

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

New Straits Times, Business Times – Monday, 17 March, 2025

**MSWG AGM/EGM WEEKLY WATCH**

17 - 21 MARCH 2025

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 17 - 21 March 2025.

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](http://www.mswg.org.my).

*One of the points of interest to be raised:*

Company	Points/Issues to Be Raised
<b>Lotus KFM Berhad (AGM)</b>	<p>The Group's primary revenue contributor, the flour milling and trading segment experienced a declining revenue trend over the past three financial years. Concurrently, its operating profit margin declined from 7.4% in FYE2022 to 3.4% in FYE2024. The Group explained that the decline in revenue was primarily due to reduce of demand in the operating market. (Page 5 of AR2024)</p> <p>a) Can the Board provide further insights into the declining demand for the Group's flour products and the key factors contributing to the decline in operating profit margin?</p> <p>b) The Group's sales to its major customer A dropped by approximately 30% compared to the previous financial year. (Page 119 of AR2024) What were the reasons for this significant decline in sales?</p> <p>c) Has the Group faced pressure from losing customers in the highly competitive market over the past three years? If so, what are the main reasons customers switch suppliers, and how does the Group plan to address this challenge?</p> <p>d) Can the Board provide an update on the progress in strategic partnerships and alliances to access new markets, as discussed in the last AGM?</p>
<b>MKH Berhad (AGM)</b>	<p>An individual customer with sales amounting to RM287.9 million (FY2023: RM187.52 million), representing 27% (2023: 18%) of the total revenue [page 291 of AR2024].</p> <p>a) Who is the individual customer that contributed 27% of the Group's total revenue in FY2024? To which business were the sales related to?</p> <p>b) How did the individual customer chalk up such a high level of sales with MKH? What credit risk assessments were conducted to ensure the customer's ability to meet payment obligations? Has the Group encountered any collection issues with this customer? Additionally, has the Company made any provisions, write-downs, or write-offs related to the outstanding amount for this individual customer? If so, what is the amount recorded?</p> <p>c) Revenue contribution from the individual customer increased to 27% from 18% the year before. Does MKH see the trend as a growing revenue concentration risk? If so, what should the Company do to further diversify the clientele base?</p> <p>d) As of the reporting date, MKH has no significant concentration of credit risk on trade receivables, except for an individual customer with a balance amounting to RM38.5 million (FY2023: RM38.5 million), representing 25% (2023: 28%) of the total trade receivable balances [page 294, Note 43 (i) – Credit Risk, AR2024].</p> <p>The amount pertains to a loan granted by a subsidiary of MKH to a third party for a joint venture land development agreement entered between the third party and another subsidiary of MKH [page 249, Note 20 – Receivables, deposits and prepayments, AR2024].</p> <p>Is this loan related to the individual single customer mentioned earlier? Please name the JV, subsidiaries and the third party involved in the transaction.</p>
<b>Digistar Corporation Berhad (AGM)</b>	<p>The Malaysian minimum wage increased from RM1,500 per month in 2024 to RM1,700 per month as of 1 February 2025.</p> <p>a) How many of the Group's employees are affected by the change in minimum wage?</p> <p>b) To what extent will a minimum wage increase impact the Group's cost of doing business and profitability?</p> <p>c) With the expected higher labour cost, to what extent will the Group adjust its hotel room rates, going forward?</p>