

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

New Straits Times, Business Times – Monday 30 October 2023

MSWG AGM/EGM WEEKLY WATCH
30 OCTOBER – 3 NOVEMBER 2023

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 30 October – 3 November 2023.

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
Hong Leong Bank Berhad (AGM)	<p>Notwithstanding a 27% y-o-y increase in the gross impaired loans, advances and financing (LAF) to RM1.04 billion from RM819.75 million in FY2022 (page 226 of AR2023), HLB's loan loss provision was up marginally at RM1.76 billion (FY2022: RM1.74 billion), resulting in a significantly lower loan impairment coverage (LIC) ratio of 168.8%, compared to 212% and 247% in FY2022 and FY2021.</p> <p>a) What stance does the Bank take in providing impairment for potential loan loss moving forward? Was the lower LIC ratio suggesting that the Bank now adopts a less conservative approach in providing provisions for doubtful loans, compared to the high level of buffer provided during the COVID-19 pandemic?</p> <p>b) Was the uptick in gross impaired LAF primarily driven by the expiry of the Payment Relief Assistance Plan (PRAP)? What is the risk of impairments of the RM1.4 billion amount under PRAP?</p>
Pensonic Holdings Berhad (AGM)	<p>The Group reported a loss before tax of RM2.5 million, compared to a profit before tax of RM14.8 million in the previous year. The lower revenue impacted on the overall financial performance, leading to the loss. [Page 10 Annual Report 2023]</p> <p>The administrative expenses increased by 7.5% to RM29.8 million as compared to the previous year [Page 60 of Annual Report 2023]</p> <p>Has the Group set targets for reducing fixed costs in FY2024 to improve its bottom line? If so, please elaborate on the targets in addition to the cost control strategies mentioned on page 12 of the Annual Report 2023.</p>
KUB Malaysia Berhad (AGM)	<p>As at 30 June 2023, KUB held cash and cash equivalents of RM405.6 million against total borrowings of RM41.1 million. This made KUB a net cash company with net cash amounting to RM364.5 million, or equivalent to 65.5 sen per share based on total issued shares of 556.46 million shares [Pages 75, 76 of AR2023]</p> <p>As a comparison, the shares of KUB are traded at 55 sen as of 10 October 2023. The cash and cash equivalents made up 62.6% of KUB's total assets of RM647.5 million.</p> <p>It was mentioned in the last AGM that KUB planned to conserve as much cash as possible as KUB was exploring several organic and inorganic expansion opportunities.</p> <p>a) Please elaborate on the possible directions for KUB's expansion.</p> <p>b) Will KUB consider short-term investments which generate better yield of return than bank interest while exploring expansion opportunities?</p>
Hong Leong Financial Group Berhad (AGM)	<p>For FY2023, the New Business Embedded Value (NBEV) of Hong Leong Assurance Berhad (HLA) was lower at RM178 million compared to RM200 million in the previous year, attributed to lower new business regular premium (NBRP) from agency and bancassurance channels.</p> <p>a) Moving on, HLA will focus on building a productive and professional agency to improve the distribution of its products. What are the strengths and weaknesses identified among HLA's agency force?</p> <p>b) What is the retention rate of HLA's customers and the average policy size per customer? What is the propensity of existing customers to renew their policies? On average, what is the cost of acquiring a new customer versus retaining an existing customer?</p> <p>c) As HLA's agency force is gradually pivoting towards distributing more protection products, resulting in higher protection and lower savings premium mix ratio of 38:62 versus 24:76 in FY2022 (page 29 of AR2023). Why does the agency force shift its focus to distribute more protection products? What does this mean to HLA in terms of margin and profitability? If such a trend persists, would this result in higher claims ratio moving forward?</p>