

MINORITY SHAREHOLDERS WATCH GROUP

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

New Straits Times, Business Times – Tuesday, 23 August 2022 – **Part 1**

MSWG AGM/EGM WEEKLY WATCH 22 -27 AUGUST 2022	
<p>MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 22 -27 August 2022.</p> <p>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.</p> <p>One of the points of interest to be raised:</p>	
Company	Points/Issues to Be Raised
EUPE Corporation Berhad (AGM)	<p>The Group's trade receivables increased by RM47.7 million or 101% from RM47.3 million in FY 2021 to RM95.0 million in FY 2022. (Page 125 of AR)</p> <p>The increase in trade receivables did not generally commensurate with the Group's revenue that has dropped by RM80.8 million or 26.6% from RM304.0 million in FY 2021 to RM223.2 million in FY 2022. (Page 87 of AR)</p> <ol style="list-style-type: none"> Please explain the reason for the high trade receivables in FY 2022. Which business segment contributed to the higher trade receivables in FY 2022? What is the amount of the trade receivables that are past due but not impaired amounting to RM28.4 million in FY 2022 potentially turning into bad debts? (Page 151 of AR) What are the actions taken by the Group to mitigate the risk of the trade receivables that are past due but not impaired from turning into bad debts?
YBS International Berhad (AGM)	<p>The increase of RM18.08 million in borrowings was mainly attributable to renovation and extension of factory building projects as part of the Group's continuing expansion program. (page 15 of AR 2022)</p> <ol style="list-style-type: none"> How much was the total capex in FY2022? Please explain more on the expansion plans. (e.g. for which factory, capex breakdown, capacity expansion, etc.) What is the budgeted capex for FY2023 and FY2024? Please provide the breakdown of capex for each business segment. The Group's gearing ratio has increased from 0.48 time in FY2021 to 0.67 time in FY2022 (page 124 of AR 2022). Does the Group set a limit on its gearing ratio? Any plans to raise fund from the equity market?
EUPE Corporation Berhad (EGM)	<p>Sunway Berhad has started developing its Belfield land well in advance before the Company is going to acquire a Belfield land located near the Sunway Berhad's Belfield project.</p> <ol style="list-style-type: none"> Does the Company foresee the Belfield Land to be acquired to attract fewer potential house buyers as Sunway Belfield has the first mover advantage? How does the Company plan to overcome this issue? Does the Company know what is the Gross Development Value of Sunway Belfield project and the take-up rate of the condominium as this may indicate the buyer's acceptance of a property project located in Belfield? If yes, please provide the figures. Is there any other high rise property project that have been launched (except Sunway Belfield) or is to be launched around the vicinity of Belfield? If yes, please name them. What are the strategies the Company will adopt to ensure that its Belfield's Land property project will be successful?
PNE PCB Berhad (AGM)	<p>Allowance for impairment loss on trade receivables rose sharply to RM3.594 million in FY2022 from RM428,407 in FY2021. There was an allowance for impairment of other receivable RM9.0 million in FY2022 (FY2021: Nil). (Page 81 of AR 2022)</p> <ol style="list-style-type: none"> Why was there such a huge increase in allowance for impairment loss on trade receivables? What is the probability of recovery? What is the nature of the other receivables and what are the reasons for the allowance for impairment? What is the probability of recovery?
Eastern & Oriental Berhad (AGM)	<p>The Group's administrative expenses increased by RM21.1 million or 58.6% in FY 2022 (RM57.2 million) as compared to FY 2021 (RM36.0 million). (Page 31 of AR)</p> <ol style="list-style-type: none"> What were the reasons for the higher administrative expenses in FY 2022 as the Group's revenue has reduced by RM164.2 million or 53.9%? Which are the administrative expenses that recorded higher increases in FY 2022? What measures have been taken by the Group to mitigate the administrative expenses from increasing further without a corresponding increase in the Group's revenue?
Oriental Food Industries Holdings Berhad (AGM)	<p>Looking at the product performance, the financial year under review achieved sustainable revenue for all products category except for biscuits with an encouraging growth of 17%. (page 8 of Annual Report (AR) 2022)</p> <ol style="list-style-type: none"> OFI ventured into the production of biscuit products in FY2018. How has the performance been since then? What is the outlook for biscuit products in FY2023? What was the total production capacity and average utilisation rate for the biscuit production lines in FY2022? What are the Company's strategies to increase the sales of biscuit products in the highly competitive market? When do you expect to achieve optimal capacity for biscuit production lines?

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MSWG AGM/EGM WEEKLY WATCH **22 -27 AUGUST 2022**

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 22 -27 August 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
Boilermech Holdings Berhad (AGM)	<p>Overall, the Group performed well in FY2022 with a record revenue of RM317.8 million, up 33.9% year-on-year (YOY). However, profit before tax (PBT) declined 23.7% to RM25.7 million, mainly due to lower contribution from the Bio-Energy segment. (page 17 of Annual Report (AR) 2022)</p> <ul style="list-style-type: none">a) The Bio-Energy segment saw PBT decline 25.4% to RM18.2 million despite a 40% growth in revenue to RM246.1 million. Which raw materials have the biggest impact on your cost structure?b) What is the current outstanding orderbook for your Bio- Energy segment? How much of this orderbook is based on the latest (higher) cost structure? To what extent can you pass on the higher cost to your customers?c) What measures have you taken or plan to implement to mitigate the risk of sudden and huge rise in costs in the future? Put another way, would you be able to maintain the profit margins if the same situation happens again?d) What was the average utilisation rate for your boiler manufacturing plants in FY2022? What is the current utilisation rate and your target for FY2023?
Powerwell Holdings Berhad (AGM)	<p>Prior to its listing on the ACE Market in January 2020, Powerwell's financial results were respectable with profit after tax (PAT) ranging from RM9.12 million to RM13.87 million between FY2017 to FY2019. Post listing, the Group recorded loss after tax of RM8.89 million and RM3.01 million in FY2021 and FY2022 respectively. (page 4 of AR 2022)</p> <ul style="list-style-type: none">a) What has gone wrong over the last two financial years?b) What are the chances of achieving the previous record high PAT of RM13.87 million and PAT margin of 13.0% in the future?
Matrix Concepts Holdings Berhad (AGM)	<p>The Group has written off property development costs of RM5.58 million in FY 2022 as compared to RM Nil in FY 2021. (Page 141 of IR)</p> <ul style="list-style-type: none">a) What was the reason for the Group to write off property development costs of RM5.58 million in FY 2022?b) Please name the property project/s with the write off RM5.58 million.
Xin Hwa Holdings Berhad (AGM)	<p>While the land transport segment reported a higher revenue of RM89.489m for FY2022, versus RM86.984m a year ago, the segmental profit before interest and tax declined sharply to RM1.949m from RM7.755m a year ago.</p> <ul style="list-style-type: none">a) What were the reasons for the sharp drop in the FY2022 segmental profit despite a higher segmental revenue in FY2022?b) What is the outlook for the land transport segment?c) What are the measures taken to improve the segmental margin?
Eduspec Holdings Berhad (AGM)	<p>Loans and borrowings repayable within twelve months increased to RM21.6 million (2021: RM13.2 million). (Note 20, page 144 of AR2022)</p> <p>Given that the Group generated negative net operating cashflow of RM11 million (page 70 of AR2022), while the remaining cash and bank balances stood at RM3.3 million (page 59 of AR2022), how does the Group plan to meet its loan repayments on a timely manner</p>