



The Observer

13.11.2020

CEO's Message

We, at MSWG, would like to wish all our Hindu readers, and all Hindus, a Happy Deepavali. Just as Deepavali marks the triumph of light over darkness, we also wish for triumph of illumination against ignorance.

For minority shareholders, we wish them to be imbued with informed decision-making as opposed to uninformed decision-making.

There is bound to be a lot of noise in the capital markets...it has always been so and will continue to be so. So much so, that such noise will tend to drown our rational thinking. Minority shareholders must have the ability and discipline to rise above the noise, discern rationale reasoning amid the cacophony of unwanted noises, and make their informed decisions.

During the current testing times amidst the pandemic, and the current CMCO, we wish the best of health and safety to all Malaysians. Stay safe, stay sanitised, stay masked and stay distanced.

Happy Deepavali.

MSWG AGM/EGM Weekly Watch 16 – 20 November 2020

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
16.11.20 (Mon) 11.00 am	GPA Holdings Bhd (EGM)	GPA intends to seek shareholders' approval on the diversification into the glovemaking activities, a private placement of up to 294 million new shares and the establishment of an ESOS. The proceeds from the private placement will be spent acquire, install,

		<p>and commission the double former glove-dipping lines required for the new business.</p> <p>This exercise will have a dilutive impact on the shareholdings of existing shareholders. Worth noting, GPA has been making losses for the past three years. Only time will tell if this diversification is able to turn around the Company.</p>
17.11.20 (Tue) 11.00 am	<p>Ucrest Bhd (AGM)</p> <p>*the supposedly physical AGM has been changed to a virtual meeting as announced on 11 November 2020.</p>	<p>UCrest revenue declined significantly to RM12.3 million (2019: RM28.8 million) with a net loss of RM20.7 million in FY20 (FY19: RM6 million). The Management expects its businesses especially the iMedic segment is in a growing trajectory amid the ongoing Covid-19 pandemic.</p> <p>However, its financial performance suggests that its years of investment into developing iMedic™ have not translated into better shareholders returns.</p>
18.11.20 (Wed) 09.00 am	Ageson Bhd (AGM)	<p>With a pre-tax profit of RM41.1 million recorded in FY2020, Ageson's pre-tax margin is significantly higher at 43.6%, as compared to 4.5% recorded in FY19. This was achieved by a change of business strategy and better value creation for customer.</p>
18.11.20 (Wed) 10.00 am	Dialog Group Bhd (AGM)	<p>Dialog has delivered another commendable set of financial performance for FY20. While its RM2.30 billion revenue was lower by 3.5%, its net profit rose by 17.3% to RM648.1 million from RM552.3 million a year ago.</p>

One of the points of interest to be raised:

Company	Points/Issues to Be Raised
Ucrest Bhd (AGM)	<p>The Group's revenue has decrease significantly to RM12.3 million (2019: RM28.8 million) and there was a net loss of RM20.7 million (2019: RM6 million profit) (page 53 of AR2020) mainly due to high impairment loss on trade receivables and intangible assets. The Group recorded a negative net cash flow from operating activities of RM1.1 million (page 58 of AR2020).</p>

	Given that current trade payables increased to RM16.2 million (2019: RM8.5 million) (Note 16, page 116 of AR2020) and that there was negative net cash flow, how will the Group prepare itself to meet its trade payables obligations on a timely manner?												
Ageson Bhd (AGM)	<p><u>Expenses (Group level)</u></p> <table border="1"> <thead> <tr> <th>Item</th> <th>FY2020 (RM)</th> <th>FY2019 (RM)</th> <th>Increased by (%)</th> </tr> </thead> <tbody> <tr> <td>Administration expenses</td> <td>4,051,523</td> <td>2,082,351</td> <td>94.6</td> </tr> <tr> <td>Other operating expenses</td> <td>9,159,878</td> <td>5,826,832</td> <td>57.2</td> </tr> </tbody> </table> <p>(Page 46 of the Annual Report 2020)</p> <p>a) What are the reasons for the significant increase in Administrative and Other operating expenses in FY2020? Does the Group expect these expenses to increase further in FY2021? If so, what is the estimated increase?</p>	Item	FY2020 (RM)	FY2019 (RM)	Increased by (%)	Administration expenses	4,051,523	2,082,351	94.6	Other operating expenses	9,159,878	5,826,832	57.2
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Dialog Group Bhd (AGM)	<p>Dialog Fitzroy Limited, ("DFL") is exploring opportunities and continuing to look for business outside of oil and gas with emphasis on dairy and pharmaceutical businesses. (page 55 of Annual report)</p> <p>a) What are the competitive advantages DFL has over the other competitors in the dairy and pharmaceutical businesses that it intends to venture into?</p> <p>b) Has DFL secured any contracts from the dairy and pharmaceutical businesses? If yes, what is the contract value and duration?</p>												

MSWG TEAM

Devanesan Evanson, Chief Executive Officer, (devanesan@mswg.org.my)
Linnert Hoo, Head, Research & Development, (linnert.hoo@mswg.org.my)
Norhisam Sidek, Manager, Corporate Monitoring, (norhisam@mswg.org.my)
Lee Chee Meng, Manager, Corporate Monitoring, (chee.meng@mswg.org.my)
Elaine Choo Yi Ling, Manager, Corporate Monitoring, (elaine.choo@mswg.org.my)
Lim Cian Yai, Manager, Corporate Monitoring, (cianyai@mswg.org.my)
Ranjit Singh, Manager, Corporate Monitoring, (ranjit.singh@mswg.org.my)
Nor Khalidah Mohd Khalil, Executive, Corporate Monitoring, (khalidah@mswg.org.my)

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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