

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 17 - 21 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
18.08.20 (Tue) 10.00 am	Top Glove Corporation Bhd (EGM)	Broadcast Venue at TG Grand Ballroom, Top Glove Tower, Setia Alam
18.08.20 (Tue) 10.30 am	Supermax Corporation Bhd (EGM)	Broadcast Venue at Supermax Boardroom, Lot 38, Putra Industrial Park, BRP, Sg Buloh
18.08.20 (Tue) 11.00 am	EUPE Corporation Bhd (AGM)	Broadcast Venue at 5th Floor, Wisma Ria, Tamar Ria, Sungai Petani, Kedah
19.08.20 (Wed) 10.00 am	Alliance Bank Malaysia Bhd (AGM)	Broadcast Venue at Agate & Sapphire Room, Menara Multi-Purpose, Capital Square, Jin Munshi Abdullah
19.08.20 (Wed) 10.00 am	Tomypak Holdings Berhad (AGM)	Mersing Room, Impiana Hotel, Jalan Impian Serai-Utama 2, Taman Impiana Senai, 81400 Senai, Johor
19.08.20 (Wed) 11.00 am	Pantech Group Holdings Bhd (AGM)	Ballroom 1&2, Renaissance Johor Bahru Hotel, Bandar Permas Jaya, JB
21.08.20 (Fri) 10.00 am	Sinotop Holdings Bhd (EGM)	Concorde Hotel, Jin Sultan Ismail, KL

One of the points of interest to be raised:

Company: **EUPE Corporation Bhd (AGM)** Points/Issues to Be Raised:

EUPE Corporation Bhd (AGM)

Other Receivables increased substantially from RM11.8 million in FY 2018 to RM22.2 million in FY 2019, an increase of RM10.4 million or 88.2%. (page 107 of Annual Report, 2018?)

(a) Please provide an aging breakdown of the Other Receivables for both FYs 2019 and 2018?

(b) What are the reasons that caused the Other Receivables to increase substantially?

(c) What is the amount of Other Receivables as at March 2020?

Alliance Bank Malaysia Bhd (AGM)

Gross impaired loans (GIL) ratio of Alliance Bank spiked to 2% in FY20, as compared to 1.1% in FY19. Meanwhile, net impaired loans ratio increased to 1.3% from 0.6% the year before. The GIL and NIL ratio in FY20 were significantly higher than the past four years when it ranged between 1.0% - 1.3%, and between 0.6% - 1.0% respectively (page 10 of Annual Report 2020).

During the year, the Bank has increased its allowance for expected credit losses (ECL) or loans and impairment increased 126% to RM314.5 million from RM139.2 million (page 19 of AR2020) in the year before due to full provision for several significant corporate accounts and asset quality deterioration in Alliance ONE Account and mortgage portfolio.

To what extent will Alliance Bank's GIL, NIL and allowance for ECL loans and impairment rise further in FY21 bearing in mind the COVID-19 pandemic?

With expected increase in allowance for provisions, how will the net credit costs trend in FY21?

Tomypak Holdings Berhad (AGM)

Revenue contribution from local customers decreased to RM70.3 million (2018: RM101.2 million) and revenue contribution from a major customer under local market segment decreased to RM20.7 million (2018: RM48.0 million) (Note 20, page 102 of AR2019).

(a) Was there any major loss of contract from local customers?

(b) Does the Group expect the declining trend of revenue contribution from local customers to continue, going forward?

Pantech Group Holdings Bhd (AGM)

What are the reasons for the significant decline in share of profit in associate company from RM719,293 in FY2019 to RM36,818 in FY2020 (Page 60 of the Annual Report 2020)?

Sinotop Holdings Bhd (EGM)

The break-up method used in assessing the fair value of BTL, assumed a recoverable rate of 20% to 25% for all other non-cash based assets. As stated, this was based on the historical earning capabilities of the assets and liabilities of Sinotop as compared with the required rate of return by its investors and the recovery of non-cash assets under a force sale basis (page 68 of the Circular).

(a) Was there a valuation by a professional valuer on the factory building, the commercial office building which was just completed in FYE 2018 (the fair value of which was reported as RM6.7 million (BTL's financial statement for FYE 2019)) and the land use rights? If no, why?

(b) As reported in the Financial Statements of BTL for FYE 2019, the Directors are of the opinion that the past due trade receivables are recoverable. As such, what is basis of applying 20% to 25% recoverable rate on these trade receivables?

(c) Please explain why "force-sale" basis should apply in disposal of BTL.