

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 11 - 14 AUGUST 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 |
|-----------------------------|--|---|
| 11.08.20 (Tue) 10.00 am | Eduspec Holdings Bhd (EGM) | Broadcast Venue at Level 10, Tower 1 Avenue 5, Bangsar South City, KL |
| 13.08.20 (Thur) 09.30 am | Syarikat Takaful Malaysia Keluarga Bhd (AGM) | Broadcast Venue at Dewan Ahmad Mohamed Ibrahim, Menara Takaful Malaysia, Jalan Sultan Sulaiman, KL |
| 14.08.20 (Fri) 09.30 am | Heineken Malaysia Bhd (AGM) | Broadcast Venue at Future Room 1&2, Sungei Way Brewery, Lot 1135, Batu 9, Jalan Klang Lama, Petaling Jaya |
| 14.08.20 (Fri) 10.00 am | KKB Engineering Bhd (AGM) | Grand Margherita Hotel, Jalan Tunku Abdul Rahman, Kuching, Sarawak |
| 14.08.20 (Fri) 10.30 am | Aiyya Bhd (AGM) | VIP Hotel, Batu 1, Jalan Buloh Kasap, Segamat, Johor |

One of the points of interest to be raised:

Company

Points/Issues to Be Raised

Syarikat Takaful Malaysia Keluarga Bhd (AGM)

On 28 July 2020, Takaful Malaysia and its subsidiary Syarikat Takaful Malaysia AM Bhd have entered into two Bancatatakatul Arrangements with RHB Islamic Bank Bhd (a wholly-owned subsidiary of RHB Bank Bhd) for the latter to sell, distribute and promote Takaful Malaysia's family and general takaful products for a five-year period.

a) The RM151 million combined facilitation fee for five years is deemed " hefty" compared to the RM110 million facilitation fee for a 10-year bancatatakatul partnership entered between the same parties back in July 2015.

What are the reasons for the substantial increase in facilitation fee paid to RHB Islamic?

How significant is the contributions (premiums) generated from Takaful Malaysia – RHB Islamic bancatatakatul partnership to the Group's total contributions in FY19?

b) What are the other bancatatakatul service agreements (BSA) that will up for renewal or expire in the next two to three years? What is the likelihood of renewal/non-renewal of these BSA?

Heineken Malaysia Bhd (AGM)

Cash flow of Heineken Malaysia is expected to be significantly affected in FY20 given slower cash collection from trade receivables and weaker demand from on-trade and tourism channels. With that, the Company plans to optimise working capital management and utilise borrowing facilities to ensure the ongoing liquidity of the Group (1QFY20 Quarterly Financial Results).

a) To what extent will Heineken Malaysia's cash flow in FY20 be affected by the slower collection of trade receivables and weaker demand? Apart from bank borrowings, will there be a need for Heineken Malaysia to raise fund via equity exercises?

b) Will there be an increase in expected credit losses on trade receivables that have past due for more than 180 days in FY20?

c) In view of the priority to preserve cash, will there be any change in the Company's dividend payout ratio which has been consistently above 90% in the past four years?

KKB Engineering Bhd (AGM)

Finance costs was hovering around RM0.5m between FYE2015 to FYE2017. However, it increased by 176.8% from RM1.502m to RM4.158m for FYE2019. What is the reason for the hike? What is the anticipated finance cost, going forward?

Aiyya Bhd (AGM)

Moving forward, Aiyya is continually working on streamlining its business costs and increasing its operational efficiency. Among the initiatives undertaken are the adoption of Industrial Revolution 4.0, organisation restructuring and strategic manpower planning, liquidating non-productive assets, adoption of green sustainable energy sources such as solar roof to reduce electricity costs as well as better management of outstanding debts and payment terms of customers (Page 32 of the Annual Report 2019).

What is the progress on the adoption of Industrial Revolution 4.0?