

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

New Straits Times, Business Times – Monday, 20 December, 2021

**MSWG AGM/EGM WEEKLY WATCH**  
**20 – 24 DECEMBER 2021**

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 20-24 December 2021.

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**

**MLABS System Bhd (AGM)**

Messrs. PKF had expressed their qualified opinion in the Company's Audited Financial Statements for FYE2021. Basis for the Qualified Opinion were on Investment in Coinful Capital Fund and bank confirmation. (page 48 of AR2021)

(a) What is the rationale for the Board to approve the investment in Coinful Capital Fund?

(b) Unquoted investments - trust assets at fair value through profit or loss decreased significantly to RM1.7 million (FYE2020: RM4.1 million) (Note 15, page 91 of AR2021). What is the reason for the significant decrease?

(c) How does the Board manage the risks associated with unquoted investments?

**MCE Holdings Bhd (AGM)**

The entry into e-bike segment through the joint-venture signed on 12 October 2021 will pave the way for MCE Group to venture into the assembly, including the manufacture of core components e.g. battery pack, internet of vehicles and charging stations which will provide the Group with a new stream of revenue from an industry segment which is expected to have huge potential as it is considered to still be in its infancy stage. (page 39 of AR2021)

(a) Does the Group's current manufacturing plants have the capacity to cater for the manufacturing of components for the e-bike segment? Or will expansion be required for the new joint venture?

(b) What is the estimated capital expenditure to be incurred by the Group to bring onstream the manufacturing for the e-bike segment?

(c) To what extent does the Group expect the e-bike segment to contribute to the Group's earnings?

**D'Nounce Technology Bhd (AGM)**

1. On 10 September 2021, AT Systematization Berhad had emerged as the controlling shareholder with a 21.67% stake acquired from Blackstream Investments Pte Ltd. As of 10 December 2021, AT Systematization's stake in D'Nounce had increased to 23.207%. Following the change, new board members were appointed while a few directors (including ED/CEO) resigned from the Board.

This represents another major change in D'Nounce's controlling shareholder, board and management in less than three years.

(a) Will such change affect D'Nounce's business strategy and direction?

(b) As the previous Board and CEO had steered D'Nounce to better financial performance and improved operating cashflow, in what way is the current Board and management better equipped to perform better than the previous board?

2. D'Nounce did not pay dividend to shareholders though it has been making profit since FY2017. Will the Board consider rewarding shareholders with dividends moving forward?

**Xideliang Holdings Ltd (AGM)**

In view of the rapid growth of e-commerce, trend in recent years, the Company has also embarked on online-to-offline marketing strategy after communication and coordination with the authorised distributors. Products are listed on third-party China-based online marketplaces to generate additional market awareness, with the ultimate aim to attract consumers to the physical retail outlets which are positioned as the "experience store". (Page 9 of AR 2021)

(a) What was the percentage on of online sales compared to total sales for FYE 2021?

(b) What are the Company's strategies to further develop its online presence?

**Prolexus Bhd (AGM)**

The Company relies extensively on foreign labour to operate its factories especially for its apparel and textile businesses.

(a) What was the ratio of foreign labour to total workforce in FYE 2021?

(b) In view of the Government tightening the requirements to hire foreign labour, what are steps taken by the Company to mitigate this?