

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

New Straits Times, Business Times – Monday, 3 July 2023

| MSWG AGM/EGM WEEKLY WATCH | |
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| 3 – 7 JULY 2023 | |
| <p>MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 3 – 7 July 2023</p> <p>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.</p> <p>One of the points of interest to be raised:</p> | |
| <i>Company</i> | <i>Points/Issues to Be Raised</i> |
| Quality Concrete Holdings Berhad (AGM) | <p>Despite recording higher revenue of RM208.4 million for FY2023, QCHB turned loss-making with a net loss of RM2.47 million compared to a net profit of RM6.16 million in the previous year. Notably, FY2023 was the fourth year that the Group posted losses between FY2019 and FY2023.</p> <p>The weaker bottom-line performance was affected by one-off impairments of RM4.1 million on properties, plants, and equipment (PPE) of the underperforming Manufacturing segment. At the same time, the Manufacturing segment also saw its pre-tax loss widen to RM9.6 million from RM2.4 million in the previous financial year, in line with a lower topline year-on-year.</p> <p>a) Was the decline in market demand towards QCHB's products due to industry-wide oversupply or a mismatch between market demand and QCHB's product offerings? Has the business prospects improved since the beginning of FY2024?</p> <p>Has the Group seen a recovery in demand for its products in FY2024? What will be the strategy to effectively improve the Manufacturing segment's profitability?</p> <p>b) Referring to the RM4.1 million impairment made on PPE of the Manufacturing segment in FY2023, to which division (e.g., ready-mixed concrete, timber products, pipes) do these impairments relate to? Please provide the breakdown of the impairment by property, plant and equipment in FY2023 with the respective amount.</p> <p>Does the Group expect further impairments to be made to the PPE of the Manufacturing division?</p> |
| JKG Land Berhad (AGM) | <p>The credit impaired on trade receivables that are past due more than 91 days was RM6.38 million in FY 2023 as compared to RM1.41 million in FY 2022, an increase of RM4.97 million or 352%.</p> <p>The trade receivables for FYs 2023 and 2022 were RM28.3 million and RM39.4 million respectively. [Page 128 of AR]</p> <p>a) What are the reasons for the high credit impaired on trade receivables for FY 2023 as compared to FY 2022?</p> <p>b) Which business segment contributed to the high credit impaired amount in FY 2023?</p> |
| KYM Holdings Berhad (AGM) | <p>KYM recorded stellar financial performance for FY2023 with a net profit of RM8.93 million (FY2022: RM3.55 million) and revenue of RM120.38 million (FY2022: RM82.84 million), mainly driven by higher product selling prices and export sales of paper sacks.</p> <p>However, KYM's manufacturing segment turned red for the first quarter ended 30 April 2023, with a pre-tax loss of RM1.89 million, due to lower selling prices and a softer export market for the Multiwall Industrial Paper Sacks division.</p> <p>a) What is the outlook for the Manufacturing segment, especially the Multiwall Industrial Paper Sacks division for FY2024? Is the soft market demand expected to persist throughout FY2024?</p> <p>b) The financial performance of KYM is hinged on the Manufacturing segment, as the latter is the primary revenue and profit contributor to the Company. However, the financial contribution of the Manufacturing segment has been volatile and is highly sensitive to the business activities of its clients.</p> <p>Does the Group see the need to diversify its sources of income to mitigate the earning impact of the Manufacturing segment and better safeguard long-term business sustainability? If it does, please elaborate on the diversification plans?</p> <p>c) The paper sacks produced by KYM cater mainly for industrial use. Is it feasible or viable for the Group to expand the use of paper sacks to other applications to diversify its source of income?</p> |