

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

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MSWG AGM/EGM WEEKLY WATCH

FEBRUARY 11-15, 2019

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

The AGMs/EGMs for the week:

Date & Time	Company	Venue
11.02.19 (Mon) 11.00 am	Scientex Bhd (EGM)	Scientex Packaging Film Sdn Bhd, Lot 4, Taman Perindustrian Pulau Indah, Port Klang
14.02.19 (Thur) 09.30 am	Selangor Properties Bhd (EGM)	TPC Kuala Lumpur (Kuala Lumpur Golf & Country Club Berhad), Off Jalan Bukit Kiara, KL
14.02.19 (Thur) 10.00 am	Malaysian Resources Corp. Bhd (EGM)	Hotel Istana Kuala Lumpur
14.02.19 (Thur) 10.00 am	Can-One Bhd (EGM)	Tropicana Golf & Country Resort Club, Jalan Kelab Tropicana, PJ

The points of interest to be raised:

Scientex Bhd (EGM)

As stated on page 9 of the Circular, the offer price of RM1.60 per Daibochi share represents a price-to-earnings ratio (PER) of 20 times and price to book value (P/BV) of 2.62 times.

The PE and P/BV of the acquisition are higher than most of the selected comparable companies (page 11 of the Circular), and are higher than most of the acquisitions done by Scientex in the past such as Klang Hock Plastic Industries Sdn Bhd (PER of 17.14 times and P/BV of 1.69 times), Mondri Ipoh Sdn Bhd (PER of 20.7 times and P/BV of 1.55 times), and Great Wall Plastic Industries Bhd and GW Packaging Sdn Bhd (PER of 14.38 times and P/BV of 1.46 times).

What is the rationale for offering a comparatively richer valuation on the shares of Daibochi?

Selangor Properties Bhd (EGM)

As disclosed on page 26 of the Circular to Shareholders, VPC Alliance (KL) Sdn Bhd, the valuer has excluded some Malaysian properties in the valuation exercise.

- Please provide details on the excluded properties by location and net book value of each property.
- What is the approximate current market value of the properties?
- What is the Revalued Net Asset Value ("RNAV") of each Selangor Properties Berhad share with the inclusion of the abovementioned revaluation surplus?

Can-One Bhd (EGM)

As set out in Section 8.2 of the Circular, Can-One International Sdn. Bhd (CISB) may utilise up to RM923.91 million of bank borrowings to fund the Proposals. As a result, the gearing ratio of Can-One Group may increase from 0.63 times as at 31 December 2017 to 2.45 times (net gearing ratio: increase from 0.51 times to 2.31 times) (Page 15 of the Circular).

- With such a higher level of gearing, how would CISB ensure that it would be able to service future loan repayment obligation?
- What is the optimal gearing ratio that Can-One Group aspires to achieve in the long run?