

## MINORITY SHAREHOLDERS WATCH GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

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

New Straits Times, Business Times – Monday, June 28, 2021

### MSWG AGM/EGM WEEKLY WATCH 28 JUNE - 2 JULY 2021

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 28 June 2021 – 2 July 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
<b>Minda Global Bhd (fka Asiamet Education Group Bhd) (AGM)</b>	Net impairment losses on trade receivables increased significantly to RM2.08 million in FYE 2020 from RM970k in FYE 2019(Page 66 of AR 2020) [a] What was the reason for the substantial increase in impairment? [b] How much of this impairment have been recovered to-date? [c] What percentage of this impairment is expected to be non-recoverable? [d] Is the impairment expected to increase, going forward?
<b>Valesto Energy Bhd (fka UMW Oil &amp; Gas Corporation Bhd) (AGM)</b>	The Group recorded impairment of assets and accelerated depreciation of RM462 million and RM23 million respectively in FY2020. (Page 15 of IAR). [a] Please provide a breakdown of the impaired assets amounting to RM462 million by asset type like Rigs, HWUs and Drilling Equipment. [b] Will there be further impairment losses on assets in FY2021? If yes, what is the estimated amount (as at March 2021)?
<b>KNM Group Bhd (AGM)</b>	91,976 million ESOS shares granted on 27 March 2021 were exercised in FY2020 (page 46 of AR2020). These shares were exercised at 11 sen per share. a) Executive Vice Chairman Madam Gan Siew Liat and the person connected to her had exercised 80 million ESOS shares in FY2020, representing 87% of the total 91,976 million ESOS shares exercised in the year (page 45 of AR2020). In percentage, what is Madam Gan, board members and other employee's entitlement, for the ESOS shares with exercise price of 11 sen? b) Is there a cap on ESOS entitlement for KNM's directors and persons connected to them under the existing ESOS? c) As stated on page 46 of Annual Report 2019, the closing balance for ESOS grant dated 27 March 2019 was 95,277,800 shares, while the opening balance for the same grant on 1 January 2020 was 166,680,000 shares (page 46 of AR2020). Why do these two numbers not tally? d) What is the vesting period imposed on the grantees before they could exercise the ESOS shares granted?
<b>Formosa Prosonic Industries Bhd (AGM)</b>	Practise 4.2 of the Malaysian Code on Corporate Governance 2017 stipulates that two – tier voting has to be conducted for the retention of Directors who have served for a period of more than 12 years. Mr. Leow Ing Seng and Mr. Lim Chung Yin, two of the Independent Non-Executive Directors of the Company, have served the Board for more than twelve years as Independent Directors. The Board has decided to seek shareholders' approval to retain both of them as independent directors via a normal voting process at the Company's upcoming AGM. Why is the Company not conducting the two – tier voting process as required by the Code?
<b>Perak Corporation Berhad (AGM)</b>	PCB was classified as an affected listed issuer under PN17 since 11 Feb 2020 due to the Animation Theme Park Sdn Bhd, a 51%-owned subsidiary of PCB Development Sdn Bhd, which defaulted in repayment of certain bank borrowings. PCB was unable to declare that it was solvent. As part of the debt restructuring scheme to restructure the Group's debts, PCB had obtained Non-Financial Institutions Scheme Creditors' approval at the Court Convened Meeting on 19 April 2021 for the Proposed Scheme. On 7 May 2021, the High Court at Ipoh had approved and sanctioned the Proposed Scheme which shall be binding on PCB, PCB Development, and the Non-Financial Institutions Scheme Creditors (page 22 of Annual Report (AR) 2020). [a] What is the status of the discussion with Affin Hwang Investment Bank, Affin Islamic Bank and CIMB Bank ("Banks") on the private debt settlement arrangement for the defaulted loans and borrowings of the Group? [b] What is the progress of the Company's regularisation plan to revive its business activities? [c] What is the timeline to submit the regularisation plan to the relevant authorities for approval and to complete implementation of the plan to uplift PCB from being a PN17 company? [d] The bank and cash position of the Group and of the Company as at 31 December 2020 was RM4.17 million and RM1.3 million respectively. The projected cash inflows to be generated from the on-going projects undertaken by entities within the Group are insufficient to settle the loans and borrowings due for repayment on demand or within 1 year (Note 2, page 33 of Reports and Statutory Financial Statements 2020). Given the challenging operating environment in 2021, how will the Group meet its debt obligations on a timely manner in the event there is a protracted delay in the negotiation of private debt settlement arrangement with the Banks?
<b>Press Metal Aluminium Holdings Bhd (AGM)</b>	During the financial year, the Group fully impaired the property, plant and equipment (PPE) of Press Metal International (Hubbell) Ltd., a wholly-owned subsidiary, following the decision of management to close down the operations of the plant (Page 170 of the Annual Report 2020). The impairment loss on PPE recognised during the year is RM11,652,000 (Page 133 of the Annual Report 2020). [a] What are the reasons for closing down the operations of the plant? [b] Can any portion of the impaired PPE be salvaged or sold off? If so, how much is the expected recoverable amount?