

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 25 - 29 JANUARY 2021

For this week, the following are the AGMs/EGMs of companies which are in the Minority Shareholders Watch Group's (MSWG) watch list.

The summary of points of interest is highlighted here, while the details of the questions to the companies can be obtained via MSWG's website at www.mswg.org.my.

One of the points of interest to be raised:

| Company | Points/Issues to Be Raised |
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| Borneo Oil Bhd (EGM) | <p>Proposed Subscription of up to 1,205,827,550 new ordinary shares in Borneo by Macquarie Bank Limited</p> <p>Borneo Group will earmark up to RM10.00 million from the RM43.41 million raised from the Proposed Subscription to expand and to identify any new business opportunities within the Food and Franchise Operations (FFO) business segment.</p> <p>Since Borneo already has a number of brands under its portfolio, e.g., Broasted Chicken, Borneo Eco Fish, Hot Saucy Kano under the SugarBun brand, and "Sarawak Laksa", "Fisherman's Favourite" and "Chicken Rendang" pizzas under Pezzo, what are the other business segments that Borneo Oil intends to explore?</p> |
| Chin Teck Plantations Bhd (AGM) | <p>Harvesting of the mature fields in the oil palm plantation located in South Sumatera Province, Indonesia has been delayed due to the unrest in the villages neighbouring the estate. Existing staff force has been maintained to enable commencement of harvesting pending clearance from the relevant authorities (page 17 of AR2020).</p> <p>(a) What is the expected timeframe for the Group to obtain clearance from the relevant authorities?</p> <p>(b) In relation to the Group's investments in palm oil plantations in Indonesia, it seems that the unrest in the surrounding villages which have disrupted harvesting of FFB have been persisting for many years and the Group continues to suffer an overall loss of RM8.4 million from its share of results in its Indonesian investment for FY2020, while an additional RM4.7 million has been invested as working capital for the joint ventures in Indonesia (page 17 of AR2020).</p> <p>Given the actions and steps that the Management has taken over the years, why is the unrest issue unresolved?</p> |
| Bright Packaging Industry Bhd (AGM) | <p>The cost incurred for the IA function for FY20 was RM14,000 as compared to RM20,000 in FY2019 (page 37 of AR2020).</p> <p>What are the areas audited by the IA function in FY2020? How many internal audit reports were issued for FY2020? Was the scope of reviews by IA reduced due to the lower IA fee in FY2020?</p> <p>Given that the IA fee is rather small (RM1,166 per month), how does the Audit and Risk Management Committee assure itself that there would be adequate coverage and an effective internal audit function?</p> |
| Johan Holdings Bhd (EGM) | <p>Johan Investment Private Limited (JIPL), a wholly-owned subsidiary of Johan has proposed to dispose its entire equity interest in DCS to Ezy Net Pte. Ltd, Candybay Holdings Pte. Ltd and Genesis Business Holdings Pte. Ltd, for S\$103.57 million (or equivalent to approximately RM313.98 million).</p> <p>DCS is in the provision of charge card and credit card services, which are currently under Johan's hospitality and card business segment.</p> <p>The proposed disposal is deemed a Major Disposal which may result in the listed issuer being no longer suitable for continued listing on Bursa Malaysia (Paragraph 10.02 (e) of Main Market Listing Requirements).</p> <p>(a) DCS and another subsidiary collectively contributed approximately 86.03%, 85.15% and 84.05% of Johan's total revenue for the past three financial years up to FY2020 (page 5 of the Circular).</p> <p>How does Johan plan to mitigate the significant impact of revenue loss in the near-term?</p> <p>(b) To what extent will the three remaining business segments, i.e., general trading, the provision of management and secretarial services, hospitality businesses be able to cushion the short-term financial impact?</p> <p>(c) If the Company is classified as an Affected Listed Issuer under Paragraph 8.03(A) [2] of the MMLR after the Major Disposal (which states that a listed corporation may not have a level of operations that is adequate to warrant continued trading or listing on Bursa Malaysia), how will Johan rectify the situation and ensure that its listing status unaffected?</p> |
| Homeritz Corporation Bhd (AGM) | <p>The Company has not had a Chairman since its listing and this is not in line with Practice 1.2 of the Malaysian Code of Corporate Governance that stipulates that PLCs appoint a Chairman who will instill good corporate governance practices, leadership and ensure the effectiveness of the Board.</p> <p>The Company has stated in its CG Report that it intends to maintain the current board composition until the need for a Chairman arises.</p> <p>Does the Company have any plans of appointing a Chairman, and if yes, by when?</p> |
| PLB Engineering Bhd (AGM) | <p>The Group recorded impairment loss on inventory properties, [RM7,133,797], impairment loss on investment in associate, [RM1,200,030] and impairment loss on property, plant and equipment, [RM1,138] as a result of the Covid-19 outbreak.</p> <p>(a) The impairment loss on inventory properties is in respect of land held for development. Please provide the location of the land and the land size?</p> <p>(b) Please provide the name of the associate with the impairment loss and the nature of business.</p> |