New Straits Times, Business Times – 17 June 2024 (Part 1)

MSWG AGM/EGM WEEKLY WATCH

17 - 21 JUNE 2024

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 17 -21 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
Dagang Nexchange Berhad (AGM)	1. The Group's approach is to treat sustainability not merely as a compliance issue but to see it as an enabler for improved business performance. As an example, the Group has plans to install solar panels within SilTerra's operations. This not only reduces carbon footprint, but it is also in line with DNeX's efforts to become a net zero emissions company by 2050 as well as driving long-term cost efficiency in production, with the potential to sell excess energy generated back to the grid for profit. (page 7 of AR2023) (a) What would be the total estimated cost and timeline for installing solar panels within SilTerra's operations? In terms of value, what would be the estimated savings through the use of solar energy? (b) What would be the estimated solar power capacity and the expected reduction in Scope 2 carbon emissions?
Parkwood Holdings Berhad (AGM)	Despite recording a year-on-year increase in revenue, Parkwood recorded a loss before tax of RM4.3 million in FY2023 compared to a profit of RM3.3 million (including the significant fair value gain of RM5.1 mill) in FY2022 (Page 10 of Annual Report 2023/AR2023), which due to higher operating cost incurred in order to deal with market challenges still lingering from pandemic (Page 8 of AR2023). As the Group forges ahead in FY2024, it anticipates challenges due to escalating building material and labour costs, which may drive up construction costs for its forthcoming projects (Page 12 of AR2023). As higher costs already impacted the Group's pre-tax result in FY2023, how does it plan to mitigate the impact of the anticipated building material and labour costs on construction costs for the next project? How can the Group ensure the next project generates a reasonable profitability margin?
Cuscapi Berhad (AGM)	1. The Group registered 18 months revenue and pre-tax profit of RM28.4 million and RM2.16 million respectively. The higher revenue is mainly from the trading of Digital Assets (page 11 of Annual Report (AR) 2023). Worldcoin (WLD) is among the digital assets traded. Yet, WLD, employing iris biometric authentication, faces notable privacy issues. On 24 April 2024, Co[1]founders Sam Altman and Alex Blania met with Prime Minister YAB Datuk Seri Anwar Ibrahim to emphasise privacy commitment and regulatory cooperation. (a) What was the outcome of the discussion with Malaysian officials? (b) How did privacy concerns affect WLD's progress and adoption globally, as many regulators around the world are banning it? Please shed more light on WLD's future trajectory. (c) How does WLD plan to compete with Humanity Protocol, which aims to rival WLD with its less invasive consensus model? (d) What is the Group's outlook on trading activities involving Digital Assets? Can we expect this performance to be maintained over time?
Aeon Credit Service (M) Berhad (AGM)	1. In FY2024, AEONCR wrote off RM660.44 million of financing receivables from its book, representing a 58.4% increase y-o-y from RM416.95 million in FY2023. The higher bad debt written-off mainly contributed from the younger age group with lower disposable income from delinquent account movement in the first half year (page 19 of Q4FY2024 Financial Results Presentation). (a) AEONCR shared similar observations in last year's AGM that younger customers (aged 25 and below), and those with disposable income of less than RM1,500 per month had difficulties servicing their debt obligations on time. Has the Group seen improvement in the loan repayment ability of these customers? What is the estimated size of total financing extended to those aged 25 and below and customers with disposable income below RM1,500 per month? Please comment on the likelihood and the extent of financing receivables write-off in FY2025. (b) What is the breakdown of the written-off receivables by business segment? (c) On page 17 of the Q4FY2024 Financial Results Presentation, AEONCR said improved collection performance q-o-q was attributed to early outsourcing of delinquent accounts to external collection agencies and reactivation of field visit team. At which stage (1, 2, or 3) would AEONCR outsource delinquent accounts to debt collection agencies? Generally, what is the recovery rate of bad debts upon outsourcing to third-party collectors? (d) The Group leverages AI-based solutions for collection risk assessment and utilise AI credit scoring methods as an alternative scorecard to improve decision-making accuracy. (i) How different are the AI-driven collection risk analytics compared to AEONCR's conventional collection risk assessment framework? How has AEONCR's debt collection improved before and after the adoption of AI- driven analytics? (ii) Apart from general metrics such as age, the level of disposable income, credit history, and payment behaviour, what are the other criteria fed to AI-based solutions that would enable more accurate and reliable collection risk assessment?

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MINORITY SHAREHOLDERS WATCH GROUP

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

New Straits Times, Business Times – 17 June 2024 (Part 2)

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One of the points of interest to be raised:

Company	Points/Issues to Be Raised
Suria Capital Holdings Berhad (AGM)	1. Overall, Sabah Ports handled a total of 27.5 million MT of cargo (including containers) during the financial year as against 29.2 million MT in 2022, with bulk oil making up the biggest component of the cargo handled (Page 10 of the Annual Report 2023/AR2023). What is the outlook for FY2024 and the expected growth rate in each type of cargo? 2. Another significant development in 2023 was the preparation for a comprehensive revision of the "The Sabah Ports Authority (Scales of Dues & Charges) Regulations, 1977" Tariff. The tariff has remained relatively unchanged since its enactment over 40 years ago, and with the evolving environment of ports and terminals, there is a need to modernise and streamline charges in line with industry dynamics. Upon approval by the Sabah State Cabinet, the tariff revision is targeted to be implemented in 2024 (Page 11 of AR2023). What is the expected % of increase in tariff, and in which part of the year is it likely to be implemented?
FGV Holdings Berhad (AGM)	1. Plantation division: (a) Replanting remains a high priority for maintaining the productivity and sustainability of the Group's plantations. In 2023, the Group achieved felling of 16,547 Ha and replanted 19,862 Ha (page 53 of AR2023). Based on FGV's reply to MSWG's question raised at its 15 th AGM, the replanting target for 2023 is to complete the planting of 24,800 Ha including the incomplete replanting program from the previous year, 2022. To what extent is the Group falling behind its replanting programme? What are the Group's replanting plans for the financial year 2024? (b) Currently, oil palm trees classified as old (24,718 Ha) and very old (47,475 Ha) have dropped by 2% & 25% respectively as compared to 2022 (old: 25,325 Ha, very old: 63,016 Ha) (page 28 of Sustainability Report 2023 ("SR2023")). Based on the Group's current rate of replanting, by when and how many years does the Group need to replant all its very old oil palm trees? (c) The Group is planning to extend mechanisation to include non-harvesting tasks, aligning with its commitment to achieving the targeted man-to-land ratio of 1:12 (page 53 of AR2023). What was the Group's man-to-land ratio for FY2023? (d) On the labour management front, the Group temporarily halted its recruitment process in the third quarter of 2023 to further enhance its sustainability practices in source countries. By the end of 2023, the Group had reached 84% of its targeted workforce strength of 110%. (page 53 of AR2023) How long was the recruitment process halted? To date, has the Group restarted its recruitment process for foreign labour? Will the Group be able to achieve its target of 110% workforce strength by the financial year 2024?
Senheng New Retail Berhad (AGM)	1. Group revenue amounted to RM1,315.0 million, a 15.8% decrease from the previous year, primarily attributed to weakened consumer spending and subdued economic conditions. Concurrently, group net profit decreased to RM25.0 million from RM60.5 million in the previous year, reflecting lower sales and higher operating expenses (page 9 of AR2023). (a) Given that the market conditions are expected to remain challenging, especially with weakened consumer spending, how is the Group addressing these challenges? (b) How does the Group intend to drive sales moving forward to mitigate the decline in profitability?
Kelington Group Berhad (AGM)	1. Revenue from the Process Engineering segment more than doubled to RM123.9 million from RM51.0 million previously due to a significant project undertaken in Malaysia (page 19 of AR2023). (a) Has the project awarded in 2022 been completed? If so, what are the next upcoming significant projects for this business segment? (b) With the substantial revenue growth that nearly doubled, is it anticipated that this business segment will maintain its performance throughout FYE2024? If not, what foreseeable challenges might impact the future growth trajectory of this business segment? 2. At the Group's 23rd AGM, the management/board stated that the Group renewed its contract with Semiconductor Manufacturing International Corporation (SMIC) and landed additional orders from another significant client, ChangXin Memory Technologies (CXMT). Despite facing competition from Taiwanese and Chinese rivals, the Group remains confident in its ability to win contracts from major customers in China. (a) What specific projects has the Group secured with ChangXin Memory Technologies (CXMT)? Please provide details on the nature and scope of these projects. (b) What factors contributed to the Group's confidence in securing these projects amidst competition from Taiwanese and Chinese rivals?

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