

## **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** SEPTEMBER 2 - 6, 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](http://www.mswg.org.my)

#### **The AGMs/EGMs for the week:**

<i>Date &amp; Time</i>	<i>Company</i>	<i>Venue</i>
<b>03.09.19 (Tue) 10.00 am</b>	<b>Eastern &amp; Oriental Berhad (EGM)</b>	<b>Ballroom 3, 1st Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, KL</b>
<b>04.09.19 (Wed) 10.30 am</b>	<b>GPA Holdings Berhad (AGM)</b>	<b>Bukit Kiara Equestrian &amp; Country Resort, Jalan Bukit Kiara, Off Jalan Damansara</b>
<b>05.09.19 (Thur) 10.00 am</b>	<b>Sino Hua-An International Berhad (EGM)</b>	<b>Tropicana Golf &amp; Country Resort, Jalan Kelab Tropicana, Petaling Jaya</b>
<b>06.09.19 (Fri) 10.30 am</b>	<b>Kanger international berhad (EGM)</b>	<b>One World Hotel, First Avenue, Bandar Utama City Centre, 47800 PJ</b>

#### **One of the points of interest to be raised:**

##### **GPA Holdings Berhad (AGM)**

- 1) On page 91, of the Annual Report, the impairment loss on trade receivables has increased to RM595,000 in FY2019 compared to RM357,000 in FY2018. What are the measures taken to address this?
- 2) The Group reported a loss on foreign exchange of RM232,000 for the year compared to a gain of RM72,000 in FY2018. Please explain. (Note 22, page 91 of the Annual Report).

##### **Sino Hua-An International Berhad (EGM)**

We note on pages 3 and 4 of the Circular that under the "Interest Rate" clause where the closing price per share of the Company falls below the Minimum Conversion Price for more than 10 consecutive Business Days, the interest rate of all outstanding Notes shall be adjusted upward to 8% per annum retrospectively from the First Business Day of the initial 10 Business Days Period.

Further, in the event the Company fails to pay the Relevant Interest by the Relevant Interest Payment Date, an additional default interest rate at the rate of 3% per month shall be compounded on all overdue amount.

- ii) How is the 8% interest rate and the default interest rate of 3% arrived at and the justifications?
- iii) What is the market practice or benchmark used to ensure the above rates are in the interest of the Company and shareholders?

##### **Kanger International Berhad (EGM)**

- 1) The minimum conversion price (MCP) of the Redeemable Convertible Notes (RCN) programme at RM0.04 per share was arrived after considering the most recent conversion (which is on 16 January 2019 according to page 3 of the Circular) at RM0.0405 as well as the prevailing market prices of Kanger Shares (page 11 of the Circular).

However, the closing prices of the Company's shares have been hovering above RM0.07 per share for the past one month between July 25 and August 26. A lower conversion price will result more shares being converted, thus causing greater dilution in the earnings per share (EPS).

How is this Proposed Variation by setting MCP at RM0.04 per share is in the best interest of the Company and the shareholders?

- 2) The Conversion Price of the RCN into shares will be decided using the simple average closing price per share on any three consecutive Market Days as selected by the Noteholder during the 45 Market Days immediately preceding the conversion date, provided that the Conversion Price for each Share shall not be less than the MCP of RM0.04