



MINORITY SHAREHOLDERS WATCH GROUP

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

The Observer

Deloitte is conducting the 2024 Conduct Watch Survey to gain insight into organisational attitudes and capabilities toward whistleblowing. Participants, especially senior management, c-suite, or board-level executives who oversee whistleblowing from diverse backgrounds such as legal, internal audit, risk, compliance, and integrity, are encouraged to participate.



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19.04.2024

❖ **Scrutiny on fundraising exercises, disclosures and utilisation of proceeds raised**

In its recently published Annual Report 2023, the Securities Commission Malaysia (SC) reiterates its stance to proactively monitoring the conduct of public-listed companies (PLCs) through its surveillance efforts to ensure compliance with securities laws and regulations, with the aim to safeguard the interests of investors and maintain the integrity of the capital market.

The regulator said fundraising via share issuances by PLCs and disclosures on corporate transactions remain its key priorities in the near future.

This comes about as the capital market regulator's surveillance team had in 2023 highlighted some concerns relating to disclosures, utilisation of funds raised and the application of financial reporting standards.

During the year, the SC performed surveillance reviews on 118 PLCs based on announcements by PLCs, news in mainstream and non-mainstream media as well as complaints received to detect potential breaches of securities laws or non-compliance with financial reporting standards.

As part of its review process, the SC engaged with the directors, officers, auditors and other professionals involved in the PLCs for further fact-finding. These engagements also served to remind directors of the need to consistently act in the best interest of the companies and their shareholders.

Where irregularities or possible securities law breaches were detected, they were escalated for formal investigation and/or enforcement action. Where relevant, Bursa Malaysia was also engaged in matters requiring closer scrutiny as the frontline regulator.

More broadly, the SC strengthened its surveillance approach by targeting specific areas of concern for review, thus resulting in more effective and efficient detection of potential misconduct.

As a result of the more targeted approach, 166 reviews of potential corporate misconduct were completed in FY2023 (2022: 317 reviews), with eight cases being referred for formal investigation (2022: four cases).

After recording a high of RM22.6 billion in 2022, secondary fundraising activities declined to RM5.8 billion amid lower corporate activities in 2023.

A case in point

Perhaps the equity fundraising track record of an ACE Market-listed PLC is a case in point to illustrate the SC's concerns.

Involving in the fibre optic business, the company is seeking shareholders' greenlight at an EGM to approve a private placement (PP) exercise of issuing up to 134 million shares, representing not more than 30% of its total number of issued shares.

Based on an illustrative issue price of 31 sen per share, the proposed PP would raise approximately RM41.57 million, primarily to fund its existing and future contracts, acquisition and working capital.

A closer look at its track record found that the company had undertaken multiple fundraising exercises via private placement and ESOS in the past three years (refer to the table below). In addition, it issued 48.5 million shares pursuant to ESOS for RM36.35 million during its financial year, which ended on 31 March 2022.

Date	Number of placement shares (up to)	Amount raised / to be raised (RM' million)
2 April 2021	16,124,900	9.27
9 September 2021	53,212,400	23.15
31 January 2023	27,908,700	19.26

The company has RM36.90 million of deposits, cash and bank balance, with another RM10 million proceeds pending the completion of asset disposal exercises. Furthermore, the company's balance sheet suggests that it has plenty of room to gear up with a low gearing ratio of 0.27 times with total bank borrowings of RM28.49 million as of 31

Proposed Amendments to Listing Requirements in relation to the new issue of securities

Complementing the Securities Commission Malaysia in its quest to scrutinise fundraising exercises, stock market regulator Bursa Malaysia had on 30 November 2023 issued a consultation paper which brought forth proposed amendments to the Main Market Listing Requirements (MMLR) and ACE Market Listing Requirements (AMLR) in relation to new issue of securities, among others.

The Paper sought feedback from the public over the proposal to enhance transparency on fundraising exercises involving new issues of securities by requiring PLCs to:

- i. Furnish quarterly announcements on details of placement exercises which are implemented on a staggered basis; and
- ii. Disclosure of placees' financial capability in subscribing for the placement securities
- iii. Furnish quarterly announcements on the status and details of utilisation of proceeds raised from a fundraising exercise
- iv. Disclosures relating to equity fundraising exercises where the proceeds raised have yet to be fully utilised.

December 2023, instead of resorting to frequent equity fundraising, which is dilutive, especially for minority shareholders.

Share acquisitions at a premium

On top of the multiple cash calls, its share acquisitions of another Bursa Malaysia-listed company also raised eyebrows if these transactions were performed in the best interest of minority shareholders.

Recently, it bought close to a 25% stake in a telecommunication services provider via two transactions at a premium of between 30.7% and 80.65%, compared to the five-day volume-weighted average market price (VWAMP) of the acquired company.

In justifying the high premium paid, the company said the acquisition would be synergistic, as it intends to leverage the latter to set foot in the telecommunications sector and strengthen its prospect for future work.

Notwithstanding the optimism, the acquired company turned to loss-making with a net loss of RM13.4 million for the 18-month financial period ended 31 December 2023. Hence, it is not surprising to see the share price of the said company dwindled from a 52-week high of 46 sen in September 2023 to 25.5 sen currently.

All in all, the justifications for paying such a high premium to the market price of the acquired company seem implausible. Alas, it also does not seem to reflect the best utilisation of shareholders' funds.

Elsewhere, the company has also obtained a general mandate from shareholders for directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 at its AGM held last month.

Judging from the frequent cash call activities in the past, it is everyone's question if the company has a multi-year capital plan that extends beyond meeting its immediate financial commitments.

By MSWG Team

MSWG AGM/EGM Weekly Watch 22 – 26 April 2024

For this week, the following are the AGMs/EGMs of companies 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.

Date & Time	Company	Quick-take
23.04.24 (Tue) 10.00 am	Petronas Gas Berhad (AGM)	Group revenue increased by 4.6% or RM285.25 million, reaching RM6.45 billion in FY2023. Meanwhile, its PBT improved by 5.1% or RM116.65 million y-o-y due to a higher

		<p>share of profit from joint venture companies, lower financing costs and lower impact from unfavourable foreign exchange movement following early settlement of a USD lease liability</p> <p>Profit rose by 8.1% or RM142.57 million to RM1.9 billion amplified by reduced tax expenses, most notably the absence of the Prosperity Tax imposed in FY2022.</p>
24.04.24 (Wed) 09.30 am	United Plantations Berhad (AGM)	<p>The Group achieved a record-high net profit of RM711 million (FY2022: RM606 million) amidst the global uncertainties, notwithstanding a lower revenue of RM2.01 billion in FY2023 (2022: RM2.51 billion).</p> <p>The decline in topline performance was primarily due to lower market prices impacting sales revenue from the downstream refinery division.</p> <p>Meanwhile, the record result was supported by the absence of the one-off 9% prosperity tax and the one-off voluntary payment related to the reimbursement of the Group's Guest Workers' past recruitment fees incurred in 2022.</p>
24.04.24 (Wed) 10.00 am	Petronas Chemicals Group Berhad (AGM)	<p>PCG's revenue decreased marginally to RM28.67 billion in FY2023 from RM28.95 billion in the year before. At the same time, net profit slid to RM1.8 billion from RM6.3 billion due to lower demand arising from slower global economic growth and additional capacities coming online. In addition, it faced higher feedstock and utilities costs, further tightening the spread for most products.</p> <p>As the economic landscape is marked by uncertainties, the chemical sector will continue to face ongoing pressure on prices and margins.</p>
24.04.24 (Wed) 10.00 am	Carlsberg Brewery Malaysia Berhad (AGM)	<p>The Group posted a net profit of RM327.26 million, an increase of 3.22% on the back of a lower revenue by 6.3% at RM2.26 billion, as it was partly mitigated by the absence of the prosperity tax in FYE2023 and a higher share of profit from its associate company.</p>

		<p>Its Malaysian operations will commence local manufacturing of Sapporo quart and pint bottles. The Group is also exploring other partnership opportunities with Sapporo.</p>
<p>24.04.24 (Wed) 10.00 am</p>	<p>Hextar Capital Berhad (fka Opcom Holdings Berhad) (EGM)</p>	<p>The Company intends to undertake the following proposals:</p> <ul style="list-style-type: none"> i. Proposed disposal of 40.00% equity interest in UUK for GBP1.30 million (about RM7.60 million); ii. Proposed disposal of 40.00% equity interest in UIP for GBP0.40 million (about RM2.34 million); iii. Proposed private placement of up to 134,089,200 new shares (30% of the issued shares), with an indicative issue price of RM0.31 per share. <p>The proceeds from these 3 proposals are expected to be utilised to fund the implementation of existing and future contracts, future acquisitions and working capital.</p>
<p>24.04.24 (Wed) 10.30 am</p>	<p>KLCC Property Holdings Berhad (AGM)</p>	<p>The Group delivered robust financial performance with top-line growth of 11.0% and a 7.6% increase in profit, excluding fair value adjustments of RM853.8 million.</p> <p>The better performance was mainly due to increased footfall and spending in its malls as well as higher occupancy in the Mandarin Oriental Kuala Lumpur Hotel (MOKUL Hotel).</p> <p>The hotel's Revenue per available room (RevPAR) is, in fact, at its historical best.</p>
<p>24.04.24 (Wed) 11.00 am</p>	<p>Ingenieur Gudang Berhad (AGM)</p>	<p>The Company's revenue increased from RM12.97 million in FYE2022 to RM20.35 million in FYE2023 on the back of a higher number of projects secured and better work progress in the construction segment during the financial year.</p> <p>The Group posted a net profit of RM17.94 million for FYE2023 (FYE2022: RM19.27mil), mainly due to fair value gain on investment properties, as well</p>

		as the gain from disposal of properties situated in Sungai Jawi, Penang.
25.04.24 (Thur) 09.30 am	Country View Berhad (AGM)	<p>Country View chalked up higher revenue and profit before tax of RM109.7 million and RM12.0 million in FY2023, respectively, compared to RM81.3 million and RM4.1 million, respectively, in the previous financial year.</p> <p>The revenue and profit before tax were mainly derived from the property development division, mainly contributed by the higher selling prices of the Aurora Resort Villas.</p>
25.04.24 (Thur) 10.00 am	Affin Bank Berhad (AGM)	<p>Affin Bank saw interesting development of late with the emergence of the Sarawak state government as a shareholder of the Bank.</p> <p>The state government is said to be in the midst of acquiring more shares in the Bank; shareholders should closely watch how this will pan out for the Bank and its prospects.</p>
25.04.24 (Thur) 10.00 am	Malayan Banking Berhad (AGM)	<p>Maybank experienced an exemplary year in 2023 with a record net profit of RM9.35%, a 17.5% y-o-y growth from RM7.96 billion (restated) in the previous year.</p> <p>Besides, it recorded strong loan growth of 9.2% y-o-y to RM640.75 billion, achieving a level of growth not seen since 2015. It saw its loan portfolios expand across Malaysia, Singapore and Indonesia.</p>
25.04.24 (Thur) 10.00 am	SP SETIA Berhad (AGM)	<p>Driven by strong demand for its products and land monetisation, SP Setia's sales for FY2023 surpassed the 2023 target of RM4.20 billion by 21% to RM5.10 billion.</p> <p>Revenue recorded a commendable RM4.37 billion, along with a 13% higher profit before tax of RM656 million.</p> <p>Meanwhile, the de-gearing program through consistent and effective capital management discipline throughout the Group is on track, with borrowings reduced by RM1.30 billion, resulting in a further reduction of the net gearing ratio to 0.49x from 0.57x in FY2022.</p>

		The property developer declared a 1.34 sen dividend per share.
25.04.24 (Thur) 10.00 am	Malakoff Corporation Berhad (AGM)	For FY2023, Malakoff recorded a lower revenue of RM9.07 billion, representing a y-o-y decrease of 12.4% from RM10.36 billion in FY2022. It reported a net loss of RM837.2 million compared to a net profit of RM302.2 million in 2022. 2023 proved to be a challenging year for the power generation industry following the sharp decline in global coal prices from the highs in 2022. The weakened coal prices negatively impacted Malakoff due to negative fuel margins. The Group also faced escalating business costs and heightened competition in the renewable energy (RE) sector.
25.04.24 (Thur) 11.00 am	Poh Huat Resources Holdings Berhad (AGM)	In line with weaker demand for household furnishing in the US, the Group recorded a lower turnover of RM428.11 million in FY2023 compared to RM703.15 million in FY2022. Consequently, its net profit was significantly lower at RM26.71 million in FY2023 compared to RM84.05 million in FY2022. The Group will have to prioritise investments in manufacturing capabilities, including digital automation to improve its productivity and increase flexibility to meet market requirements, access to raw materials and logistics capacity.
25.04.24 (Thur) 04.00 pm	Sentoria Group Berhad (EGM)	Sentoria is proposing the following resolutions for shareholders' approval - Proposed Share Consolidation on the basis of four existing shares into 1 share. - Proposed issuance of Redeemable Convertible Bonds (RCB) with an aggregate nominal value of up to RM150 million (convertible into up to 306.69 million new Sentoria shares)

One of the points of interest to be raised:

Company	Points/Issues to Be Raised
Petronas Gas Berhad (AGM)	1. While PGB acknowledges the importance of renewable energy projects to support its long-term growth objectives and safeguard its reputation, it remains mindful of potential

	<p>challenges. Regulatory uncertainties, including aspects such as gas market liberalisation, renewable energy trading and the implementation of carbon taxes in Malaysia, present key factors to take into consideration. (page 7 of SR 2023)</p> <p>Please elaborate on the uncertainties and how gas market liberalisation, renewable energy trading and the implementation of carbon taxes in Malaysia will impact PCB's business.</p> <p>2. The Recover, Recycle, Reuse, and Reduce (4R) cost savings are as set out below: 2023: RM5.9 million 2022: RM1.9 million 2021: RM0.7 million (page 14 of SR 2023)</p> <p>A total of 2,083 MT, equivalent to 74% of its total hazardous waste, was recovered by 4R activities at prescribed premises, thereby exceeding its target of 56% set for 2023. (page 66 of SR 2023)</p> <p>It is commendable that in FY 2023, through 4R, PCB managed to have significant cost savings of RM5.9 million, far exceeding its FY 2023 target and the savings in FY 2021 and FY 2022.</p> <p>How did PCB manage to attain such commendable achievement, and going forward, is there any possibility of additional significant cost savings?</p>
United Plantations Berhad (AGM)	<p>After the appointment of Tunku Alizakri (Non-Independent Non-Executive Director) to the Board on 1 June 2023, it later came to the knowledge of the Board that two of his immediate family members were sitting on the boards of public listed companies in the same industry as United Plantations. In addressing the perceived COI and in line with good governance, Tunku Alizakri proactively tendered his resignation from the Board and resigned on 19 February 2024 to avoid any COI issue. (page 134 of AR2023)</p> <p>What measures has the Nomination Committee taken to ensure that the risk of perceived COI could be mitigated and addressed in future director appointments?</p>
Petronas Chemicals Group Berhad (AGM)	<p><u>Sustainability Matters</u> Among the sustainability risks are higher operational costs due to the development of costly low-carbon technology and increased cost of borrowings. (page 20 of SR2023)</p> <p>How does the Group manage these two issues and the trade-off between decarbonisation to avert loss of market share and reduced profitability due to higher costs? Briefly explain the progress of decarbonisation.</p> <p><u>Corporate Governance Matters</u></p>

	<p>Referring to the Company's Corporate Governance Report 2023 (page 21), Practice 4.4 states that performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.</p> <p>a) What material sustainability risks and opportunities were incorporated in the performance evaluation? Were the unplanned shutdowns in FY2023 that caused significant business sustainability risks included in the performance evaluation?</p> <p>b) How did the Board and senior management perform in relation to these metrics?</p> <p>c) Which area requires more focus and attention from the Board and management? Please note that Guidance 4.4 of the Malaysian Code of Corporate Governance further provides that the company's shareholders should also be informed of the evaluation outcomes and next steps.</p>
<p>Carlsberg Brewery Malaysia Berhad (AGM)</p>	<p>a) "While last year in general was a difficult one as consumers pulled back on discretionary spending and interest rate hikes weighed on consumer sentiment and the economic outlook" (Page 33 of the Integrated Annual Report 2023 ("IAR2023"))</p> <p>How does the Company plan to address shifting consumer sentiments and maintain market competitiveness, especially in the premium category?</p> <p>b) "Our measurement of water recovery and reuse is focused solely on the recovery of groundwater. The decline observed in 2023 is attributed to new regulations which limit the daily duration of groundwater extraction. Consequently, a reduced extraction rate directly led to diminished recovery levels." (Page 80 of the IAR2023)</p> <p>What assessments has the Company conducted regarding the potential impact on the aquifer, including any concerns related to depletion and long-term sustainability of this resource?</p>
<p>Hextar Capital Berhad (fka Opcom Holdings Berhad) (EGM)</p>	<p>The Placement Shares will be issued at a price of not more than 20% discount to the 5-Day Volume Weighted Average Market Price (5DVWAMP) of HexCap Shares immediately preceding the price fixing date(s).</p> <p>Appendix 6B Part A (9) of the ACE Market Listing Requirements requires that the issue price of the new issue of securities, the basis of determining the issue price and justification for the pricing be included in the Circular to shareholders.</p>

	<p>a) What is the reason for not including the justification for issuing the placement shares at a price of not more than 20% discount to the 5DVWAMP of HexCap Shares?</p> <p>b) In view of the aforementioned discount as well as the placement size, this placement exercise is diluting the existing shareholders' shareholdings. Please provide justification for pricing the placement shares at a discount of up to 20% to the 5DVWAMP of HexCap Shares, taking into consideration the prospects of HexCap Group.</p>
KLCC Property Holdings Berhad (AGM)	<p>The Group continues to improve its energy and water efficiencies and has even started using remote gondola monitoring with GPS technology, all managed by the IBCC. (Page 19 of IAR)</p> <p>a) How can the gondola monitoring with GPS technology improve the Group's energy and water efficiency?</p> <p>b) Please provide the expected savings in terms of percentage and value before and after using the gondola monitoring system.</p> <p>c) What was the CAPEX incurred on the gondola monitoring with GPS technology?</p>
Ingenieur Gudang Berhad (AGM)	<p>Notwithstanding the higher revenue of RM20,348,440 recorded in FYE2023 (FYE2022: RM12,974,055), the Group merely managed to record a gross profit margin (GPM) of 39.39% [(RM8,015,452/RM20,348,440) X100] in FYE2023 compared to GPM of 69.48% recorded in the previous financial year (Page 58 of the Annual Report 2023/AR2023).</p> <p>What were the factors that led to the significant decrease in the GPM in FY2023? What are the Group's expectations and strategies regarding the profit margins for FY2024?</p>
Country View Berhad (AGM)	<p>The Audit Risk Management Committee ("ARMC") has recommended the appointment of a new service provider, Resolve IR Sdn. Bhd., ("RISB") as the new Internal Auditors. (Page 38 of AR)</p> <p>a) For how long has Tricor Axcelasia Sdn. Bhd ("TASB") been the Group's internal auditor?</p> <p>b) Did ARMC have any disagreement with TASB on internal audit matters? If yes, provide details of the matters that were disagreed between both parties.</p> <p>c) Who is the managing partner of RISB and his/her qualification?</p> <p>d) What is RISB's staff strength for internal audit assignments and their qualifications?</p> <p>e) Who are their clients (public listed companies) as of March 2024 and the number of clients who are property developers?</p>

	f) What were the agreed fees for RISB to carry out the internal audit assignments for the Company in FY 2024?
Affin Bank Berhad (AGM)	<p><u>Sustainability Matters</u> Affin Bank is adopting the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). As of FY2023, the Bank has partially integrated the TCFD recommendations into its sustainability disclosures (page 243, Sustainability Statement, AR2023).</p> <p>a) The Bank intends to conduct a detailed analysis of climate-related risks and opportunities. How is the progress to date?</p> <p>b) Main Market listed issuers must disclose their climate-related disclosure aligned with the recommendation of TCFD on or after the financial year 31 December 2025.</p> <p>Please indicate your overall readiness to adopt the standard on time.</p> <p><u>Corporate Governance Matters</u> A total of 15.59 million shares with a fair value of RM1.806 per share were granted under the Share Grant Scheme (SGS) in FY2023 (page 429, Note 58 – Long Term Incentive Plan, AR2023).</p> <p>a) What was the breakdown of the shares granted between different categories of employees, e.g., PGCEO, key senior management officers and other eligible employees?</p> <p>b) How many recipients were granted shares under SGS in FY2023? Please provide a range of the number of SGS shares granted to a single employee.</p> <p>For greater transparency, please consider disclosing the award of SGS with a detailed breakdown in the future, which aligns with the practice of other major banks.</p>
Malayan Banking Berhad (AGM)	<p><u>Sustainability Matters</u> Maybank provides a detailed analysis and breakdown of its financed emissions for the second consecutive year.</p> <p>As of 31 December 2023, the Group's total financed emissions were 30% higher at 33.68 million tCO₂e than FY2022's 25.76 million tCO₂e due to the addition of sovereign bonds as the seventh asset class. Excluding the new asset class, Maybank's total financed emissions were lower at 24.6 million tCO₂e.</p> <p>a) The calculation of financed emissions comprised a collective exposure of RM759.43 billion across seven asset classes (page 65, Environmental Report 2023).</p> <p>How comprehensive was the coverage against the Group's total lending and investment portfolio?</p> <p>b) Why did the Project Finance asset class emit a substantially higher emission of 2.39 million tCO₂e despite lower lending and investment of RM6.95 billion in FY2023 (FY2022: RM7.8 billion)?</p>

	<p>c) The total financed emissions are shown by including and excluding land use, land-use change, and forestry (LULUCF).</p> <p>Please explain the differences with or without LULUCF to understand the size of Maybank's overall financed emissions.</p> <p>d) For financed emissions disclosure by the economic sector, total lending and investment to the four selected sectors represent only 15.64% of the RM759.42 billion total lending and investment portfolio (page 66, Environmental Report 2023).</p> <p>The economic and financial impact of transition risks vary according to sector, as certain sectors tend to be more sensitive to the transition to a low-carbon economy.</p> <p>Please provide a timeline for disclosing the concentration of exposures across more sectors to provide greater transparency and a better assessment of Maybank's sensitivity to the transition to a low-carbon economy.</p> <p><u>Corporate Governance Matters</u> Maybank is seeking shareholders' approval for the increase in directors' fees and benefits in this AGM (Ordinary Resolution 6 & 7), according to a Board Remuneration Review (BRR) performed by PricewaterhouseCoopers (PwC) Malaysia (page 58 of Corporate Governance Report 2023).</p> <p>a) What were the key findings of the BRR exercise? What were the strengths and weaknesses of Maybank's remuneration framework? What recommendations did PwC provide to strengthen Maybank's Board remuneration framework and its sufficiency in attracting and retaining talents?</p> <p>b) What variables (independent and dependent) did PwC use in its regression analysis of Maybank's BRR? What were the results of the study?</p> <p>c) The quantum of increase in fees and benefits ranged between 10.3% and 14.75%. Please explain the basis for recommending the quantum of adjustment.</p>
SP SETIA Berhad (AGM)	<p>The Corporate Governance Report for FY2023 (page 37) states that the Company has not adopted Practice 5.8 of the Malaysian Code of Corporate Governance as the Nominating Committee is not chaired by an Independent Director or a Senior Independent Director.</p> <p>Why has the Company not applied Practice 5.8? Are there any plans to apply this Practice?</p>
Malakoff Corporation Berhad (AGM)	<p>1. The Company has set ambitious sustainability goals, including a 30% reduction in greenhouse gas (GHG) emissions intensity by 2031 and to increase revenue contribution from RE and environmental solutions to at least</p>

	<p>50% over the next decade, all of which are aligned towards Malaysia's environmental aspirations. (Page 30 of IAR 2023)</p> <p>a) To date, how successful has the Group been in reducing greenhouse gas (GHG) emissions intensity and how confident is the Management in achieving its target by 2031?</p> <p>b) Which areas are the Group focusing on to increase revenue contribution from RE and environmental solutions?</p> <p>2. Work-Related Injuries – Malakoff</p> <table border="0"> <thead> <tr> <th style="text-align: left;">Safety Performance Indicators</th> <th style="text-align: right;">2022</th> <th style="text-align: right;">2023</th> </tr> </thead> <tbody> <tr> <td>Number of Incidents Recorded</td> <td style="text-align: right;">9</td> <td style="text-align: right;">351</td> </tr> <tr> <td>Number of LTI Cases (Operations)</td> <td style="text-align: right;">2</td> <td style="text-align: right;">4</td> </tr> <tr> <td>Lost Time Injury Frequency Rate (LTIFR) – Operation</td> <td style="text-align: right;">0.29</td> <td style="text-align: right;">0.73</td> </tr> </tbody> </table> <p>Source: (page 130 of IAR 2023)</p> <p>The above indicators show a deteriorating situation. What was the nature of the incidents? What lessons have been learned from these incidents? What are the Company's proactive plans to prevent or minimise such occurrences?</p>	Safety Performance Indicators	2022	2023	Number of Incidents Recorded	9	351	Number of LTI Cases (Operations)	2	4	Lost Time Injury Frequency Rate (LTIFR) – Operation	0.29	0.73
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<p>Poh Huat Resources Holdings Berhad (AGM)</p>	<p>1. Increased market competition and pricing pressure could make it difficult for the Company to win new business with certain customers and within certain market segments at acceptable profit margins. The loss of business from one or more of our key customers in the US may have an immediate and adverse impact on the Group's operational and financial performance. (page 8 of AR 2023)</p> <p>Has the US market become increasingly competitive, causing Poh Huat to lose significant sales? What measures have been taken or can be taken to address the problem?</p> <p>2. All the internal audit activities were outsourced to a firm of independent licensed auditors and the total costs incurred in managing the internal audit functions for the financial year ended 31 October 2023 was RM24,000. (page 33 of AR 2023)</p> <p>a) Given that the fee is rather small (RM2,000 per month), how does the audit committee assure itself that there would be adequate coverage and an effective audit function?</p> <p>b) Can the audit committee elaborate further on the scope of the internal audit workplan for FY2023?</p> <p>c) Did the internal audit cover all the major business segments in FY2023?</p> <p>d) What were some of the key findings by the internal auditor? Did the internal auditor make any recommendations to the audit committee? If so, have the recommendations been implemented?</p>												

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DISCLOSURE OF INTERESTS

•With regard to the companies mentioned, MSWG holds a minimum number of shares in all the companies covered in this newsletter.

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