

## MINORITY SHAREHOLDERS WATCH GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated in Malaysia – Registration No.: 200001022382 (524989-M))

New Straits Times, Business Times – Monday, December 19, 2022

### MSWG AGM/EGM WEEKLY WATCH 19 - 23 DECEMBER 2022

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 19 - 23 December 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](http://www.mswg.org.my).

*One of the points of interest to be raised:*

*Company*

*Points/Issues to Be Raised*

**Digitstar Corporation Berhad (EGM)**

Pursuant to Section 85 of the Act, Digitstar shareholders have a statutory pre-emptive right to be offered any new Shares to be issued by Digitstar which rank equally to the existing Shares. The said statutory pre-emptive right is however subject to the Constitution of the Company.

The approval of the shareholders for the Proposed Amendments at the forthcoming EGM shall mean that shareholders will be waiving their statutory pre-emptive right under the Act for all future issuance of new Shares by Digitstar, and accordingly, passing the resolution in respect of the Proposed Amendments will exclude the said statutory pre-emptive for any future issuance of new Shares by Digitstar. Any pre-emptive rights of the shareholders will thereafter strictly be as contained in the Constitution, and the provisions of Section 85 of the Act shall not apply.

(a) What is the reason for seeking a blanket approval from shareholders to waive their statutory pre-emptive right under the Act for all future issuance of new Shares by Digitstar via amending the Constitution of the Company?

(b) Should not shareholders be given the right to decide whether to waive their statutory pre-emptive right under the Act, for each future issuance of new Shares by Digitstar?

**Green Ocean Corporation Berhad (AGM)**

In FY2022, glove business contributed 85.6% of the Group's total revenue. The Group recorded a gross loss margin of 3.29% compared to a gross profit margin of 0.57% in FY2021. This was mainly due to the downward trend in the selling prices of gloves (page 4 & 6 of Annual Report IARR 2022).

(a) How does the Group intend to manage the gross profit level which was mainly impacted by the above-mentioned factor?

(b) Given the oversupply and falling average selling prices (ASP) of gloves, in what ways can the Group improve its gross profit margin? Has the Board evaluated the sustainability of the Group's manufacturing and trading of glove business?

(c) The Company completed various fundraising exercises - rights issue with warrants on 4 January 2021 and private placement on 27 August 2021, the amount of proceeds raised that were earmarked for capital expenditure for the glove business still has an unutilised balance of RM26.1 million and RM7.99 million respectively as of 30 August 2022 (page 41 of AR 2022). Given the current glove sector landscape, which is experiencing intense market competition, oversupply situation and decline in ASP of gloves, has the Board deliberated on the feasibility of constructing a new glove manufacturing facility? What is the progress of the Group's investment in the glove manufacturing business?

(d) Moving forward, what are the Group's strategies to deliver more sustainable growth in terms of financial performance and consequently deliver better shareholders value?

**Opcom Holdings Berhad (EGM)**

As the circular is dated 5 December 2022, please explain why dated annual expected market return, annual risk-free rate and equity risk premium as extracted from Bloomberg on 22 August 2022 (page 90 of the circular) were used in the valuation, instead of using the data on latest practicable date [LPD] of 15 November 2022 or a date closer to the LPD? Please provide the latest annual expected market return, annual risk-free rate and equity risk premium.