

MINORITY SHAREHOLDERS WATCH GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated in Malaysia – Registration No.: 200001022382 (524989-M))

New Straits Times, Business Times – Monday, September 20, 2021

MSWG AGM/EGM WEEKLY WATCH
20 - 22 SEPTEMBER 2021

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 20 - 22 September 2021.

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

Ainomoto (M) Bhd (AGM)

Revenue from Consumer Business segment declined by 7.3% from RM334.4 million in FY2020 to RM309.9 million in FY2021. This was mainly due to lower demand of AJI-NO-MOTO® in both domestic and export markets as a result of the Movement Control Order (MCO) implemented by the Malaysian government and Middle East local authorities to contain the Covid-19 pandemic. Segment profit decreased from RM40.8 million in FY2020 to RM29.3 million or 28.2% due to lower revenue and higher advertising expenses (page 7 of Annual Report [AR] 2021).

(a) The prolonged impact of the pandemic and renewed lockdown i.e., MCO 3.0 with restrictions on social activities are expected to continue impacting out-of-home consumption. What is the Group's online/delivery strategy going forward?
 (b) How has the Group adapted to the challenges caused by the pandemic? How will the Group prepare itself for a post-pandemic environment to ensure timely business recovery and sustainability?

Supertion Holdings Bhd (AGM)

1. Other expenses have increased by approximately 251% from RM220,427 in FYE2020 to RM774,240 in FYE2021 (Page 56 of the Annual Report 2021). What are the reasons for the significant increase in other expenses?
 2. Supertion's factories in Malaysia resumed operations on 19 July 2021. Meanwhile, its factory in Vietnam continued its operations without interruptions which helped to partially mitigate the effects of the temporary shutdown (Page 2 of the Annual Report 2021).

(a) What is the current capacity of the Company's factories?
 (b) What is the current and previous year's capacity utilisation rate for the Company's factories in Malaysia and Vietnam?

Kumpulan Fima Bhd (AGM)

Manufacturing division has shown a declining revenue and profit trend since FY2017

RM million	FY2017	FY2018	FY2019	FY2020	FY2021
Revenue	233.3	140.8	134.8	134.0	101.9
Profit before tax	59.6	22.8	30.6	26.0	14.6

(a) What is the Group's strategic plan to address the manufacturing division's deteriorating financial performance, going forward?
 (b) Covid-19 pandemic adversely impacted sales of the division's local travel, transport, foreign travel and confidential documents, totalling RM34.46 million in FY2021 (page 35 of AR 2021). Given the disruption caused by the pandemic and the uncertainties over the pace of recovery, how has the Group fine-tuned its product mix and prepared itself for a post-pandemic environment to ensure timely business recovery and sustainability?
 (c) The key trends and drivers for the next 5 years for the security printing industry will see the shift from physical security printing to digital (DS)/documents, for example, a rise in card and mobile payments will impact the demand for physical banknotes, and e-passports to biometrics (facial recognition) will reduce the demand for IDs in printed forms (page 39 of AR 2021). What efforts are being taken to deal with the increasing threat from digitalisation on traditional security printing?
 (d) Currently, the division mainly services the public sector i.e. Government agencies. What are the opportunities, if any, for the Group to diversify its customer base locally or regionally to reduce its dependence on the public sector?

ELK-Desa Resources Bhd (AGM)

ELK-Desa's non-performing loan (NPL) ratio spiked to 4.9% in FY2021 (the highest since FY2017) from 1.4% a year ago, while the loan loss coverage ratio also declined substantially to 121% (the lowest since FY2017) from 220% a year ago. Nonetheless, the Company said the higher NPL ratio was expected as part of the effects of the assistance offered to borrowers (page 24 of AR2021).

(a) What is the assistance offered by the Group to affected borrowers? How does the assistance offered by the Company to borrowers give rise to the increased NPL ratio?
 (b) As of 30 June 2021, what is the size of outstanding HP loans that is still under ELK-Desa's repayment assistance program? What is the percentage of these outstanding loans in relation to total loan book?
 (c) Notwithstanding the management's view that the NPL ratio remains at a manageable level, does the Group foresee further deterioration in borrowers' repayment ability moving forward? What is the Management's target NPL ratio?
 (d) How is the recoverability of the current NPLs?

QL Resources Bhd (AGM)

On 9 August 2021, a lawsuit was initiated against QL subsidiaries, PT Pipit Mutiara Indah and QL Mutiara (S) Pte Ltd, as well as Chia Seong Fat (a director of QL) in his capacity as a director of PMI. Based on the Bursa Announcement made on 23 August 2021, the Court had on 19 August 2021 granted an adjournment and the hearing date was postponed to 2 September 2021.

(a) To-date, are there any updates or further development in relation to the matter mentioned above?
 (b) In view of the litigation, how and to what extent does the Board proactively monitor, evaluate and anticipate the reputational risks that the Group may face?