

New Straits Times, Business Times – 8 July 2024

MSWG AGM/EGM WEEKLY WATCH 8 - 12 JULY 2024

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 8 - 12 July 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
Sapura Industrial Berhad (AGM)	<p>The strong demand for new vehicles pressured most OEMs and the supply chain ecosystem of vendors and suppliers to operate at near-full capacity, demonstrating resilience and strength to deliver. (Source: Malaysian Automotive Association (MAA) Market Review 2023). (Page 28 of AR)</p> <p>a) Was the Group operating at near full capacity in FY 2024 as a result of buoyant demand for new motor vehicles? If yes, at what capacity is the group operating? If not, why?</p> <p>b) Is the Group expected to continue to enjoy stronger growth in revenue and profit in FY 2025? If yes, please provide the reasons.</p>
KYM Holdings Berhad (AGM)	<p>1. In FY2024, KYM reported a lower revenue at RM101.13 million compared to RM120.38 million a year ago. Both Multiwall Industrial Paper Sacks (Paper Sacks) and Carton Box divisions saw lower sales recorded. The decline was especially acute in the Paper Sacks division with a 15.21% y-o-y.</p> <p>Nevertheless, it recorded a higher net profit of RM13.05 million (FY2023: RM8.93 million), primarily contributed by a one-off gain from the sale of land.</p> <p>a) If excluding the one-off gain, KYM would have been loss-making during the year with a gross profit of RM10.9 million, which is unable to sustain the operating expenses and finance costs (page 72 of AR2024).</p> <p>How will KYM perform in the absence of such a one-off gain in FY2025?</p> <p>b) In Q1FY2024, KYM reported a slight decline in revenue due to lower sales by the Carton Box division, but partially offset by higher revenue from the Paper Sacks division.</p> <p>Nevertheless, the Manufacturing segment (comprised of Paper Sacks and Carton Box divisions) reported a PBT of RM1.65 million compared to a pre-tax loss of RM1.016 million in the previous year. Will such momentum be sustained throughout FY2025?</p> <p>Does the Company expect to see a recovery in the sale of Paper Sacks and Carton Box divisions after a drastic decline in FY2024? Has the Company started to experience the spillover effects of recovery in construction activities locally? What are the utilisation rates for KYM's plants in Selangor and Perak?</p> <p>2. Disruption in the global supply chain, fluctuation in paper roll prices and weakening of the ringgit pose significant challenges to the operations of the Paper Sacks division.</p> <p>Meanwhile, The Red Sea crisis has exacerbated supply chain disruptions, leading to higher logistics costs and longer delivery lead time due to route diversions. This has resulted in delays for raw materials sourced from Europe.</p> <p>a) How different were the logistics costs and lead time before and after the crisis?</p> <p>b) Is there any concern about the supply of raw materials due to the longer lead time and costs? What is the current raw materials inventory turnover ratio?</p> <p>c) The Group is securing alternative supply from North America, are the quality of materials compatible with the European suppliers? How different is the cost between the two?</p>
Innature Berhad (EGM)	<p>In terms of the outlook of the F&B industry for Malaysia, Indonesia and Vietnam, how many full-service luxury high-end restaurants in a similar category as "Burger & Lobster" were open and closed in 2022 and 2023?</p>