

MINORITY SHAREHOLDERS WATCH GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated in Malaysia – Registration No.: 200001022382 (524989-M))

New Straits Times, Business Times – Monday, 29 November, 2021

MSWG AGM/EGM WEEKLY WATCH 29 NOVEMBER – 3 DECEMBER 2021

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 29 November 2021 – 3 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

MAG Holdings Bhd (Ika Xinghe Holdings Bhd) (AGM)

1. The Group has significant concentration of credit risk arising from the amounts owing by 2 customers constituting 99% of net trade receivables of the Group (Note 29, page 117 of AR 2021).

a) What are the identities/profiles of the 2 customers?

b) Has the board evaluated the customer concentration risks of the Group? If so, what has the Board done to mitigate the customer concentration risks?

Menang Corporation Bhd (AGM)

On 15 February 2021, the Board of Directors resolved to suspend Dato Shun Leong Kwong and Ms. Marianna Binti Aly Shun, both non-independent and non-executive directors, from exercising their duties and functions as directors of the Company with immediate effect until the conclusion of findings of an Independent Investigative Committee, ("IIC").

As at the date of the annual report (29/10/21), the investigation is still ongoing. (Page of 105 AR).

a) Who are the members of the IIC?

b) What are the challenges facing the IIC in carrying out the investigation and why has the investigation not been completed after a period 8 months?

c) When is the IIC expected to complete the investigation?

Karex Bhd (AGM)

1. Other Expenses rose significantly to RM2.2 million in FYE 2021 from RM81k in FYE 2021. (Page 65 of AR 2021).

What were the reasons for the huge increase?

2. Impairment loss on receivables increased sharply to RM1.2 million in FYE 2021 from RM66k in FYE 2020. (Page 70 of AR 2021)

a) What were the reasons for the sharp spike in the impairment?

b) How much of the impaired amount has been collected after the financial year end?

RGT Bhd (Ika Asia Knight Bhd) (AGM)

The plan to acquire the 40% stake in Rapid Growth Technology Sdn Bhd (RGT/SBI) was initiated back in August 2019, when RGT proposed to acquire the stake for RM48 million. However, this proposal was voluntarily withdrawn in February 2020.

Then in September 2021, RGT announced another proposal to acquire the same stake in RGT/SB for RM85.60 million after varying the earlier terms. The acquisition will be satisfied entirely via the issuance of 267.5 million new RGT shares at 32 sen each.

a) Why is RGT unable to complete the acquisition after two years? What factors hinder RGT's effort from completing the exercise?

b) Referring to the latest proposal announced in September 2021, what are the key terms that have been revised and amended?

Saeera Group Bhd (AGM)

The total fee for the internal audit function of the Company during the financial year ended 30 June 2021 was RM7,970,000 (Page 30 of the Annual Report 2021).

Given that the fee is rather small (approximately RM66k per month), how does the audit committee assure itself that there would be adequate coverage and an effective audit function?

What are the areas covered by the internal audit function? How many internal audit reports were issued during the said period?

S & F Capital Bhd (Ika Leweko Resources Bhd) (AGM)

There is an impairment loss on other receivables amounting to RM8,021,675 (FY2020: Nil) (Page 48 of the Annual Report 2021).

a) What is the nature of the other receivables which have been impaired?

b) Is the amount recoverable? If so, what is the expected recoverability amount in FY2022?

Metronic Global Bhd (AGM)

The Ordinary Resolution 12 on Notice of AGM dated 29 October 2021 seeks shareholders' approval to empower the company directors issuing and allotting shares of not exceeding 10% of Metronic's total number of issued shares in general pursuant to Sections 75 and 76 of the Companies Act 2016.

Within the past two years, Metronic had already completed several fund-raising exercises to raise funds for working capital and new investments including the glove business.

a) Will Metronic utilise the mandate to issue new shares in FY2022?

b) When will Metronic be self-sufficient and able to use its internally generated funds to fund its working capital and new businesses, without relying on equity issuance?