

MINORITY SHAREHOLDERS WATCH GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

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

New Straits Times, Business Times – Tuesday, 07 June 2022

MSWG AGM/EGM WEEKLY WATCH 6 - 10 JUNE 2022

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 6-10 June 2022.

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
Greenfield Berhad (AGM)	<p>The Group's cost of sales increased to RM29.4 million (2020: RM22.9 million). (page 47 of AR2021)</p> <p>a) What extent of the increase in cost of sales in FY2021 is due to increase in raw material prices?</p> <p>b) To what extent does the Group expect the increasing raw material prices to impact its products' profit margins? Will the Group be able to pass cost increases to its customers?</p>
Malaysia Building Society Berhad (AGM)	<p>1. For FY2021, MBSB had recorded a flatish growth of 1.3% in gross financing compared to industry total loan growth of 4.5% during the year. Besides, MBSB also underperformed compared to most of the banking peers. What were the root causes of MBSB's flatish financing growth? How does MBSB improve these weaknesses so the financing growth will be on par with other banking peers in FY2022?</p> <p>2. In terms of asset quality, MBSB recorded a significantly higher gross impaired loan (GIL) ratio of 5.89% in Q1FY2022 as compared to 4.6% in the Q4FY2021. At the same time, most of the other banks have recorded a lower or moderate GIL ratio quarter-on-quarter. What was the reason for MBSB's rapidly deteriorating asset quality? Has MBSB made sufficient provision previously based on macroeconomic variables and management overlays?</p>
Supercomnet Technologies Berhad (AGM)	<p>The company achieved a strong performance for FYE 2021 where there was an increase in profitability for all 3 business segments, namely, medical, automotive and industry. The Company had registered a Compounded Annual Growth Rate of 42.9% in revenue since 2017. (Page 23 of AR 2021)</p> <p>The Company had insulated itself from rising raw material transportation costs in FYE 2021 by implementing a cost pass-through solution. What are the measures taken by the Company to mitigate the possibility of customers turning to the competitors of the Company as it cannot indefinitely implement the cost pass-through solution as Customers will look for cheaper alternatives?</p>
Frontken Corporation Berhad (AGM)	<p>The Group's capital expenditure for the year for property, plant and equipment was at RM82.8 million, all of which were internally funded. (page 8 of Annual Report (AR) 2021)</p> <p>a) Capex for FY2021 has increased by more than 10x to RM82.8 million from RM7.9 million in FY2020. How much of this is growth capex vs maintenance capex?</p> <p>b) What is the budgeted capex for FY2022?</p>
SLP Resources Berhad (AGM)	<p>SLP registered significantly higher sales from the trading of polymer products in FY2021 which surged about 50% to RM58.29 million from RM39.01 million in the year before (page 94, Note 16.1 – Disaggregation of revenue, Annual Report 2021).</p> <p>At the same time, SLP's sales to the domestic market surged 24% to RM97.07 million (FY2020: RM78.31 million).</p> <p>a) Why were SLP's polymer products highly sought after in the domestic market? Are the higher sales of polymer products sustainable in the coming years?</p> <p>b) In contrast, sales from the manufacturing and sale of plastic packaging and its related products merely increased 2.47% to RM110.65 million compared to RM107.98 million in FY2020.</p> <p>Does the Management foresee better sales from this segment in FY2022? If yes, what would be the driving factors (e.g., volume growth, higher selling price) for higher revenue?</p>