

MINORITY SHAREHOLDERS WATCH GROUP

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

New Straits Times, Business Times – Monday, July 6, 2020

MSWG AGM/EGM WEEKLY WATCH (6 - 10 JULY 2020)

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.

The AGMs/EGMs for the week:

Date & Time	Company	Venue
06.07.20 (Mon) 10.00 am	Sino Hua-An International Bhd (AGM)	Meeting Room, Securities Services, Menara Millennium, Bukit Damansara
08.07.20 (Wed) 10.00 am	Media Prima Bhd (AGM)	Theatre, Ground Floor, Balai Berta, Anyung Rieng, Bangsar, KL
09.07.20 (Thur) 10.00 am	Carlsberg Brewery Malaysia Bhd (AGM)	Tricor Leadership Room, Unit 32-01, Level 32, Tower A, Vertical Tower, Bangsar South
09.07.20 (Thur) 10.00 am	Puncak Maja Holdings Bhd (AGM)	The Boardroom, 12th Floor, Wisma Razali, Shah Alam
09.07.20 (Thur) 10.00 am	UEM Sunrise Bhd (AGM)	Board Room, Level U6, Block C, Solaris Dutamas, KL
09.07.20 (Thur) 12.00 pm	KPJ Healthcare Bhd (AGM)	Tricor Business Centre, Manuka 2 & 3, Vertical Business Centre
10.07.20 (Fri) 10.00 am	Kossan Rubber Industries Bhd (AGM)	Training Centre Ownership Room, Kossan R&D Centre, Kaw, Perindustrian Meru Selatan, Klang

One of the points of interest to be raised:

Company

Points/Issues to Be Raised

Sino Hua-An International Bhd (AGM)

The Group acquisition in Touchpoint International Sdn. Bhd. ("Touchpoint") and business of Wavetree P.U. resulted in a provisional goodwill amount of RM55.1 million. The vendors provided a profit guarantee of not less than RM3,000,000 for the 12 months period ending 30 June 2021 ("Profit Guarantee"). Should the EBITDA fall below the Profit Guarantee, the purchase consideration shall be reduced by RM10,000,000 for every EBITDA shortfall of RM1,000,000 and the reductions shall be reflected in the final payment tranche. (Page 99 of Annual Report)

(a) Please explain why the Company pays a high valuation of goodwill for this acquisition?

(b) Why has the vendor only provided an one year profit guarantee as the norm is a 3 year profit guarantee?

Media Prima Bhd (AGM)

The last decade has witnessed a significant shift in the media industry as more disruptive trends and technologies such as process automation, digital advertising ("digital adex"), big data and artificial intelligence become more prevalent. (Page 10 of Annual Report – AR)

How has the Group strategized and progressed in addressing all these disruptive trends and technologies to move forward?

Carlsberg Brewery Malaysia Bhd (AGM)

The Company continues to battle the contraband market through close partnership with the Confederation of Malaysia Brewers Berhad (CMBB) and the Ministry of Finance, Royal Malaysian Customs and other government agencies, with visible and commendable results. (Page 30 of the Annual Report)

(a) How severely has the revenue of the Company been affected by the contraband alcoholic beverage market?

(b) Moving forward, is the contraband market expected to grow and continue to be significant threat to the Company's business?

Puncak Maja Holdings Bhd (AGM)

The Group incurred concession costs of RM199,914,000 in FY2019, representing an increase of more than 100% as compared to the previous financial year of RM81,039,000 (Page 133 of the Annual Report 2019).

What are the details of these costs? What are the reasons for the Group to incur a significant increase in concession costs in FY2019?

UEM Sunrise Bhd (AGM)

In the MD/CEO's Letter to Shareholders, it was mentioned that in order to bring UEM Sunrise to greater heights, innovative approaches supported by wide adoption of digital tools and Industry 4.0 technologies will be the key source of differentiation.

(a) Please explain what are the digital tools and Industry 4.0 technologies that the Group had deployed?

(b) What is the expected CAPEX in adopting the digital tools and Industry 4.0 technologies?

KPJ Healthcare Bhd (AGM)

KPJ has opened three new hospitals in 2019, namely KPJ Bandar Dato' Onn (operations commenced in February 2019 with a total of 30 beds), KPJ Batu Pahat (operations commenced October 2019 with a total of 29 beds) and KPJ Miri (operations commenced December 2019) (Page 79 of the 2019 Integrated Report)

a) What are the current occupancy rates and patient volumes for the hospitals?

b) As the hospitals are still under the gestation period, how does KPJ manage the hospitals' operating expenses to minimise the impact to bottom-line results? What is the earnings outlook for the hospitals in FY2020?

Kossan Rubber Industries Bhd (AGM)

With the rapidly rising demand for gloves especially with the emergence of Covid-19 pandemic, all the glove players are aggressively ramping up their production capacities.

a) Growth in demand for gloves is hinged on increased health awareness. Is the current spike in demand a sustainable one? Is there any concern for overcapacity once COVID-19 subsides?

b) Kossan's current installed capacity stands at 29 billion pieces per annum. What is Kossan's average utilization rate of the glove production plants? Does the Company have further room to scale up production?