

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 21 - 25 JUNE 2021

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 21 - 25 June 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.

One of the points of interest to be raised:

Company *Points/Issues to Be Raised*

UEM Sunrise Bhd (fka UEM Land Bhd) (AGM)

The Group has narrowed down 11 potential business sectors to two — education and healthcare, one of the 8 key areas highlighted in the UEMS 2025.

- (a) Where does the Group intend to set up the education and healthcare businesses?
(b) When does the Group target to start the operation of the education and healthcare businesses?
(c) What is the gestation period of the education and healthcare businesses before these businesses become profitable?
(d) Does the Group intend to tie up with established education and healthcare service providers? If yes, please name the institutions?

Sapura Industrial Bhd (AGM)

1) The Group has fully impaired RM37.0 million of the Group's Other Receivables in FY2021. (Pages 119 & 120 of AR)

The high impairment allowance is mainly due from related parties which have been significantly long outstanding. (Page 122 of AR)

- (i) Please name the related parties (and the amounts) that comprise the impaired Other Receivables of RM37.0 million?
(ii) What are the challenges faced in collecting the Other Receivables due from the related parties?
2) The Group has written-off inventories of RM2,469 million in FY2021as compared to RM0.66 million in FY2020, an increase of RM1.81 million or 274%. (Page 95)
(a) Please provide a breakdown of the inventories written-off (by category of inventories) as disclosed in Note 17 of the Annual Report.
(b) What was the reason for the high inventories write-off in FY2021?
(c) What is the expected scrap value of the inventories written-off?

WCT Holdings Bhd (AGM)

As part of the Group's on-going de-gearing initiatives, the Group had divested a parcel of undeveloped land in Klang, Selangor for total cash proceeds of RM25.2 million during the financial year (Page 10 of the Annual Report 2020).

What are the de-gearing plans that the Group intends to execute in FY2021? What is the targeted gearing level for the next two financial years?

Dayang Enterprise Holdings Bhd (AGM)

The Company recognised an impairment loss of RM186.9 million (2019: Nil) for a subsidiary based on the estimated recoverable amount of the subsidiary. (Page 112 AR)

- (a) Please name the subsidiary with the impairment loss of RM186.9 million?
(b) What is the nature of the impairment loss of the subsidiary by the type of assets that were impaired?
(c) Is there any potential for the impairment loss to be reversed in the future?

PBA Holdings Bhd (AGM)

The Group's Other Operating Income ("OOI") has reduced by RM6.83 million or 29.8% from RM22.94 million in FY2019 to RM16.11 million in FY2020. (Page 160 of AR)

- (a) Please explain the reason(s) for the lower OOI in FY2020?
(b) What are the measures taken by the Group to address the drop in OOI?
(c) What is the expected trend of OOI in FY2021?

Comfort Gloves Bhd (AGM)

The cost incurred for the Internal Audit function for the financial year ended 31 January 2021 was RM8,000. (Page 34 of AR)

Given that the fee is unusually small (approximately only RM700 per month), how does the audit committee assure itself that there would be adequate coverage and an effective audit function?

Under Ordinary Resolution 7, it is proposed that Messrs KPMG PLT be appointed as Auditors of the Company in place of the outgoing Auditors, Messrs Baker Tilly Monteiro Heng PLT.

What was the reason for Messrs Baker Tilly Monteiro Heng PLT not seeking re-appointment? Is the Company aware of any reasons for the change in auditors?

KPI Healthcare Bhd (AGM)

There is an impairment loss of RM16.9 million for property, plant and equipment for FYE 2020 (FYE 2019: Nil). (Page 22 of FS 2020)

What is the nature of this impairment and what made this impairment necessary? Is any portion of the impairment recoverable?

Tomypak Holdings Bhd (AGM)

FY2020 is the third consecutive year that Tomypak has been loss-making. Net loss narrowed to RM540,000 from RM11.6 million in the preceding year.

- a) The Group foresees improved revenue and operational results this year. Will the Group be profitable in FY2021?
b) With the appointment of a new sales and marketing director on 1 March 2021, Tomypak expects to secure better sales and more customers. What are the new contracts that were secured since the appointment of the new director?

Boustead Heavy Industries Corp. Bhd (AGM)

Gearing ratio increased significantly from 2.6 times in FY2019 to 4.45 times in FY2020 (page 6 of AR 2020). The Group recorded a negative net cash flow from operating activities of RM17.7 million in FY2020 (page 113 of AR2020).

- (a) Given that the cash and bank balances decreased substantially to RM3.5 million (FY2019: RM28.3 million) (Note 23, page 167 of AR2020) and that there was negative net cash flow, how will the Group prepare itself to meet its debt and payables obligations on a timely manner?
(b) Revolving credit (RC) facilities make up 70% of the Group's total borrowings of RM291.1 million which are repayable on demand by the banks. How does the Group manage its refinancing risks in the event the banks withdraw the RC facilities? What are the Company's plans to reduce its high gearing level?