

MINORITY SHAREHOLDERS WATCH GROUP

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

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MSWG AGM/EGM WEEKLY WATCH **29 MARCH 2021 TO 2 APRIL 2021**

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 29 March 2021 to 2 April 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:

Points/Issues to Be Raised

Company
Digitar Corporation Bhd (AGM)
The total cost incurred for the Group's internal audit function in respect of the financial year ended 30 September 2020 was RM11,567,421 (2019: RM22,880,001) (page 35 of AR2020).

(a) What is the reason for the huge decrease in fees incurred for the internal audit function of the Group? How many internal audit reports were issued during FYE 2020?
(b) Given that the fee is rather small (approximately RM963,95 per month), how does the Audit and Risk Management committee assure itself that there would be adequate coverage and that the audit function is effective?

Visdynamics Holdings Bhd (AGM)
Inventories of raw materials increase significantly to RM9.8 million (2019: RM5.5 million) (Note 8, page 80 of AR2020).

(a) Given the rising trend of commodity prices such as metal, aluminium, copper etc, is there any increase in raw material cost? To what extent has cost of raw materials increased?
(b) If commodity prices continue to rise, how will it impact the Group going forward?

Eco World International Bhd (AGM)
The Group had undertaken various initiatives to improve the cost structure for greater operational efficiencies and to ensure that the Group is able to weather any further storms in the future. (page 13 AR)

(a) What are the various initiatives which the Group has embarked on for greater operational efficiency?
(b) By how much have the overhead costs been reduced in FY 2020 compared to FY 2019?
(c) What are the overhead costs that the Group has successfully reduced in FY 2020?

LPI Capital Bhd (AGM)
LPI's Net Claims Incurred Ratio (CIR) improved to 41.2% in FY2020 from 43.9% in the previous year. In turn, this had contributed to lower Combined Ratio - a direct measure of insurer's profitability to 69.5% for the period January - September 2020 as compared to the industry average of 89.4% (page 19 & 22 of Annual Report 2020).

However, the decline in the net CIR was mainly due to a moderation of Malaysian economic activities due to movement control measures.

What is the expected net CIR for FY21 given that the Malaysian economy is recovering from the crisis in 2020?

How will the expected performance of net CIR in FY21 influence LPI's profitability in FY21?

BIMB Holdings Bhd (CCM)
The Proposed Scheme of Arrangement (SOA) will entail the payment of cash of RM0.38 per warrant to the holders of BIMB's outstanding warrants 2013/2023 (BIMB-WA).

a) If the resolution is unable to garner the 75% approval rate, would the Board address the outstanding warrants with new warrants in Bank Islam (page 19 of the Circular dated 8 March 2021)?
b) Referring to Question 1(a), if the warrant replacement option is being considered, could the Board share the expected impact on the warrant-holders in terms of the value and the timing of the issuance of the new warrant?
c) Will Syarikat Takatul Malaysia Keluarga Berhad be involved in the warrant replacement exercise?

Eco World Development Group Bhd (AGM)
The Group has written down inventories of RM98.8 million in FY2020 (FY 2019 Nil) (page 75 of AR). Please provide a breakdown of RM98.8 million impairment?