

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

New Straits Times, Business Times – 18 November 2024 (Part 1)

MSWG AGM/EGM WEEKLY WATCH
18 - 22 NOVEMBER 2024

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 18 - 22 November 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:

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Key Asic Berhad (AGM)	<p>Extract from the Company's Annual Report is as follows –</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="3"></th> <th rowspan="3">Note</th> <th colspan="2">Group</th> </tr> <tr> <th>2024</th> <th>2023</th> </tr> <tr> <th>RM</th> <th>RM</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>20</td> <td style="text-align: right;">22,928,492</td> <td style="text-align: right;">20,816,481</td> </tr> <tr> <td>Cost of sales</td> <td>21</td> <td style="text-align: right;">(17,956,064)</td> <td style="text-align: right;">(13,487,917)</td> </tr> <tr> <td>Gross profit/(loss)</td> <td></td> <td style="text-align: right;">4,972,428</td> <td style="text-align: right;">7,328,564</td> </tr> <tr> <td>Other operating expenses</td> <td></td> <td style="text-align: right;">(11,186,050)</td> <td style="text-align: right;">(8,165,333)</td> </tr> </tbody> </table> <p>a) Despite higher Group revenue in FY 2024 by 10.1%, gross profit has declined significantly by 32.2%. How would the Group be able to manage its disproportionately higher cost of sales and what would be the outlook in FY 2025? b) What were the causes for the significant hike in other operating expenses? Is the outlook for FY 2025 expected to be more favourable?</p>		Note	Group		2024	2023	RM	RM	Revenue	20	22,928,492	20,816,481	Cost of sales	21	(17,956,064)	(13,487,917)	Gross profit/(loss)		4,972,428	7,328,564	Other operating expenses		(11,186,050)	(8,165,333)
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RGT Berhad (AGM)	<p>Despite recording higher revenue, the Group reported a lower profit before tax of RM3.15 million (FYE 2023: RM4.10 million) due to economic challenges and higher operating costs.</p> <p>a) Please provide a breakdown of these operating costs. b) What percentage of these operating costs is variable versus fixed? c) How does the Company plan to control or optimise these costs without compromising quality?</p>																								
Ucrest Berhad (AGM)	<p>For the financial year ended 31 May 2024, the Group recorded a higher revenue of RM16.45 million (2023: RM13.56 million), but a slightly lower gross profit of RM4.79 million (2023: RM4.83 million). However, the Group's cost of sales was RM11.66 million as compared to RM8.73 million reported in the previous year. (page 65 of AR2024)</p> <p>a) Given that the cost of sales comprises of purchases (Note19, page 111 of AR2024), what were the key purchases that made up the cost of sales? To what extent can the cost of sales be reduced going forward to improve the Group's gross profit margin? b) Without the net gain on impairment on financial instruments of RM7.06 million (2023: RM2.62 million) the Group may have recorded a net loss instead of net profit. To what extent is the Group able to deliver sustainable profits going forward?</p>																								
Aemulus Holdings Berhad (EGM)	<p>In 2020, a joint venture agreement was entered by Aemulus Corporation Sdn Bhd ("ACSB") with Tangren Microintelligence Technology (Jiashan) Co., Ltd. ("Tangren Microintelligence") to form Tangming Shengshi Technology (Jiashan) Co., Ltd. ("TMSS"), a joint venture company for the purpose of establishing a long-term business partnership in China. ACSB and Tangren Microintelligence own 40% and 60% equity interest in TMSS, respectively. (page 10 of the Circular)</p> <p>a) With Tangren Microintelligence exiting TMSS, how and to what extent will it affect the Group's business partnership in China? b) Upon completion of the Proposed Acquisition, does the Group anticipate TMSS experiencing any cancellation of contracts that were secured via Tangren Microintelligence?</p>																								
Matang Berhad (AGM)a	<p>The Group's Oil Palm Business is expected to show growth in FY2025 considering the recovery in labour supply conditions, higher yield per hectare and heightened demand from key export destinations. The Group has also carried out several measures to optimise the production yield. (page 18 of AR 2024)</p> <p>a) What is the Group's projected growth in fresh fruit bunches (FFB) production for FY2025? Where is the growth expected to come from? b) What percentage of the Group's current workforce are earning minimum wage? How much additional labour cost per year will the Group incur from the increase in minimum wage from RM1,500 to RM1,700 a month? c) What is the outlook for FFB yield?</p>																								
Vizione Holdings Berhad (AGM)	<p>1. The Group has secured 3 contracts totalling RM1.49 billion in FYE 2024, encompassing apartments, mixed-use developments and affordable housing segments (Page 14 of AR2024).</p> <p>a) What is the expected profit margin for each of these contracts? b) What is the status of each of these contracts, and have they commenced?</p> <p>2. Orderbook/Tender book</p> <p>a) What are the current outstanding orderbook and tender book size? b) What is the target for orderbook replenishment in FY2025?</p>																								

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Dialog Group Berhad (AGM)	<p>The Upstream business is expected to expand following DIALOG's acquisition of Tarpon Platform Systems Malaysia Sdn. Bhd. ("Tarpon Malaysia"). Tarpon Malaysia provides engineering, construction, installation and maintenance services to upstream energy companies that use the Tarpon platform system. (Page 46 of IAR)</p> <p>a) How widely is Tarpon platform system being used in the upstream business? What is its market share in FY 2024?</p> <p>b) Who are the main competitors of Tarpon Malaysia?</p> <p>c) What are the order books of Tarpon Malaysia as of September 2024?</p> <p>d) What were the revenue and profit/ (loss) of Tarpon Malaysia prior to DIALOG's acquisition?</p>																
Pecca Gorup Berhad (AGM)	<p>The healthcare segment recorded impairment losses and inventories write-off totaling RM1.64 million in FY2024. This came after it registered an impairment loss and inventory write-down totaling RM2.75 million a year ago.</p> <p>a) How did the healthcare segment perform in FY2024, in terms of revenue and profit/loss?</p> <p>b) What are the Group's plans for this segment going forward?</p> <p>c) Are there any plans to divest or discontinue the non-core healthcare business? If not, does the Group have a clear road-map to return to profitability?</p>																
Media Prima Berhad (AGM)	<p>WOWSHOP, the lifestyle TV home shopping channel, has experienced a significant decline in sales over recent years as below. [Source: Pages 148-149 of the AR2024 and pages 175-176 of the AR2023]</p> <table border="1"> <thead> <tr> <th colspan="4">WOWSHOP Segmental Reporting</th> </tr> <tr> <th>FYE</th> <th>2021 (12 mth)</th> <th>2023 (18 mth)</th> <th>2024 (12 mth)</th> </tr> </thead> <tbody> <tr> <td>Revenue ('million)</td> <td>268.6</td> <td>197.0</td> <td>85.3</td> </tr> <tr> <td>EBITDA/LBITDA ('million)</td> <td>3.4</td> <td>-27.3</td> <td>-12.0</td> </tr> </tbody> </table> <p>a) What were the reasons for the declining sales trend in the past three years? What are the key financial metrics WOWSHOP uses to determine the sustainability of its core TV commercial business and digital e-commerce presence?</p> <p>b) What percentage of the total sales is generated from premium products compared to non-premium products? Have any significant trends or shifts in the sales performance of premium versus non-premium products over the past year?</p> <p>c) What percentage of total sales have come from TikTok Shop exclusively since its launch in January 2023? Has there been a noticeable increase in online sales versus television sales since the expansion of TikTok Shop?</p> <p>d) What percentage of total sales is generated from repeat customers? Are there specific product categories or segments where loyal customers contribute significantly to sales?</p> <p>e) WOWSHOP's other effort was to expand onto non-product revenue via collaboration with clients such as KWSP, Lembaga Pertubuhan Perladang (LPP) and Samsung. Please provide insights into what specific initiative has undertaken in collaboration with the three clients above</p>	WOWSHOP Segmental Reporting				FYE	2021 (12 mth)	2023 (18 mth)	2024 (12 mth)	Revenue ('million)	268.6	197.0	85.3	EBITDA/LBITDA ('million)	3.4	-27.3	-12.0
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Malton Berhad (AGM)	<p>Of the receivables balance at the end of FY 2024, approximately 74% (2023: 84%) is receivable from 3 (2023: 3) major debtors. Maximum concentration of credit risk to any single counterparty is 45% (2023: 48%) of gross trade receivables at FY2024. (Page 201 of AR2024).</p> <p>a) Please explain why the receivables were concentrated into 3 major debtors in both FYs 2023 and 2024?</p> <p>b) Please name the 3 major customers for both FYs 2023 and 2024.</p> <p>c) Was there any impairment loss on any of the 3 major customers in both FYs 2023 and 2024? If yes, please provide the respective amount.</p> <p>d) Please explain how the Group would mitigate the concentration risk on receivables.</p>																