

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

New Straits Times, Business Times – 19 August 2024 (Part 1)

MSWG AGM/EGM WEEKLY WATCH

19 - 24 AUGUST 2024

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 19 - 24 August 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
AMMB Holdings Berhad (AGM)	<p>1. Upon the successful conclusion of the Focus 8 Strategy (FY2021 – FY2024), AMMB embarked on the Winning Together (WT29), a five-year (FY2025 – FY2029) blueprint that comes with one Purpose, two Missions, three Strategy Pillars (SP) and three Financial Goals (page 19 of Integrated Annual Report 2024).</p> <p>a) Digitalisation is the first SP introduced in WT29. What is the role of digitalisation in realising the financial and operational goals of WT29?</p> <p>b) Please elaborate on the programmes, technologies to be deployed, intended outcomes, short, medium and long-term priorities as well as resources allocated e.g., financial, capabilities and expertise, for the successful execution of this SP.</p> <p>The rollout of WT29 requires active involvement of Wholesale Banking, Retail Banking (RB), Business Banking, Investment Banking and Islamic Banking.</p> <p>What are the roles of each banking segment towards the realisation of WT29 by FY2029? Accordingly, what are the short, medium and long-term targets set for each banking segment?</p> <p>c) AMMB sets three Financial Goals under the WT29, namely Improve Dividend Payout, Lower CTI (cost-to-income) to 40% and Improve ROA (return on assets) to 1.1%.</p> <p>i. The current dividend payout ratio stood at 40%. What is the dividend payout ratio the Group aspires to achieve by the end of FY2029?</p> <p>ii. As of FY2024, AMMB's CTI ratio remains stable at 44.2%, marginally lower than 44.3% as of FY2023 and 44.9% in FY2022.</p> <p>Considering the planned investments into digitalisation initiatives and cost escalation in line with inflation, what are the key levers of achieving the CTI of 40%? What are the projected income growth rate and cost reduction rate (in percentage) to achieve this?</p> <p>2. AMMB ended FY2024 with a 9.3% increase in net profit to RM1.87 billion from RM1.7 billion previously, while net income grew marginally to RM4.6 billion compared to RM4.58 billion a year before.</p> <p>a) The net interest income (NII) declined 6.7% y-o-y to RM3.3 billion due to much higher interest expenses, resulting in a 28bps decline in net interest margin (NIM) to 1.79%.</p> <p>The industry outlook pointed to stabilised NIMs with the OPR likely to remain unchanged at 3% throughout 2024. This statement suggests the outlook on deposit competition is easing (page 69 of IAR2024).</p> <p>What is the management guidance and outlook on NIM in FY2025? How has it been so far, and do you foresee any changes to the deposit competition dynamics for the remainder of the year?</p> <p>b) On the other hand, the Group posted overall loan growth of 3% in FY2024, lower than average industry loan growth of 5.3% for 2023, primarily due to muted RB's loan growth of 2.3% y-o-y.</p> <p>RB also chalked in a higher net impairment of RM642.4 million compared to RM301.1 million, resulting in a 69.3% decrease in segmental net profit to RM125.7 million.</p> <p>Included in the impairment was an additional RM261.6 million credit impairment overlay recognised in Q3FY2024, mainly stemming from mortgages and retail SMEs.</p> <p>[Source: pages 44 and 91 of IAR2024]</p> <p>i. How will RB perform in FY2025 in terms of loan growth and profitability? Please indicate the targeted loan growth for the Group in FY2025.</p> <p>ii. Upon the massive impairment made on RB's loan book, what is the current state of RB's asset quality? Please indicate whether a similar quantum of impairments is required in the near term.</p>
EUPE Corporation Berhad (AGM)	<p>1. The Group's expanded pipeline of five major projects will be contributing to the Group's bottom-line next year (Page 6 of AR).</p> <p>a) Please name the five major projects that will be contributing to the Group's bottom-line next year in terms of Gross Development Value respectively.</p> <p>b) Please provide the latest take-up rates for each of the five major projects as of July 2024.</p> <p>Is the Group expecting higher revenue and profit before tax in FY 2025 as compared to FY 2024? If yes, please provide the reasons.</p> <p>2. The Group's investment properties posted a pre-tax loss of RM1.1 million in FY2024 compared to the pre-tax profit of RM8.4 million recorded in FY2023. (Page 13 of AR)</p> <p>a) Why did the Group's investment properties record a loss in FY 2024 as compared to a profit in FY 2023?</p> <p>b) What measures the Group has taken to mitigate the Group's investment properties from suffering a loss in FY 2025?</p> <p>c) What were the Group's investment properties occupancy rates categorised by investment property type for FYs 2024 and 2023 respectively?</p>

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SDS Group Berhad (AGM)	<p>In reply to MSWG’s question 2 (a) at last year’s AGM, SDS mentioned that it targets to open six outlets in the Central region in FY2024. However, the Group managed to open only two new outlets, which were in Puncak Jalil and Putrajaya.</p> <p>a) What are the challenges and issues faced by the Group when opening new stores within the Central region?</p> <p>b) How is the average sales per outlet in the Central Region compared to those in the South?</p> <p>c) How many new outlets does the Group plan to open in FY2025? How many will be in the Central region?</p> <p>d) SDS has a membership programme for its F&B outlets. How many members does the Group currently have? What measures are you taking to increase the number of members?</p>
Tiong Nam Logistics Holdings Berhad (AGM)	<p>1. As businesses continue to prioritize efficient logistics, the demand for integrated logistics solutions is escalating. The growing complexity of supply chains necessitates advanced warehousing and distribution networks, a trend that Tiong Nam is well-positioned to leverage. [Page 6 of AR 2024]</p> <p>a) How can Tiong Nam position leverage, and what competitive advantages does it have over its peers?</p> <p>b) To what extent has the Group embraced technology and automation to increase its operations’ efficiency and effectiveness?</p> <p>2. Over the last five financial years, the Company only declared dividends once in FY 2022 despite recording profits every year. [Page 3 of AR 2024] Why did the Company not declare dividends to reward shareholders more frequently, particularly in the latest two financial years where the Group registered substantial profits and also had reasonably good operating cash flows?</p>

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