

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 21 – 22 SEPTEMBER 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
21.09.20 (Mon) 10.00 am	Superton Holdings Bhd (AGM)	Darau 3-5, Kota Permai Golf & Country Club, Kota Kemuning, Shah Alam
21.09.20 (Mon) 10.00 am	LEE Corporation bhd (AGM)	4th Floor, Campbell Complex, Jalan Dang Wangi, Kuala Lumpur
21.09.20 (Mon) 11.00 am	Emrico Holdings Bhd (AGM)	The Conference Room of Emrico Holdings Bhd, Lebuhraya Kg. Jawa, Bayan Lepas
22.09.20 (Tue) 10.00 am	IJM Corporation Bhd (AGM)	Broadcast Venue at the Multipurpose Hall, Wisma IJM, Jalan Yong Shook Lin, PJ
22.09.20 (Tue) 10.30 am	RCE Capital Bhd (AGM)	Main Hall Level 1, PJ Tower, Jalan Persiaran Barat, PJ
22.09.20 (Tue) 10.30 am	Brem Holdings Bhd (AGM)	Crystal Crown Hotel Harbour View Port Klang, Persiaran Raja Muda Musa, Klang

One of the points of interest to be raised:

Company

Points/Issues to Be Raised

Superton Holdings Bhd (AGM)
Some of the reasons why Superton's GP Margin retreated to 27% (FYE 2019: 29%) are as follows:-

- (a) the export revenue mix constituted a higher level of insulation sales to lower margin markets during the financial year;
 - (b) the competitive business environment;
 - (c) trading sales, which generate lower margins relative to the insulation sales, contributed to a larger percentage of our revenue. (Page 9 of the Annual Report 2020)
- How will the Board plan to address these events?

LFE Corporation Bhd (AGM)
As of 22 April 2020, LFE has successfully secured a new project and 4 sub-projects. These new projects have contributed approximately RM53.6 million of order book for the Company.

- (a) What is the total order book for the company currently? How long is this order book expected to last?
- (b) Any major jobs which the Company will be tendering? What is the estimated value?
- (c) What is the success rate of tender application?

Emrico Holdings Bhd (AGM)
The Company posted profit after tax of RM244k for FYE 2020 compared to RM 1.47 million in FYE 2019 which translates to a decline of more than 500%. As one of the biggest plastic trophy manufacturers in the world, the company reported that 50% of its FYE 2020 revenue of RM26.5 million was derived from the trophy business. (Page 13 of AR 2020)

- (a) What are the Company's plans to reduce its dependence on the trophy business which has been severely affected by the Covid-19 pandemic as events are being curtailed on a massive scale thus slashing demand for trophies?
- (b) In FYE 2020, 50% of the Company's revenue came from the European market. Given that European businesses had been hit adversely by the pandemic, what are the Company's plans of looking for alternative markets?

IJM Corporation Bhd (AGM)
IJM has recorded a revenue of RM7,075,072 in FY2020. It was the highest revenue since FY2016. However, the Group has recorded a profit before taxation of RM517,765, which was the lowest since the FY2016 (Page 38 of the Annual Report 2020). How does the Board plan to address the bottom-line result situation, moving forward?

RCE Capital Bhd (AGM)
RCE saw a sharp increase of 59% in allowance for impairment loss on receivables in Q1FY21 to RM7.16 million, as compared to RM4.5 million in Q1FY20, after taking into account the unfavourable impact arising from the further contraction of the forecasted real GDP.

- (a) Considering the 17% contraction in Malaysia's second quarter GDP growth and worsening economic outlook, will the situation of increased impairment allowance persist for the rest of FY21?
- (b) RCE's gross impaired financing improved to 7.1% in FY20 from 7.4% in FY19. Where does RCE's GIL ratio stand as compared with other banks and financial institutions in the personal financing segment? How will the GIL ratio perform in FY21 considering current economy condition and forward-looking macroeconomic variables?

Brem Holdings Bhd (AGM)
There is a net impairment loss of receivables of RM8,252,597 recorded in FY2020 (FY2019: RM330,957) (Page 52 of the Annual Report 2020).

- (a) Why is there such a high increase in impairment loss? Which receivables are subject to the impairment loss?
- (b) Is the amount recoverable?
- (c) What are the measures taken to collect the receivables?
- (d) How much of the impairment loss on the receivables have been recovered to-date?