

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

New Straits Times, Business Times – 10 June 2024 (Part 1)

MSWG AGM/EGM WEEKLY WATCH

10 - 14 JUNE 2024

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 10 -14 June 2024.

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 |
|--|--|
| MI Technovation Berhad (AGM) | <p>Embarking into the second 5-Year Roadmap for FY2024 to FY2028, the Group will focus on implementing efficient capital management to support the healthy development of its major business units and various companies by fostering the development of continual innovation. The Group foresees that its organizational transformation will be an unprecedented journey in the company history through a daring experiment for a large-scale organizational growth. (page 13 of Annual Report (AR) 2023)</p> <p>a) Please provide more details on the Group's second 5-Year Roadmap. What specific strategies will be implemented?</p> <p>b) What are the specific targets set in terms of financial performance?</p> <p>c) What are the major capex plans or investments under this roadmap?</p> |
| Pekati Group Berhad (AGM) | <p>The Group's trade receivables and contract assets credit impaired that were past due more than 90 days have increased from RM9.6 million in FYE2022 to RM11.0 million in FYE2023 (page 150 of AR2023).</p> <p>a) What difficulties did the Group face in collecting trade receivables that were past-due for more than 90 days as the outstanding amount increased?</p> <p>b) Who are the customers who make up this category (past due 90 days) of the Group's receivables on FYE2023, and what are their profiles?</p> <p>c) To date, how much of the overdue amount has been collected?</p> |
| GDEX Berhad (AGM) | <p>1. Two (2) of the Group's Key Management resigned in 2024 namely, Mr Lim Chee Seong, the Chief Financial officer who resigned on 28 May 2024 and Mr. Lee Kah Hin, the Chief Investment Officer who resigned on 25 February 2024. To what extent have the two (2) Key Management resignations impacted the Group? What is the Group's succession planning in relation to these resignations?</p> <p>2. The Group's GHG Emissions (tCO2e) increased from 19,396.98 tCO2e in FY2022 to 20,211.19 tCO2e in FY2023. Increases were noted in both Scope 1 (Company vehicles) and Scope 2 (Energy consumption). (page 61 of AR 2023)</p> <p>a) GDEX is proactively replacing one-tonne and three-tonne trucks with lighter, more fuel-efficient models to reduce greenhouse gas emissions (page 62 of AR 2023). What is the total number of trucks that need to be replaced, and by when?</p> <p>b) The Group's consumption of diesel was 6,697,657.54 litres in FY2023, slightly higher than 6,522,459 litres of diesel consumed in FY2022 (page 62 of the AR 2023). With the recent announcement by the Government on the rationalisation of the diesel subsidy, to what extent will it impact the Group? What are the Group's plans for wider use of EVs?</p> |
| Far East Holdings Berhad (AGM) | <p>Replanting</p> <p>In FY2023, 179.30 hectares (443.05 acres) had been replanted and this reflects the Group's continuous efforts to improve the age profile of its plantings and achieve better yields. In the year 2024-2028, 993.92 hectares (2,455.98 acres) are scheduled for replanting (Page 46 of AR2023).</p> <p>a) What is the progress of the ongoing replanting exercise?</p> <p>b) How many hectares are expected to be covered, and based on the current economic conditions, including the impact of inflation, how much will it cost the Group to complete this schedule replanting exercise for FY2024?</p> |
| Supercomnet Technologies Berhad (AGM) | <p>In FY2023, about RM12.87 million in revenue was contributed by the automotive segment (FY2022: RM15.89 million). The segment was affected by reduced orders. However, the decline in demand is only expected to be temporary. (Page 27 of AR2023)</p> <p>a) Please provide further details regarding the temporary reduction in orders and indicate when the Group expects these orders to return to normal levels.</p> <p>b) Currently, the automotive segment has only one customer, Stellantis for the Peugeot brand. Does the Group have any plans to diversify its customer base to mitigate concentration risk?</p> |
| Genting Malaysia Berhad (AGM) | <p>"As part of the Group's ongoing efforts in reducing its environmental impact, the Group is reviewing and finalising plans to introduce new energy management initiatives at RWG, which include the installation of solar rooftops at viable properties and the implementation of a district cooling system for the resort." (Page 43 of Sustainability Report 2023)</p> <p>Please provide an overview of the Group's current energy portfolio, specifying the proportion of renewable energy sources compared to grid electricity. Has the Group established any specific targets and timelines for future energy mix objectives?</p> |
| Time dotCom Berhad (AGM) | <p>Many companies are increasingly focusing on emissions reduction targets, carbon neutrality, and achieving net zero status areas due to growing awareness about climate change and the need for sustainable practices.</p> <p>As a large telecommunication company, what are the Group's plans regarding emissions reduction targets, carbon neutrality, and achieving net zero status?</p> |

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| BCM Alliance Berhad (AGM) | <p>The Group has increased its investment in quoted shares to RM8.86 million as of 31 December 2023 from RM2.57 million at the end of 2022 as part of its initiatives to drive values for shareholders over the long term. Although BCM suffered losses during FY2023, the Group has a strong financial position that puts it in a favourable position to leverage on the economic recovery and mitigate downside risks with its resilient and diversified portfolio. (page 23 of AR 2023)</p> <p>a) Please provide the breakdown of the realised and unrealised losses on quoted shares for FY2023.</p> <p>b) What are the quoted shares held and their respective values as of 31 December 2023?</p> <p>c) What has been the average holding period of quoted shares in the past?</p> <p>d) How long does the Group expect to hold on to the remaining quoted shares?</p> | | | | | | | | | | | | | | |
| Favelle Favco Berhad (AGM) | <p>At the Group's 31st AGM, the management/board stated that FFB's strategy for the next six (6) to twelve (12) months is to expand its business to new countries, create more crane models, enter a new segment, and find new acquisition or investment opportunities to drive the Group's growth.</p> <p>a) Which countries has FFB expanded its business into as part of its growth strategy within the last six to twelve months? What are the driving factors behind the decision to expand into these countries?</p> <p>b) What is the new market segment that FFB entered recently? What factors influenced the decision to venture into this segment, and how does it align with the Group's overall objectives?</p> <p>c) Are there any types of acquisitions or investments that FFB is considering to facilitate its growth strategy? What criteria are being used to evaluate potential acquisition targets or investment opportunities? Have any targets been identified?</p> | | | | | | | | | | | | | | |
| Chin Hin Group Berhad (AGM) | <p>1. In FY2023, the Group raised RM449.8 million through equity financing and debt financing which represents 14.2% of the Group's total assets at the end of FY2023.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">RM'000</th> </tr> </thead> <tbody> <tr> <td>Increase in advances from directors</td> <td style="text-align: right;">89,344</td> </tr> <tr> <td>Increase in borrowings</td> <td style="text-align: right;">238,653</td> </tr> <tr> <td>Issuance of Perpetual Medium-Term Notes (MTN)</td> <td style="text-align: right;">30,000</td> </tr> <tr> <td>Chin Hin Group Property Berhad (CHGP) - Private placement</td> <td style="text-align: right;">86,672</td> </tr> <tr> <td>CHGP – Conversion of warrants</td> <td style="text-align: right;">5,159</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">449,828</td> </tr> </tbody> </table> <p>(Reference to pages 117,219 and 186 of AR2023)</p> <p>a) Please elaborate on the need for these financings and how the funds were utilised.</p> <p>b) The Group issued RM30 million perpetual MTN carrying a high-interest rate of 7.5% per annum. At the same time, the Group also accepted advances of RM89.3 million from its directors. Did the Group face difficulties in extending borrowings from banks? If not, please explain the reasons for seeking financing from its directors.</p> <p>2. The Group's other investments increased sharply from RM10.5 million at the end of FY2022 to RM267.9 million at the end of FY2023, representing 8.5% of the Group's total assets. Specifically, unit trusts and quoted shares accounted for RM21.9 million and RM239.9 million respectively. (Page194 of AR2023)</p> <p>a) Please justify the rationale for deploying such a significant portion of the Group's financial resources in these investments, particularly quoted shares given that the Group was already in a negative operating cash flow position. Why did not the Group prioritise the repayment of borrowings?</p> <p>b) In which countries are the Group's investments in unit trusts and quoted shares?</p> | | RM'000 | Increase in advances from directors | 89,344 | Increase in borrowings | 238,653 | Issuance of Perpetual Medium-Term Notes (MTN) | 30,000 | Chin Hin Group Property Berhad (CHGP) - Private placement | 86,672 | CHGP – Conversion of warrants | 5,159 | Total | 449,828 |
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| Muhibbah Engineering (M) Bhd (AGM) | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">RM'000 2022</th> <th style="text-align: right;">RM'000 2023</th> </tr> </thead> <tbody> <tr> <td>Group's operating profit*</td> <td style="text-align: right;">3,710</td> <td style="text-align: right;">25,510</td> </tr> <tr> <td>Less: Favco's operating profit #</td> <td style="text-align: right;">(84,532)</td> <td style="text-align: right;">(59,731)</td> </tr> <tr> <td>Operating loss excluding Favco</td> <td style="text-align: right;">(80,822)</td> <td style="text-align: right;">(34,221)</td> </tr> </tbody> </table> <p>* Refer to page 58 of AR2023</p> <p># Refer to page 54 of Favco's AR2023</p> <p>Excluding operating profit from Favelle Favco Berhad (Favco), a listed subsidiary of the Company involved in the Crane and Intelligent Automation divisions, the Group actually incurred an operating loss of RM80.8 million in FY2023 (FY2022: RM34.2 million). This indicates poorer performance in the remaining divisions, namely the Construction & Engineering division and the Marine division.</p> <p>a) Please elaborate on the reasons for the underperformance in the Construction & Engineering division and Marine division, respectively.</p> <p>b) What is the outlook for the underperformed divisions for the rest of 2024? What action plans have been taken to improve earnings?</p> | | RM'000 2022 | RM'000 2023 | Group's operating profit* | 3,710 | 25,510 | Less: Favco's operating profit # | (84,532) | (59,731) | Operating loss excluding Favco | (80,822) | (34,221) | | |
| | RM'000 2022 | RM'000 2023 | | | | | | | | | | | | | |
| Group's operating profit* | 3,710 | 25,510 | | | | | | | | | | | | | |
| Less: Favco's operating profit # | (84,532) | (59,731) | | | | | | | | | | | | | |
| Operating loss excluding Favco | (80,822) | (34,221) | | | | | | | | | | | | | |