

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

New Straits Times, Business Times – Monday, May 27th, 2019 **(A)**

MSWG AGM/EGM WEEKLY WATCH

27 - 28 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
27.05.19 (Mon) 10.00 am	Kuantan Flour Mills Bhd (EGM)	Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil
28.05.19 (Tue) 09.00 am	Bertam Alliance Bhd (AGM)	Grandis Hotels and Resorts, Suria Shopping Mall, Kota Kinabalu, Sabah
28.05.19 (Tue) 09.30 am	Puncak Niaga Holdings Bhd (AGM)	Concorde Hotel Shah Alam
28.05.19 (Tue) 10.00 am	IHH Healthcare Bhd (AGM)	Hilton Hotel KL Sentral
28.05.19 (Tue) 10.00 am	Hengyuan Refining Company (AGM)	Connexion @ Nexus, No. 7, Jalan Kerinchi, Bangsar South City, KL
28.05.19 (Tue) 11.00 am	K-Star Sports Limited (AGM)	Kota Permai Golf & Country Club, No. 1, Kota Kenyirung, Section 31, Shah Alam

Among points of interest to be raised:

Kuantan Flour Mills Bhd (EGM)

According to page 34 and 35 of the Circular, Lotus and the Placement Investor Mr. Wong Sak Kuan will be the two substantial shareholders in KFM with collective interest of between 37.36% and 41.34% after completion of the Regularisation Plan under both minimum and maximum scenario.

What are the steps and procedures to be taken to ensure that the dealings between KFM and Lotus with regard to supplier advances and raw material supply under the BA (page 43 of the Circular) in post-restructuring period is conducted at arm's length basis and on normal commercial terms?

Bertam Alliance Bhd (AGM)

The Group's higher loss after tax of RM20.4 million was partly due to the high income tax expense of + RM15 million in FY2018.

The tax expense of RM15 million comprises an under provision in prior years of RM14.7 million (2017: over provision in prior years of RM0.5 million)

a) What is the nature of the under provision of the prior-years' tax expenses amounting to RM14.7 million?

b) What measures have you taken to ensure that such under provision of tax will not occur again.

Puncak Niaga Holdings Bhd (AGM)

Material Litigations (Note 40: Pages 240-254 of the Annual Report 2018)

There are 14 pages in the Annual Report 2018 dedicated to material litigations.

What will be the impact of the material litigations to the Group's financial performance in the future? Has any provision been made in the financial statements in respect of these material litigation?

IHH Healthcare Bhd (AGM)

There is an impairment loss of goodwill of RM6.168m (AR2018 Note 6 page 216 arising from continued operating losses at Continental Group which had a negative impact on IHH's profit. The Group has also highlighted two other potential situations of Global Group and Fortis Group (Note 6 (a) and (c) respectively where the recoverable amount could be reduced to its carrying amount. What is the likelihood of this happening, given the near-term operating environment? What are the measures taken to mitigate potential goodwill impairment losses?

Hengyuan Refining Company (AGM)

We note from page 67 and 119 of the AR 2018 that non-audit fees payable to the external auditor, PricewaterhouseCoopers ("PwC") amounted to RM254,050 which is RM196k or 338% higher than prior year.

a) It was disclosed that the current year's non-audit fees included work provided for a forensic review. Kindly provide the nature and findings from this review and quantify the financial impact (if any) to the Company.

b) Does the Company anticipate to undertake any other non-audit engagement for FY 2019? If yes, please state the engagement and expected fee to be incurred.

K-Star Sports Limited (AGM)

As reported in the Chairman's Statement (page 13 of the Annual Report), the mainland footwear sales recorded a 5.5% year-on-year increase. The Board of K-Star envisages that the Group's prospects for the FY 2019 would be favourable. (page 14 of the Annual Report)

(a) Despite the growth in footwear industry, K-Star's revenue had not been growing in the last 5 years. Instead, the revenue for FY2108 had declined by 14% compared to FY2017. (Page 5 of the Annual Report) Why does the revenue of the Company not growing in tandem with the growth in the industry?

(b) In the last 5 financial years, K-Star had been in net loss position (refer page 5 of the Annual Report). Does the "favourable prospect for the Group in FY2019" as envisaged by the Board mean that the Group is expected to turnaround in FY2019?