

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 15 - 17 JUNE 2020

For this week, the following are the AGMs/EGMs of companies which are in the Minority Shareholders Watch Group's (MSWG) watch list.

The summary of points of interest is highlighted here, while the details of the questions to the companies can be obtained via MSWG's website at www.mswwg.org.my.

The AGMs/EGMs for the week:

Date & Time	Company	Venue
15.06.20 (Mon) 09.30 am	British American Tobacco (M) Bhd (AQM)	Infiniti Room, Level 16, Guoco Tower, Damansara City, Damansara Height, KL
15.06.20 (Mon) 10.00 am	Chemical Company of Malaysia Bhd (AQM)	Boardroom of CCM Bhd, 13th Floor, Menara PNB, Jalan Tun Razak, KL
15.06.20 (Mon) 03.00 pm	Maxis Bhd (AQM)	Broadcast Venue at Symphony Square Auditorium, Jalan Prof. Khoo Kay Kim, PJ
16.06.20 (Tue) 10.00 am	Petronas Chemicals Group Bhd (AQM)	Broadcast Venue at Meeting Room 4003, Level 40, Tower 1, Petronas Twin Tower, KLCC
17.06.20 (Wed) 10.00 am	Duopharma Biotech Bhd (AQM)	Broadcast Venue at the Tricor Business Centre, Vertical Business Suite, Bangsar South
17.06.20 (Wed) 11.00 am	MSM Malaysia Holdings Bhd (AQM)	Alpha Meeting Room (Broadcast Venue), Level 21, Wisma FGV, Jin Raja Laut, KL

One of the points of interest to be raised:

Points/Issues to Be Raised

British American Tobacco (M) Bhd (AQM)

BATM said illegal tobacco trade flourished further during Movement Control Order (MCO) period due to its wide accessibility. Besides, household spending on alcohol and tobacco during MCO period also fell significantly as consumers were cautious in their spending habit.
How would these affect BATM's performance in FY2020 against the backdrop of the existing unresolved issues?

Chemical Company of Malaysia Bhd (AQM)

Due to a fire incident at the RAPID site on April 2019, CCM's expectation of a caustic soda supply to PETRONAS pursuant to the contract did not materialise as planned and there is an expected delay towards the end of 2020. [Page 11 of ARI].
(a) Were there any payment of penalty or any serious repercussions arising from the delay? Is the supply now expected to be on schedule?
(b) What is the estimated value of the contract?

Maxis Bhd (AQM)

The Group will be delivering operational cost savings of RM1 billion over the next three years to bring about greater efficiencies and fund its growth agenda.
[Page 22 of Integrated Annual Report – IAR]
(a) Has the Group been able to achieve any operational cost savings (please state the areas and amount, if any) in FY 2019?
(b) In which areas, and how, would the Group be able to deliver the cost savings over the next three years?

Petronas Chemicals Group Bhd (AQM)

Share of profit of equity accounted joint ventures and associates, net of tax shows a loss of RM54 million in FY2019 compared to a profit of RM108 million in FY2018 [Page 108 of IRI].
(a) Which entities contributed to the loss and what were the reasons for the loss?
(b) Is the situation expected to be better and will the entities become profitable in FY2020?

Duopharma Biotech Bhd (AQM)

Investment into highly liquid investments with financial institutions has increased 87.2% year-on-year to RM42.87 million from RM22.9 million in FY18 [Note 11, Notes to the Financial Statements, AR2019].
What is the rationale for these liquid investments? What are the financial instruments invested in? Are these interest-bearing instruments? If yes, what is the weighted average interest rate offered by these investments?

Selling Price and Profit Margins

(a) The issuance of approved sugar permits (AP) to foreign producers has resulted in increased competition with pressured margins and reduced average selling prices. In October 2019, MSM's management increased the selling price to the wholesale segment and this resulted in lower volume from the wholesale segment and increased volume in the industry segment. [Page 36 of the Annual Report]. How will the company achieve a strategic balance between the selling price and the sales volume to ensure its competitiveness and profitability?
(b) The Company's profit margin reduced significantly from 8.9% in 2018 to 0.73% in 2019. Please explain the reasons for the significant decrease in profit margins.

MSM Malaysia Holdings Bhd (AQM)

	2019 RM '000	2018 RM '000
Sales	2,006,911	2,214,376
Cost of Sales	1,992,260	2,016,022
Gross Profit	14,651	198,354
Gross Profit Margins	0.73%	8.9%