

MINORITY SHAREHOLDERS WATCH GROUP

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

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MSWG AGM/EGM WEEKLY WATCH OCTOBER 30 - 31, 2019

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.

The AGMs/EGMs for the week:

Date & Time	Company	Venue
30.10.19 (Wed) 10.00 am	Apollo Food Holdings Bhd (AGM)	The Puteri Pacific Hotel, Jalan Abdullah Ibrahim, 80730 Johor Bahru
30.10.19 (Wed) 10.00 am	LKL International Bhd (AGM)	Lily 1, Level 1, Bangi Resort Hotel, Off Persiaran Bandar, Bandar Baru Bangi
30.10.19 (Wed) 10.30 am	Caring Pharmacy Group Berhad (AGM)	Bukit Jalil Golf Camp; Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, KL
30.10.19 (Wed) 02.30 pm	Pensonic Holdings Bhd (AGM)	1165, Taman Perindustrian Bukit Minyak, Simpang Ampat, Penang
31.10.19 (Thur) 02.30 pm	Hong Leong Financial Group Bhd (AGM)	Menara Hong Leong, No. 6, Jalan Damansara, Bukit Damansara, KL
31.10.19 (Thur) 03.00 pm	Velesto Energy Bhd (EGM)	Menara Kembar Bank Rakyat, No. 33, Jalan Rakyat, KL

Among the points of interest to be raised:

Apollo Food Holdings Bhd (AGM)
The Company has increased the amount invested in quoted shares in Malaysia to RMs 17 million, from RM3.68 million in FY18 (page 106 of AR2019).
a) What are the companies that Apollo has invested in?
b) What are the parameters or guidelines adopted by the Board in relation to investment in shares?
c) What is the expected yield to be achieved from these investments?

LKL International Bhd (AGM)
The Group registered net loss of RM2.86 million in FYE 2019 compared to net loss of RM1.33 million in the previous financial year (Page 5 of the Annual Report 2019). As the net loss is increasing, how will the Board address the performance of the Group?

Caring Pharmacy Group Berhad (AGM)
Referring to Practice 7.1 of the MCCG, the Company in its reply letter to MSWG dated 29 October 2018 stated that it has taken note "of the non-disclosure of remuneration on a named basis as required under the Main Market Listing Requirements and shall make the relevant disclosure in the next Annual Report". However, the Company has not adopted the Practice (page 27 of CGRI).
This is a breach of paragraph 9.25 (1) and Appendix 9C, Part A (11) of the Main Market Listing Requirements which states that listed issuers must disclose the remuneration of directors for the listed issuer for the financial year on a named basis and the amount in each component of the remuneration for each director. Please take note.

Pensonic Holdings Bhd (AGM)
"Other Income" in FY2019 was RM2.25 million compared to RM848,550 in FY2018 (page 51 of AR2019). What does the "Other Income" consist of and what are the reasons for the higher "Other Income"?

Hong Leong Financial Group Bhd (AGM)
HLA Holdings Sdn Bhd (HLAH) is the insurance holding company of the Group. For FY19, HLAH recorded a net profit of RM275 million, lower by 3.3% yoy. Whilst Hong Leong Assurance Berhad (HLA) (70% equity interest) registered a higher 5% yoy net profit, the decrease in HLAH's results was due to a lower contribution from Hong Leong MSIG Takaful Berhad (HLMT) (65% equity interest) with pre-tax profit decreasing 36% yoy to RM10.4 million.

HLAH's full share of MSIG Insurance (Malaysia) Bhd's (MSIG) (30% equity interest) pre-tax profit also decreased by 10.3% yoy to RM57 million in FY19 mainly due to higher net claims and lower underwriting margins for the year arising from the follow on effects of fire and motor delatification. (page 25, Annual Report)
What measures have you taken to improve the performance of HLMT and MSIG in FY2020?