

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
18 - 22 DECEMBER 2023

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 18 -22 December 2023.

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
Iconic Worldwide Berhad (EGM)	<p><u>Proposed Acquisition of Goldenluck Development Sdn Bhd, Proposed Rights Issue and Proposed Exemption to Undertake Mandatory Take-over Offer</u></p> <p>The Subject Land located in Paya Terubong is zoned as a "Hutan" (forest) and located within the hill land above 76 metres elevation in the Penang Environmentally Sensitive Area, which forms part of Rancangan Struktur Pulau Pinang 2030.</p> <p>Therefore, the landowner must apply for rezoning with the State Government to develop the Land. Upon approval of the rezoning application, the landowner must pay a rezoning premium, estimated to be about RM4 to 5 million.</p> <p>Land designated as 'hill land' is often prone to issues like erosion, landslides and soil instability (page 9 of the Circular dated 7 December 2023). We are concerned that the rezoning application could be rejected.</p> <p>This is despite the remarks made by BYG Planner Sdn Bhd (the appointed firm to advise on the possibility of obtaining rezoning approval) that 'While the risks are considerable in this case, the application is still in equally good standing to obtain approval from the Penang State Planning Committee.' (page 253 of the Circular)</p> <p>a) In view of IWB's low cash level (cash and cash equivalents of RM1.69 million as of 21 November 2023), what is the urgency of entering into a deal that comes with high level of uncertainties, especially on the zoning status of the Subject Land? Instead, IWB may plough back the resources into new development projects on its existing landbank of 23.86 acres (page 41 of the Circular dated 7 December 2023) and glove manufacturing.</p> <p>b) Has the Board or Management considered other options, e.g., acquiring land with a lower degree of environmental risks? What options were put on the table before the Board agreed and tabled this Proposal to shareholders?</p> <p>c) In the event the rezoning application for the Subject Land is not approved, the Group will not be able to realise the expected benefits from the Proposed Acquisition, and the Group will end up holding idle land with limited growth potential. Besides, IWB will have to cover the cost of the rezoning process and the cost associated with the Proposed Acquisition. Why did Golden Luck not apply for rezoning before it was sold to IWB? Given the materiality of the matter, shouldn't the rezoning approval form part of the conditions precedent to be fulfilled (page 187, Appendix 1, Circular dated 7 December 2023)? Doing so will better safeguard the interests of IWB and its minority shareholders, as well as mitigate the operational risks of IWB.</p> <p>d) In the event that the Subject Land fails to be rezoned, IWB will consider selling the Subject Land (page 136 of the Circular). What is the likelihood of the Subject Land being able to be disposed of if the State Government rejected the rezoning application?</p>
EUPE Corporation Berhad (EGM)	<p>If the Performance Targets and/or other conditions imposed (if any) are not fulfilled, the LTIP Committee may, in its sole and absolute discretion, determine the number of Share Grant Plan ("SGP") Award which will be vested. (page 41 of the Circular) Why may the LTIP Committee grant SGP Award to Grantees if they do not fulfil the Performance Targets set for them? This is contrary to the spirit of SGP Award as the purpose of SGP Award is to motivate executive directors and senior management for high performance.</p>