

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
23 - 24 MAY 2019

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
23.05.19 (Thur) 10.30 am	Vitrox Corporation Bhd (AGM)	Auditorium of Vitrox Campus 2.0, Batu Kawan Industrial Park, Bandar Cassia, Penang
23.05.19 (Thur) 10.30 am	Kossan Rubber Industries Bhd (AGM)	Setia City Convention Centre, Setia Alam, Seksyen U13, Shah Alam
24.05.19 (Fri) 09.30 am	Heineken Malaysia Bhd (AGM)	Connexion @ Nexus, No. 7, Jalan Kerinchi, Bangsar South City, KL
24.05.19 (Fri) 09.30 am	Sino Hua-An International Bhd (AGM)	The Royal Selangor Golf Club, Jalan Kelab Golf, Off Jalan Tun Razak, KL
24.05.19 (Fri) 10.00 am	Naim Holdings Bhd (AGM)	Naim Sapphire Condominium Homes, Function Hall, Batu Lintang, Kuching, Sarawak
24.05.19 (Fri) 06.30 pm	Master-Pack Group Bhd (AGM)	1574, Jalan Bukit Panchor, Nibong Tebal, S.P.S. Penang

One of the points of interest to be raised:

Vitrox Corporation Bhd (AGM)

1. What are the reasons for the Group's huge write-offs on development expenditure of approximately RM4.0 million (2017: Nil) (Note 6, page 111 of AR2018)?
2. We note that there were huge inventories written down of approximately RM5.0 million (2017: RM3.4 million) (Note 22, page 123 of AR2018).
a) Why were the inventories written down?
b) Any potential write-offs of other inventories being written down, going forward?

Kossan Rubber Industries Bhd (AGM)

The Low Derma™ Technology gloves in September 2016 and Confidanz™ Halal-certified gloves were launched in November 2017. What are their contributions to revenue and operating profit in FY2018 and their projected segmental contribution for the next three years? Also, please update on the progress of commercialisation efforts on the anti-Fentanyl gloves approved by FDA in December 2018 and anticipated revenue growth.

Heineken Malaysia Bhd (AGM)

On page 136 of AR2018, Note 20 to the Financial Statements, although the overall compensation for key management personnel was lower year-on-year, the remuneration for them at the Group and Company level increased by 41.32% year-on-year to RM2.19 million, from RM1.55 million in 2017.
What is the reason for the significant increase in remuneration?

Sino Hua-An International Bhd (AGM)

The company relies greatly on two major customers and the Company will try to mitigate these risks by expanding the customer base and exploring other lines of business. (AR 2018: page 94; Note 27 – Segment information and page 96; Note 28 – Financial instruments).
What are the mitigation measures undertaken by the company to date to expand its customer base and to explore other lines of business, including diversification from core business activities and expansion to new markets?

Naim Holdings Bhd (AGM)

Perdana Petroleum Bhd ("PPB") recorded a higher revenue of RM189.7 million in FY2018 as compared to RM147.8 million in FY2017. Naim's share of total comprehensive income was a higher loss of RM3.75 million in FY2018 as compared to RM1.54 million in FY2017. (Pages 124 & 125 of the Annual Report).
a) What was the reason for the higher loss in FY2018?
b) When is PPB expected to turn around?

Master-Pack Group Bhd (AGM)

In the Management Discussion and Analysis ("MDA") on page 7 of Master-Pack 2018 annual report, it was disclosed that the company's performance hinges greatly on several major customers and the company will try to mitigate these risks by expanding the customer base and exploring other lines of business.

We note from note 10 and note 25 of the notes to the financial statement on page 76 and 87 of the annual report 2018, that for FY2018, there was 1 (2017: 1) major group of customers that accounted for 10 per cent or more of the company's trade receivables and revenue.

In addition, it was stated on page 14 of the Corporate Governance report that the independent director had reviewed the proposed investment pertaining to diversification from the core business activities and the expansion to new market:

a) Who are the major group of customers mentioned and what is the nature of business transacted with these customers?

b) Please elaborate on the mitigation actions undertaken by the company to date to expand its customer base and to explore other lines of business, including diversification from core business activities and expansion to new markets.