdings Bhd (AGM)	Press Metal's pre-tax profit increased by 3.7% to RM654.65 million despite y-o-y lower revenue generated due to lower smelting material prices, lower finance cost arising from refinancing of loans, and favourable pricing in commodity hedging contracts.
29.06.21 (Tue) 11.00 am	KNM Group Bhd (EGM)	The EGM is to seek shareholders' approval on a private placement exercise of not more than 30% of the Issued Shares in KNM. Of the total issued shares, up to 50% of it will be placed out to Interested Placee(s) - Madam Gan Siew Liat (KNM's executive vice chairman) and the person connected to her, notwithstanding that the Interested Placee(s) has yet to confirm that it has

		<p>the sufficient financial resources available to subscribe for the placement shares allocated to them.</p> <p><b>MSWG will vote against this resolution</b> as MSWG is of the view that rights issue should be a more appropriate fund-raising method that enable all shareholders to participate in the growth of the Company without dilute their existing shareholdings. Besides, MSWG is concerned on the dilution impact on earnings per share from several KNM's private placement exercises in recent years. i</p>
29.06.21 (Tue) 01.00 pm	Muhibbah Engineering (M) Bhd (AGM)	In FY2020, Muhibbah Engineering recorded a net loss of RM84.1million as compared to net profit of RM116.9 million in FY2019. The unfavourable bottom-line performance was due to significantly lower share of profit from associate companies, higher administrative expense, and a net loss on impairment of financial assets and contract assets.
29.06.21 (Tue) 02.30 pm	Mudajaya Group Bhd (AGM)	Mudajaya's pre-tax loss improved by 34% to RM41.6 million in FY2020 as compared to FY2019 of RM63.3 million. The improved pre-tax loss was mainly due to cessation of equity accounting of RKM's losses as its net carrying amount in the Group's book had already been adjusted to zero as at year-end of 2019.
30.06.21 (Wed) 09.00 am	Watta Holdings bhd (AGM)	<p>Watta turned loss-making in FY2020 with a loss of RM1.4 million as compared to a profit of RM1.9 million, as revenue generated during the year (RM12.2 million) was insufficient to cover overhead costs even though expenses were controlled to the minimum possible level.</p> <p>Watta's performance was adversely affected by MCO and the Conditional MCO implemented which also disrupted the global supply chains and affected the income of general population. Consequently, Watta's work orders for repair of handphones dropped by 21% for the</p>

		<p>year. The MCO 3.0 and the Full Movement Control Order enforced recently will continue to impact the Group's business activities and performance in FY2021.</p>
30.06.21 (Wed) 09.00 am	China Ouhua Winery Holdings Limited (AGM)	<p>China Ouhua Winery's revenue declined 6% y-o-y to RMB20.5 million in FY2020. At the same time, it registered net loss of RMB16.7 million for the year due to the impairment of inventories, which amounted to RMB12.9 million.</p> <p>It anticipates a challenging year ahead given that the wine market in China remains highly competitive and the prolonged impact of the pandemic.</p>
30.06.21 (Wed) 10.00 am	Nextgreen Global Bhd (AGM)	<p>Nextgreen returned to black in FY2020 with RM4.23 million net profit, as compared to net loss of RM45.58 million in the preceding year.</p> <p>However, the improvement in financial performance was mainly due to higher sale of sub-divided land in Green Technology Park (GTP) in Pahang, while other divisions were loss-making and/or not in operation during the year.</p> <p>Hence, the Company would have been loss-making in FY2020 if without the one-off gain recorded from sale of land.</p>
30.06.21 (Wed) 10.00 am	Jiankun International Bhd (AGM)	<p>Jiankun's net profit in FY2020 increased by 29.3% to RM5.6 million (FY2019: RM4.3 million). The improvement was mainly due to the higher profit recognition from existing project. Similarly, Jiankun's revenue for FY2020 jumped by 45.7% to RM58.8 million from RM40.3 million recorded in FY2019.</p>
30.06.21 (Wed) 10.00 am	Techna-X Bhd (AGM)	<p>Techna-X remained in loss-making position with net loss of RM182.0 million posted in FY2020, as compared to a net loss of RM183.75 million in FY2019 as it continued to be dragged by massive losses from discontinued operations.</p>

01.07.21 (Thur) 10.00 am	My E.G. Services Bhd (AGM)	<p>MYEG's revenue reached RM530.46 million in FY2020 (FP2019 (15-months): RM593.58 million), while PBT was RM268.96 million (FP2019: RM306.94 million). The performance was supported by the government concession services and commercial services.</p> <p>The COVID-19 pandemic had enabled the Group to tap into emerging opportunities such as healthcare services related to COVID-19. It continues to leverage on its existing business strengths to adapt to the fluid operating environment expected in FY2021 and beyond. It is cautiously optimistic that it will remain on a positive growth trajectory.</p>
01.07.21 (Thur) 11.00 am	My E.G. Services Bhd (EGM)	The EGM is to seek shareholders' approval for proposed allocation of ESOS options to company directors including independent non-executive directors (INEDs). MSWG does not encourage the practice of giving options to INEDs as they do not play an executive role in the Company and are responsible for monitoring the option allocation to employees and executive directors.
01.07.21 (Thur) 02.00 pm	Dutch Lady Milk Industries Bhd (EGM)	The EGM is to seek shareholders' approval for the proposed disposal of land and factory at No 13, Jalan Professor Khoo Kay Kim, 46200 Petaling Jaya, Selangor to UEM Land Berhad for a total cash sum of RM200 million.
02.07.21 (Fri) 09.00 am	MAG Holdings Bhd (EGM)	<p>The EGM is to seek shareholders' approval for the following:</p> <ul style="list-style-type: none"> <li>- Proposed Acquisition of entire equity interest of North Cube Sdn Bhd for RM200 million to be satisfied via combination of cash consideration of RM60 million, issuance of 300 million new MAG shares and issuance of 400 million new redeemable preference shares;</li> <li>- Proposed Private Placement of up to 331,548,600 new MAG shares;</li> <li>- Proposed Amendment to the Constitution of MAG; and</li> </ul>



		- Proposed Establishment of Long-Term Incentive Plan for eligible directors and employees.
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<b>One of the points of interest to be raised:</b>	
<b>Company</b>	<b>Points/Issues to Be Raised</b>
KKB Engineering Bhd (AGM)	<p>The total fee for the internal audit function of the Group during the FY2020 was RM15,000 (FY2019: RM28,000) (page 49 of AR2020).</p> <p>a) What were the reasons for the 46% reduction in internal audit fee for FY2020?</p> <p>b) Given that the fee in FY2020 is rather small (RM1,250 per month), how does the audit committee assure itself that there would be adequate coverage and an effective audit function?</p> <p>c) Audit Committee reviewed and discussed with the Internal Auditors, the review of working and rest-day hours of employees on shift work, updated on KKB Industries (Sabah) Sdn Bhd operation readiness, ongoing review on the recognition of revenue and the review on Impact of COVID-19 on KKB Engineering Berhad and its subsidiaries and measures taken to deal with regulations and legislation implemented by the Government. (page 53 of AR2020)</p> <p>What were the major findings by the Internal Auditors?</p>
Minda Global Bhd (AGM)	<p>Net impairment losses on trade receivables increased significantly to RM2.08 million in FYE 2020 from RM970k in FYE 2019(Page 66 of AR 2020).</p> <p>a) What was the reason for the substantial increase in impairment?</p> <p>b) How much of this impairment have been recovered to-date?</p> <p>c) What percentage of this impairment is expected to be non-recoverable?</p> <p>d) Is the impairment expected to increase, going forward?</p>
Velesto Energy Bhd (AGM)	<p>The Group recorded impairment of assets and accelerated depreciation of RM462 million and RM23 million respectively in FY2020. (Page 15 of IAR).</p>

	<p>a) Please provide a breakdown of the impaired assets amounting to RM462 million by asset type like Rigs, HWUs and Drilling Equipment.</p> <p>b) Will there be further impairment losses on assets in FY2021? IF yes, what is the estimated amount (as at March 2021)?</p>
KNM Group Bhd (AGM)	<p>91.976 million ESOS shares granted on 27 March 2021 were exercised in FY2020 (page 46 of AR2020). These shares were exercised at 11 sen per share.</p> <p>a) Executive Vice Chairman Madam Gan Siew Liat and the person connected to her had exercised 80 million ESOS shares in FY2020, representing 87% of the total 91.976 million ESOS shares exercised in the year (page 45 of AR2020).</p> <p>In percentage, what is Madam Gan, board members and other employee's entitlement, for the ESOS shares with exercise price of 11 sen?</p> <p>b) Is there a cap on ESOS entitlement for KNM's directors and persons connected to them under the existing ESOS?</p> <p>c) As stated on page 46 of Annual Report 2019, the closing balance for ESOS grant dated 27 March 2019 was 95,277,800 shares, while the opening balance for the same grant on 1 January 2020 was 166,680,000 shares (page 46 of AR2020). Why do these two numbers not tally?</p> <p>d) What is the vesting period imposed on the grantees before they could exercise the ESOS shares granted?</p>
Formosa Prosonic Industries Bhd (AGM)	<p>Practice 4.2 of the Malaysian Code on Corporate Governance 2017 stipulates that two – tier voting has to be conducted for the retention of Directors who have served for a period of more than 12 years.</p> <p>Mr Leow Ing Seng and Mr Lim Chung Yin, two of the Independent Non-Executive Directors of the Company, have served the Board for more than twelve years as Independent Directors.</p>

	<p>The Board has decided to seek shareholders' approval to retain both of them as independent directors via a normal voting process at the Company's upcoming AGM. Why is the Company not conducting the two – tier voting process as required by the Code?</p>
<p>Perak Corporation Berhad (AGM)</p>	<p>PCB was classified as an affected listed issuer under PN17 since 11 Feb 2020 due to the Animation Theme Park Sdn Bhd, a 51%-owned subsidiary of PCB Development Sdn Bhd, which defaulted in repayment of certain bank borrowings. PCB was unable to declare that it was solvent. As part of the debt restructuring scheme to restructure the Group's debts, PCB had obtained Non-Financial Institutions Scheme Creditors' approval at the Court Convened Meeting on 19 April 2021 for the Proposed Scheme. On 7 May 2021, the High Court at Ipoh had approved and sanctioned the Proposed Scheme which shall be binding on PCB, PCB Development, and the Non-Financial Institutions Scheme Creditors (page 22 of Annual Report (AR) 2020).</p> <p>a) What is the status of the discussion with Affin Hwang Investment Bank, Affin Islamic Bank and CIMB Bank ("Banks") on the private debt settlement arrangement for the defaulted loans and borrowings of the Group?</p> <p>b) What is the progress of the Company's regularisation plan to revive its business activities?</p> <p>c) What is the timeline to submit the regularisation plan to the relevant authorities for approval and to complete implementation of the plan to uplift PCB from being a PN17 company?</p> <p>d) The bank and cash position of the Group and of the Company as at 31 December 2020 was RM41.7 million and RM1.3 million respectively. The projected cash inflows to be generated from the on-going projects undertaken by entities within the Group are insufficient to settle the loans and borrowings due for repayment on demand or within 1 year (Note 2, page 33 of Reports and Statutory Financial Statements 2020).</p> <p>Given the challenging operating environment in 2021, how will the Group meet its debt obligations on a timely manner in the event there is a protracted delay in the</p>

	negotiation of private debt settlement arrangement with the Banks?
Press Metal Aluminium Holdings Bhd (AGM)	<p>During the financial year, the Group fully impaired the property, plant and equipment (PPE) of Press Metal International (Hubei) Ltd., a wholly-owned subsidiary, following the decision of management to close down the operations of the plant (Page 170 of the Annual Report 2020).</p> <p>The impairment loss on PPE recognised during the year is RM11,652,000 (Page 133 of the Annual Report 2020).</p> <p>a) What are the reasons for closing down the operations of the plant?</p> <p>b) Can any portion of the impaired PPE be salvaged or sold off? If so, how much is the expected recoverable amount?</p>
KNM Group Bhd (EGM)	<p>Up to 50% or 493.76 million of the total placement shares will be placed to the Interested Placee(s), Madam Gan Siew Liat and/or person(s) connected with her, with the balance placement shares to be placed to Independent Placee(s). The rationale of placing out the shares to the Interested Placee(s) is due to the intention of the placee(s) to increase their collective equity participation in KNM, as well as lending out their financial support to the Group. However, as at latest practicable date 21 May 2021, the Interested Placee(s) has yet to confirm that it has sufficient financial resources available to subscribe for the placement shares allocated to them (page 3 of the Circular dated 14 June 2021).</p> <p>As of 22 April 2021, the Interested Placee is also the substantial shareholder of KNM with 1.19% direct interest and 8.52% indirect interest.</p> <p>a) Why does KNM place out the shares to the Interested Placee(s) when there is no guarantee that the placee(s) has the sufficient financial resources to take up the placement shares? Is there a risk of the Interested Placee(s) fail to fulfill its obligation of taking up the placement shares?</p>

	<p>b) Why did the Company not opt for a rights issue that enable all existing shareholders including the Interested Placee(s) to increase their equity stake further and to participate in the growth of the Company without dilute their existing shareholdings?</p>
<p>Muhibbah Engineering (M) Bhd (AGM)</p>	<p>In FY2020, the Group recorded a net loss on impairment of contract assets of RM42,108,000 (FY2019: Reversal of RM733,000) and a net loss on impairment of property, plant, and equipment of RM43,388,000 (FY2019: Nil) (Page 109 of the Annual Report 2020).</p> <p><u>Impairment on Contract Assets</u></p> <p>a) What was the reason for the substantial increase in impairment on contract assets?</p> <p>b) What are the measures taken to recover the amount?</p> <p>c) What is the amount recovered, to-date?</p> <p>d) Given the substantial increase in impairment, is there a need to review the credit policy of the Group?</p> <p><u>Impairment on Property, Plant and Equipment (PPE)</u></p> <p>a) What are the PPEs that have been impaired?</p> <p>b) What are the factors that triggered the impairment?</p> <p>c) What is the net book value of the assets after the impairment?</p> <p>d) Would there be any potential impairment in FY2021?</p>
<p>Mudajaya Group Bhd (AGM)</p>	<p>As at 31 December 2020, the Group's debt-to-equity ratio stood at 5.6 times compared to 4.9 times in FY2019 (Page 26 of the Annual Report 2020).</p> <p>Does the Group intend to improve its gearing level considerably in the next two financial years? If so, what is the Group's targeted gearing level?</p>
<p>Watta Holdings bhd (AGM)</p>	<p>Fair value loss on investment properties amounted to RM830,000 (2019: Nil) (page 45 of AR2020).</p> <p>To which properties of the Group do this fair value loss relate to?</p>

<p>China Ouhua Winery Holdings Limited (AGM)</p>	<p>The Company's independent auditor has highlighted a material uncertainty related to going concern in their report (page 54 and note 1.2, page 65 of Annual Report (AR) 2020).</p> <p>CNOUHUA had made full impairment to amount due from Yantai Fazenda Ouhua Winery Co. Ltd ("Subsidiary") and investment in the Subsidiary amounting to RMB 76.42 million and RMB 60.13 million respectively. The impairments were made due to the Subsidiary's continuous business losses due to loss of major market.</p> <p>These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent upon the continuing financial support from a director and shareholder of the Company.</p> <p>a) In fact, the independent auditor has highlighted a material uncertainty related to going concern in their report for the past 3 financial years. When is the Group expected to be in a position that does not warrant a statement from the independent auditor that 'a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern'?</p> <p>b) How long can the Group sustain without financial support from its director and shareholder given the challenging operating environment due to Covid-19 pandemic? How will the Group prepare itself to meet its obligations as and when they fall due?</p>
<p>Nextgreen Global Bhd (AGM)</p>	<p>Nextgreen turned around its financial performance in FY2020 with RM4.23 million net profit, as compared to net loss of RM45.58 million in the preceding year.</p> <p>However, the better bottom-line performance was mainly attributed to higher sale of sub-divided land in Green Technology Park (GTP) in Pahang, while other divisions were loss-making and/or not in operation during the year.</p> <p>Thus, the Company would have been loss-making for FY2020 without the one-off gain recorded from sale of land.</p>

	Moving forward, will the Group be able to remain profitable, without one-off gains?
Jiankun International Bhd (AGM)	<p>The Group's Investment Properties ("IP") comprise several leasehold commercial properties in China which are leased to third parties.</p> <p>What was the reason for the Group investing in IP located in Dragon Mall, Danshui, Bai Yun, 2nd Road, Huiyang District, Huizhou City, China?</p>
Techna-X Bhd (AGM)	<p>The Group's Debt to Equity ratio has deteriorated from 0.75 times in FY2019 to 2.81 times in FY2020. (Page 141 of AR)</p> <p>a) What are the measures the Group has taken to reduce the Debt-to-Equity Ratio?</p> <p>b) What is the Group's optimal targeted Debt to Equity Ratio?</p> <p>c) Does the High Debt-to-Equity ratio breach any banking facilities covenant? If yes, please provide details of the covenants breached and actions taken to rectify the breach.</p>
Techna-X Bhd (EGM)	<p>The Proposed ESOS is also extended to non-executive directors in recognition of their contribution to the Company and to enable them to participate in the Company's future growth. In addition, it will also enable the Company to attract capable individuals to act as non-executive directors of the Company. (Page vi of the Circular)</p> <p>MSWG does not encourage the practice of giving ESOS options to Independent Directors. Independent Directors are required to be impartial. Receiving shares under the ESOS may compromise their independence and/or impartiality or at least create such a perception.</p> <p>Independent Directors should be paid a fee that is commensurate with their roles and responsibilities and the skills and experience they bring to the Company. The ESOS, by definition, is meant for employees.</p>
My E.G. Services Bhd (AGM)	<p>On 8 October 2020, the Company received a Letter of Acceptance from the Ministry of Health, Malaysia, to undertake the provision of an online payment system for inbound travelers to register and make payment, prior to their arrival in Malaysia, for COVID-19 Screening Test and</p>

	<p>Quarantine Charges to be implemented at all entry points to the Country ("the Project"). The tenure of the Project shall be 2 years, effective from 1 November 2020 (Note 48(i), page 232 of AR2020).</p> <p>a) To-date, what is the number of transactions generated from the Project?</p> <p>b) To-date, how and to what extent has the Project contributed to the Group?</p>
MAG Holdings Bhd (EGM)	<p>As disclosed in Appendix VII – Accountant's Report on NCUBE with Accountant's Letter, page 200 of the Circular, the ageing analysis of NCUBE's total trade receivables shows all categories of past due but not impaired trade receivables. The category of more than 120 days past due increased to RM8.9 million in FY2020 (FY2019: RM1,069). RM8.9 million represents 62% of the total trade receivables of NCUBE for FY2020. In FY2020, trade receivable overdue amount of RM266,611 was impaired (FY2019: Nil).</p> <p>a) How much of the RM8.9 million receivables have been collected to-date?</p> <p>b) How much of the RM8.9 million receivables are deemed recoverable?</p> <p>c) Has the NCUBE group experienced slower collections of its trade receivables?</p> <p>d) What is the likelihood of further impairment in the current year given the prolonged Covid-19 pandemic?</p>

### MSWG TEAM

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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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