

## MSWG AGM/EGM Weekly Watch 8 -12 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.mswg.org.my](http://www.mswg.org.my).

Date & Time	Company	Broadcast Venue
09.06.20 (Tue) 10.00 am	Malakoff Corporation Bhd (AGM)	Broadcast Venue, Block 4, Plaza Sentral, KL Sentral
09.06.20 (Tue) 10.30 am	CAB Cakaran Corporation Bhd (AGM)	Broadcast Venue, CAB Cakaran Corp. Bhd, Seberang Jaya Industrial Park, Perai, Penang
09.06.20 (Tue) 11.00 am	Tiger Synergy Bhd (AGM)	Broadcast Venue, T3-13A-20, Level 3A, Menara 3, 3 Towers, Jalan Ampang, KL
09.06.20 (Tue) 02.00 pm	Bumi Armada Bhd (AGM)	Broadcast Venue, Kuala Lumpur Room, Level 21, Menara Perak, Jalan Perak, KL
10.06.20 (Wed) 10.00 am	Petronas Dagangan Bhd (AGM)	Broadcast Venue at Meeting Room 4003, Level 40, Tower 1, Petronas Twin Tower, KLCC
10.06.20 (Wed) 10.00 am	Telekom Malaysia Bhd (AGM)	Broadcast Venue at Kristal Hall, TM Convention Centre, Menara TM, Bangsar
11.06.20 (Thur) 10.00 am	Sime Darby Plantation Bhd (AGM)	Broadcast Venue: Auditorium, Plantation Tower, Ara Damansara, PJ
11.06.20 (Thur) 10.30 am	Press Metal Aluminium Holdings Bhd (AGM)	Broadcast Venue, Suite 61 & 62, Setia Avenue, Setia Alam Seksyen U13, Shah Alam
12.06.20 (Fri) 10.00 am	OSK Holdings Bhd (AGM)	Broadcast Venue at Board Room, Plaza OSK, Jalan Ampang, KL
12.06.20 (Fri) 10.00 am	Sunsuria Bhd (AGM)	Comitted Meeting Room, Suite 8 Main Tower Sunsuria Avenue, Kota Damansara
12.06.20 (Fri) 10.00 am	PPB Group Bhd (AGM)	Broadcast Venue, Tricor Business Centre, Manuka 2 & 3, Vertical Business Centre

### One of the points of interest to be raised:

Company	Points/Issues to Be Raised
Malakoff Corporation Bhd (AGM)	The government has rolled out of the 10-year Malaysia Electricity

	<p>Supply Industry 2.0 (MESI 2.0) master plan.</p> <p>The master plan intends to do away from the current long and fixed period of Power Purchase Agreement (PPA) regime to a capacity and energy market.</p> <p>In addition, power generators will be allowed to source own fuel to optimise cost, as opposed to sourcing from Tenaga Nasional Bhd (TNB) and Petroliam Nasional Bhd only.</p> <p>(a) How does a capacity and energy market mechanism differ from the existing PPA model that promises guaranteed capacity and energy payment? How will such change affect or benefit Malakoff's power generation business in Malaysia?</p> <p>(b) How will the Company benefit from the liberalisation of the fuel procurement market to IPPs under MESI 2.0?</p> <p>(c) MESI 2.0 also talks about the opening up of the electricity retail market where the industry is opened to multiple suppliers who can offer competitive packages to consumers. Will this be the next segment of growth for Malakoff?</p> <p>(d) What are the other changes the Company is expected to see in local power industry with the rollout of MESI 2.0?</p>
<p>CAB Cakaran Corporation Bhd (AGM)</p>	<p>The Group's allowance for impairment losses on trade receivables increased significantly to RM19.6 million (2018: RM11.4 million) (Note 25, page 149 of AR2019).</p> <p>(a) How much of the allowance for impairment losses of RM19.6 million are attributable to related parties?</p> <p>(b) How much of the RM19.6 million of the allowance for impairment losses are aged more than one year?</p> <p>(c) What actions have been taken to recover the said amount?</p> <p>(d) To-date, how much of the impaired trade receivables have been recovered?</p>
<p>Tiger Synergy Bhd (AGM)</p>	<p>The Group's has impaired 90.9% (RM9.78 million) of its Trade Receivables of RM10.76 million in FY2019. The reason for the high impairment is due to one single customer's trade receivable constituting 71% of the total Trade Receivables that is uncollectable.(page 118 of Annual Report)</p>

	<p>(a) What is the nature of the single customer's debt? What measures have the Company taken to recover the debt?</p> <p>(b) What are the measures the Company has taken to reduce the concentration of single-customer risk moving forward?</p> <p>(c) The high impairment charge is indicative of internal control weaknesses in Group's/Company's Finance/Credit Control Department. What are the measures taken to improve policies and procedures, including the credit control processes, to ensure such high impairment will not recur?</p>
Bumi Armada Bhd (AGM)	<p>One of the key targets outlined by the Company in 2019 is to monetise assets that are unlikely to contribute positively in the short to medium-term of the Group's financial position in 2019.</p> <p>(a) What are the types, and monetary value, of assets the Group has identified to monetise in FY 2019?</p> <p>(b) What is the financial impact from the monetised assets to the Group's financial position in FY2019?</p> <p>(c) Will the Company continue to monetise assets in FY 2020 and what will be the amount?</p>
Petronas Dagangan Bhd (AGM)	<p><u>Current Economic Conditions and the Impact of COVID-19</u></p> <p>The company stated that it will accelerate the pace of transformation going forward (Page 20 Integrated Annual Report); this is also further described in the Management Discussion and Analysis (Page 54 Integrated Annual Report).</p> <p>How will the COVID-19 outbreak and the lockdown in Malaysia, aggravated by falling oil prices, impact the company in relation to its transformation program going forward.</p>
Telekom Malaysia Bhd (AGM)	<p>Based on the segment reporting, TM ONE has the highest EBIT and the highest EBIT margin. (Page 20 of FS 2019)</p> <p>In view of this, is TM focusing more on this segment? What measures have been taken to further grow this segment more aggressively?</p>
Sime Darby Plantation Bhd (AGM)	<p>Upstream operations continued in its implementation of efficiency improvement and cost reduction initiatives (page 61 of AR2019). Cost reduction initiatives will be one of the main drivers of improvement in 2020 and beyond (page 64 of AR2019).</p>

	<p>(a) How much cost reduction was achieved by the Group for FY2019?</p> <p>(b) What would be the targeted percentage of cost reduction in financial year ending 2020?</p> <p>(c) Would any of the cost cutting measures in financial year ending 2020 involve fees/salary reduction or lay-offs?</p>
Press Metal Aluminium Holdings Bhd (AGM)	The Group's EBITDA margin registered a decreasing trend since FY2016 (Page 8 of the Annual Report 2019). What steps are being taken to reverse the trend?
OSK Holdings Bhd (AGM)	<p>The Capital Financing Division recorded a revenue of RM70.1 million and a PBT of RM34.4 million in FY2019 compared with revenue of RM60.9 million and a PBT of RM26.9 million in FY2018. (page 20 of Annual Report)</p> <p>What is the impact of lower OPR rate on the Division's PBT in FY2020?</p> <p>(a) Please explain the impact of the Covid-19 pandemic on the Division's delinquent borrowers. Has the Company extended any financial relief, like the deferment of loan repayment period to the borrowers, so that they can ride through this difficult period?</p> <p>(b) What measures have the Company taken to enable the Division to operate in the 'new normal' environment?</p> <p>(c) What are the Non-Performing Loan ("NPL") ratios for the Division for both FYs 2019 and 2018</p>
Sunsuria Bhd (AGM)	<p>The Group's subsidiary, Sunsuria Forum Sdn. Bhd. ("SFSB") reported a lower revenue of RM21.0 million in FY 2019 as compared to RM255.3 million in FY 2018.</p> <p>SFSB recorded a loss after tax of RM7.3 million in FY2019 as compare to a profit after tax of RM101.3 million in FY 2018. (pages 124 &amp; 125 of Annual Report)</p> <p>(a) What are the reasons for SFSB recording a lower revenue and a higher loss in FY 2019?</p> <p>(b) What is the outlook of SFSB in FY 2020?</p> <p>(c) Why did the Company subscribe for the 2.55 million new SFSB</p>

	<p>shares for RM44.37 million (issue price of RM17.4 per share) on 4 April 2019?</p>
<p>PPB Group Bhd (AGM)</p>	<p>Increase in Freight Costs</p> <p>In relation to the transactions related to subsidiaries of associates, the freight costs increased from RM52 million to RM131million. (Page 169, Financial Statements)</p> <p>Please explain the nature of these freight costs. Why was there a significant increase compared to the previous year?</p>