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 26 - 30 DECEMBER 2022

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 26 - 30 December 2022.

The extraction of the question raised in the letter is highlighted here. For the details of other questions, please login to MSWG website at **www.mswg.org.my.**

One of the points of interest to be raised:

Company	Points/Issues to Be Raised
Cypark Resources Berhad (EGM)	The Proposed Private Placement will entail the issuance of up to 178.94 million new shares representing up to 30% of the total number of issued shares to third-party investor(s) to be identified later (page 2, Circular dated 9 December 2022). a) The Proposed Private Placement will have a huge dilution impact i.e., 30% dilution to the existing shareholders and a discount of not more than 10% for the issuance of placement shares to independent third-party investor(s). Moreover, the share price of Cypark has declined by about 55% year-to-date. Is the Proposed Private Placement a fair fundraising option for the existing shareholders since their interests are at risk of being diluted? b) What is the urgency of raising funds via private placement instead of other funding options since the free cash available for operation amounted to RM130.82 million as of 31 July 2022 (page 7 of the Circular)?
Pestech International Berhad (EGM)	The power transmission charges were fixed at USD12.25m per year for the first three years from the Commercial Operation Date ("COD") and approximately USD18.216m per year from 4th year from COD until the end of the concession period. Diamond Power Limited ("DPL") recorded a profit after tax of USD6.464m, USD8.333m and USD8.602m for FY2020, FY2021 and FY2022 respectively. Also, the disposal consideration of RM520.144m falls within the fair valuation of the project of USD114.20m and USD121.65m, as appraised by the independent valuer using the discounted free cash flow to firm method. How do these reconcile with the significant pro forma net loss on disposal of RM139.395m?
Saudee Group Berhad (AGM)	Impairment of trade receivables is one of the key audit matters highlighted in the Independent Auditors' Report. The Group has significant trade receivables as at 31 July 2022 which include certain amounts that are long outstanding and it is subject to credit risk exposure (page 66 of AR 2022). The ageing profile of the trade receivables past due but not impaired shown a significant increase in the amounts past due of more than 90 days (RM3.3 million in FY2022 compared to RM0.89 million in FY2021) (page 118 of AR 2022). a) What are the reasons that trade receivables more than 90 days past due have increased significantly? Has the Group experienced slower collection of its receivables? b) What are the profiles of the customers with significant outstanding trade receivables?
MAG Holding Berhad (AGM)	The Group has significant concentration of credit risk arising from the amounts owing by 1 customer (FY2021: 2 customers) constituting 92% (FY2021: 99%) of net trade receivables of the Group (Note 30, page 122 of annual report (AR) 2022). a) Given that the Group has only one customer in FY2022, has the board reviewed the Group's customer concentration risk? If so, how does the Group plan to manage this risk? b) Please provide the name of the single customer.
Nexgram Holdings Berhad (AGM)	1. During the financial year, the Group has performed impairment assessment of goodwill, by comparing the carrying amount with the recoverable amount and identified an impairment of RM16,959,547 (Page 47 of AR 2022). Which units/segments contributed to the major impairments? What is the likelihood of further impairment of goodwill moving forward? 2. Group trade receivables (gross) stood at RM13.603 million as at end of FY 2022. Outstanding allowance for impairment losses was RM7.226 million constituting a sizeable 53.1% of gross trade receivables. Why were there such substantial impairment losses for both types of receivables? What is the probability of recovering fully the impaired amounts?
Prolexus Berhad (AGM)	1. In FY2022, the largest export market for the apparel division was the US which accounted for 49% of total apparel sales in FY2022, followed by Malaysia (19%) and Europe (13%). Whereas in FY2021, Asia was the largest export market contributing 45%, followed by US (33%) and Europe (14%). a) What were the reasons for the notable shift in export markets, in particular Asia, which had previously contributed to more than RM90 million in sales in both FY2020 and FY2021? b) Have the Group's apparel sales been growing in tandem with its key customers such as Under Armour and Nike? 2. The Group welcomed new board of directors during FY2022, collectively bringing new leadership to the Group backed with years of experience and expertise to spearhead the Group's strategic transformation (page 14 of AR 2022). What are the transformation plans to reposition Prolexus for growth?

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