

MINORITY SHAREHOLDERS WATCH GROUP
 BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
 (Incorporated in Malaysia – Registration No.: 200001022382 (524989-M))

New Straits Times, Business Times – Monday, 27 December 2021

MSWG AGM/EGM WEEKLY WATCH 27 – 31 DECEMBER 2021

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 27-31 December 2021.

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

Nexgram Holdings Bhd (AGM)

1. Group revenue increased to RM73,324 million in FY 2021 from RM41,142 million in FY 2020 while cost of sales increased to RM72,644 million from RM30,171 million. (Page 54 of AR)

Why was there such a huge increase in cost of sales which did not commensurate with the increase in revenue? How will the Group manage the cost of sales going forward?

2. Healthcare segment recorded external revenue of RM4,189 million in FY 2021 compared to RM4,053 million in FY 2020. However, the segment registered a higher loss of RM6,448 million in FY 2021 versus a loss of only RM393,647 in FY 2020. (Pages 145 and 147 of AR)

How did the segment suffer a higher loss despite a significant increase in revenue? Will the segment turn around in FY 2022?

Seal Incorporated Bhd (AGM)

The Group's trade receivables that were past due more than 60 days have only reduced by RM 1,916,134 to RM44,436,860 in FY 2021 from RM46,352,994 in FY 2020 (Page 108 of AR)

- (a) What were the difficulties faced by the Group in the collection of the trade receivables that were past due more than 60 days as the outstanding amount is still high?

- (b) Please provide the ageing of the trade receivables in bands of less than 1 year, 1 to 2 years, 2 to 3 years, and more than 3 years on the amount of RM44,436,860 in FY 2021?

- (c) Who is the customer whose debt make up of 92% of the Group's trade receivables in FY 2021.

- (d) What are the measures taken to reduce the concentration risk of a single customer?

BLD Plantation Bhd (AGM)

The matured areas of approximately 28,140 hectares accounts for about 70% of the Group's total planted area (page 2 of Annual Report 2021 ("AR2021"))

- (a) What is the breakdown of the age profile for the Group's oil palm trees?

- (b) Out of the approximately 28,140 hectares, how much is planted with oil palm trees aged between 21-25 years and above 25 years?

- (c) What is the Group's current replanting status?

Permaju Industries Bhd (AGM)

Unrealised fair value loss on marketable securities amounted to RM37.4 million (2020: Nil) (page 56 of AR2021).

What are the securities that have contributed to the significant amount of unrealised fair value loss? How does the Board manage the risks associated with investing in these marketable securities?

Saudée Group Bhd (AGM)

The Company's accumulated impairment losses on investment in subsidiaries increased significantly to RM32.99 million in FY2021 (FY2020: RM nil) (Note 7, page 99 of AR 2021)

- (a) Please name the subsidiary and the amount of allowance for impairment loss respectively.

- (b) What were the reasons for the huge impairment? Is there any potential for the allowance of impairment loss to be reversed in the future?

SC Estate Builder Bhd (AGM)

Material Uncertainty Related to Going Concern

The external auditors draw attention to Note 2(a) in the financial statements, which indicates that the Group incurred a net loss of RM1,860,265 during the financial year ended 31 July 2021 and, as of that date, the Group's current liabilities exceeded its current assets by RM1,524,155. As stated in Note 2(a), these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern (Page 83 of the Annual Report 2021 (the AR2021)).

- (a) How does the Board plan to address the abovementioned issues highlighted by the external auditors?

- (b) On the issue of current liabilities exceeding current assets, is the Company able to meet its short-term obligations in FYE2022?