

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

New Straits Times, Business Times – Tuesday, 24 May 2022

MSWG AGM/EGM WEEKLY WATCH

23 -27 MAY 2022

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 11 - 15 April 2022.
 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.

Company

Points/Issues to Be Raised

Amtel Holdings Berhad (AGM)

Proposed Establishment of a Long-Term Incentive Plan Which Comprises Proposed Employees' Shares Option Scheme (ESOS) & Proposed Allocation of LTIP Awards to the directors of AHB

In line with better corporate governance, MSWG does not encourage the practice of giving ESOS options to 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 ESOS options allocation to employees and executive directors.

Under the Proposed allocation of LTIP Awards to the directors of AHB, there are three NEDs namely YTM, Tunku Dato, Seri Kamel Bin Tunku Rijaludin, Mr. Siew Hock Lee, and Mr. Ir. Chew Yook Boo, who are eligible to subscribe for new AHB Shares (Ordinary Resolution's 2.5 and 7, Notice of EGM).

- a) Why is the ESOS extended to the three NEDs since they do not perform executive roles? Should not the directors' fee and other benefits they receive be adequate to compensate the services rendered by them?
- b) Considering the non-executive role of these directors in AHB, what is their view on the ESOS scheme? Are they keen to accept the shares if the ESOS options are offered to them?

Bumi Armada Berhad (AGM)

A subsidiary of the Group in Russia is involved in the design, procurement construction, and installation of a 16-inch subsea multiphase pipeline at the V. Grayler field located in the Caspian Sea, Russia. The offshore construction work is expected to be completed in 2022. (Page 56 of AR)

- Will there be a delay in the completion of the offshore construction work due to the Russian-Ukrainian conflict?
- Does the Group expect a delay in the payment of work performed?

Axiata Group Berhad (AGM)

2021 has been an exciting year for Axiata, as it 'graduated' its digital businesses and set them off on their path to profitability with the ambition of unicorn status by 2024.

Axiata is focussing on building two unicorns. Which are the two? What is their status now and when are they expected to be profitable?

Master-Pack Group Berhad (AGM)

Master-Pack recorded an 8.5% growth in revenue to RM153.98 million in FY2021, compared to RM141.87 million in the year before.

- a) What would be the catalyst for better top-line and bottom-line performance this year? Will the revenue be driven by cost-push or demand-pull factor?
- What were the better margin new products that it had diversified into? Does the Group see similar cost pressure in FY2022 in view of global inflation pressures?

UNW Holdings Berhad (AGM)

Automotive segment:

- a) The extension of the vehicle sales tax holiday, first to the end of the year and then extended to June 2022, has also contributed to improve the Automotive segment's earnings. (page 19 of IAR2021)
 Given that the sales tax holiday is coming to an end, what are the odds of the Group experiencing a sudden vehicle sales contraction?
- b) To-date, what is the Group's backlog orders for its Automotive segment?

Hap Seng Consolidated Berhad (AGM)

As part of the expansion of the property division's investment portfolio, Hap Seng has embarked on hotel development in the Klang Valley and Kota Kinabalu. In Kuala Lumpur, two hotel projects, namely Hyatt Regency Kuala Lumpur and Hyatt Centric Kuala Lumpur are in the pipeline.

- a) What are the reasons for the group to venture into hospitality business in Kuala Lumpur?
- b) What is the budgeted development cost for each of the two hotels above?

Kerjaya Prospek Group Berhad (AGM)

In FYE2021, there is an allowance for impairment losses on trade receivables amounting to RM7,941,762 (FYE2020: Reversal of RM2,524,460) (Page 141 of the Annual Report 2021).

- a) To which trade receivables do the impairment losses relate to?
- b) Is the amount recoverable? If so, what is the expected recoverability in FYE2022?

MSWG AGM/EGM WEEKLY WATCH

23 -27 MAY 2022

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 11 - 15 April 2022.
 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

Wang-Zheng Berhad (AGM)

1. The Company's major contributor to revenue is from processed paper products. In FYE 2021, the processed paper products segment contributed 66.9% or RM150.6 million of total revenue. (Page 20 of AR 2021)

a) One of the major users of the Company's processed paper products is the print media. However, the print media is slowing down as consumers' rely on online news sources.
 What are the Company's plan to mitigate the slowdown in demand from the print media?

b) Is the Company looking at alternative uses for its processed paper segment products as demand from the print media wanes, and if yes, what are these alternative uses?

Kanenge Investment Bank Berhad (AGM)

In FY2021, KIBB's net impaired loans, advances and financing (LAF) ratio almost doubled to 3.31% from 1.79% (page 199 of Annual Report 2021).

- a) What were the major reasons for the increase in net impaired LAF ratio? Is the current net impaired LAF ratio within a comfortable and manageable range?

Does the Bank see future deterioration in the credit quality of share margin financing which constitutes 65.3% of the Bank's gross LAF?

Axiata Group Berhad (EGM)

There can be no assurance that the anticipated benefits of the Proposals, including the various expected synergistic benefits will be realised or that the Group will be able to generate sufficient returns from this investment to offset the cost of this investment (Page 17 the Circular).

- a) As an experienced telecommunications operator with existing operations in Indonesia and other parts of Asia, how does Axiata plan to address the investment and synergy realisation risk?
- b) In terms of timing, when does Axiata anticipate any expected synergistic benefits to be realised?

GHL Systems Berhad (AGM)

Shared Services segment revenue declined by 3.6% year-on-year to RM116.7 million (2020: RM121.1 million), due to lower EDC terminals sales and deployment as the result of movement control restrictions and cautious capital expenditure spending by the banking sector in light of the uncertainty of COVID-19 in 2021.

- a) With the relaxation of COVID-19 restrictions and the re-opening of international borders, to-date, to what extent has there been a pick-up in EDC terminals sales and deployment?
- b) What is the outlook for the Group's Shared Services segment for year 2022/2023?

Media Prima Berhad (AGM)

1. Included in operating costs for 2021 is an aggregate impairment of non-current assets of RM15.5 million attributed to the impairments of property, plant and equipment, intangible assets and investment in an associate (Page 28 of AR 2021).

What are the respective amounts of impairment for each of the categories of assets? Why were the assets impaired and what is the likelihood of writing back the impairment in the near term?

2. Under Trade and Other Receivables, there is a loss allowance on deposits amounting to RM4.0 million (Page 192 of AR 2021).
 What specifically are the deposits and why is there a loss allowance provided for? What is the likelihood of recovering the deposits in the near term?

Sinaran Advance Group Berhad (AGM)

The Company has been in a loss making position for the past 5 financial years. For FYE 2021 its loss after tax widened to RM5.6 million from RM3.6 million in FYE 2020. (Page 5 of AR 2021)

- a) What are the Company's plans to lift the Company out of its loss making position in FYE 2022?
- b) What was the financial impact to the Company due to the severe and prolonged lockdown in China which affected its distributorships?

Formosa Prosonic Industries Berhad (AGM)

The Company's recorded strong performance in FYE 2021 when Profit After Tax rose by a whopping 84.3% to RM96.8 million from RM52.5 million in FYE 2020. What are the Company's plans to enhance its performance in FYE 2022?

- a) Global freight and air cargo rates were at record highs in FYE 2021. What are the Company's plans to handle the rising cost and can the increased cost be passed on to the customers or does the Company have to absorb the increase in cost?