

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

New Straits Times, Business Times – Monday, 22 May 2023

MSWG AGM/EGM WEEKLY WATCH

22 - 26 MAY 2023

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 22 - 26 May 2023.

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 | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------------------|--|--------------------------|--------------------------|--------------------------|---------------------|------|------|-------|------|------|------|-------|------|------|------|-------|------|------|------|-------|------|------|------|-------|------|
| Comfort Gloves Berhad (AGM) | The Group was also affected by an escalating cost structure on the back of supply chain disruptions and global inflationary pressures which resulted in higher cost of industrial chemicals used in its production, freight cost and packaging materials. Its overall manufacturing cost was also further escalated due to the hike in natural gas tariff which increased by approximately 59% during FYE 2022 as well as higher labour cost. (page 31 of AR 2022) Have supply chain disruptions, higher cost of industrial chemicals, freight cost and packaging materials and natural gas tariff worsened? How does the Group manage and mitigate these problems? | | | | | | | | | | | | | | | | | | | | | | | | |
| UOA Development Berhad (AGM) | In the Group's Cash Flow Statement on page 93 of the Annual Report, the Group reported a positive cash inflow of RM182.6 million in FY 2022 as compared to a cash outflow of RM152.2 million in FY 2021. a) Please explain the reason for the cash outflow in FY 2021 amounting to RM152.2 million. b) Kindly provide a breakdown of the cash inflow of RM182.6 million by the category of receivables and the amount, respectively. c) What is the amount the Group has collected from the RM152.2 million in FY 2022 and is there any outstanding amount yet to be collected? If yes, what is the amount. | | | | | | | | | | | | | | | | | | | | | | | | |
| Gas Malaysia Berhad (AGM) | Despite 2022 being a record year, Gas Malaysia declared a total dividend of 22.76 sen per share for FY2022, which translates into a dividend payout of 75.1%, the lowest in the past 5 years. What is the reason for bucking the trend of paying out more than 90% of the profit as a dividend, as practised by the Company in recent years? | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>Year</th> <th>Earnings per Share (sen)</th> <th>Dividend per Share (sen)</th> <th>Dividend Payout (%)</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>14.0</td> <td>13.50</td> <td>96.4</td> </tr> <tr> <td>2019</td> <td>14.8</td> <td>14.10</td> <td>95.3</td> </tr> <tr> <td>2020</td> <td>16.6</td> <td>15.05</td> <td>90.1</td> </tr> <tr> <td>2021</td> <td>19.4</td> <td>17.67</td> <td>91.1</td> </tr> <tr> <td>2022</td> <td>30.3</td> <td>22.76</td> <td>75.1</td> </tr> </tbody> </table> | Year | Earnings per Share (sen) | Dividend per Share (sen) | Dividend Payout (%) | 2018 | 14.0 | 13.50 | 96.4 | 2019 | 14.8 | 14.10 | 95.3 | 2020 | 16.6 | 15.05 | 90.1 | 2021 | 19.4 | 17.67 | 91.1 | 2022 | 30.3 | 22.76 | 75.1 |
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| SWS Capital Berhad (AGM) | In FY2022, the Group's furniture division reported a pre-tax loss of RM2.4 million, compared to a pre-tax profit of RM2.0 million in FY2021. However, in FY2021, the furniture division benefited from a one-off gain of RM3.1 million from the disposal of land. On the other hand, the plastic wares division demonstrated remarkable growth in pre-tax profit, increasing by more than two-fold from RM3.1 million in FY2021 to RM7.3 million in FY2022 (page 17 of AR2022). a) Despite facing similar challenges and headwinds in the furniture industry, some of SWS's furniture manufacturing peers listed on Bursa Malaysia remained profitable. While these peers may have the advantage of operating on a larger scale or volume, what specific areas could SWS be lacking in that resulted in its furniture division losses, and how can SWS address these areas to compete more effectively in the market? b) How does the Group anticipate the plastic wares division to perform in the current financial year of 2023, and what specific strategies are in place to achieve this expected performance? c) Given the success and growth of the plastic wares division and the challenging outlook faced by the furniture division, what are the reasons for continuing the furniture business, which has been consistently loss-making since 2017 (excluding extraordinary gains)? Would it be more beneficial to phase out the furniture business and allocate more resources to the plastic wares division to enhance shareholder value. Does the furniture business provide any strategic value or competitive advantage to SWS? | | | | | | | | | | | | | | | | | | | | | | | | |
| Opensys (M) Berhad (AGM) | The Group is implementing Smart Teller Cash Recycler (SmartTCR) solutions for four banks as proof of concept (POC), with more POCs planned for FY2023. SmartTCR is expected to follow a similar successful path as the CRM. The market potential for SmartTCR is about 4,000 to 6,000 units for over 2,000 bank branches in Malaysia (page 27 of AR2022). a) Considering that banks might consider purchasing CRMs as a necessity due to the need for replacing their existing ATMs and CDMs, how crucial is a SmartTCR for banks compared to CRMs? Is a SmartTCR also considered a necessity or more of an optional investment for banks? b) What is the selling price of a SmartTCR and how does the maintenance fee structure and warranty period compare to that of your CRMs? c) What is the expected timeline for the implementation of SmartTCR solutions for the four banks that are currently in the POC stage? Have those banks expressed interest in mass adoption of SmartTCRs? If so, what is the number of orders expected in FY2023 and the foreseeable future? | | | | | | | | | | | | | | | | | | | | | | | | |