

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

New Straits Times, Business Times – Monday 23 September 2024 (Part 1)

MSWG AGM/EGM WEEKLY WATCH
23 - 27 SEPTEMBER 2024

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 23 - 27 September 2024.

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
APB Resources Berhad (AGM)	<p>The acquisition of 70,000,000 shares, representing a 10.41% equity stake in Globetronics Technology Berhad ("Globetronics") for a total cash consideration of RM140,000,000 was completed on 16 February 2024. (Page 110 of Annual Report 2024)</p> <p>The cash consideration of RM2.00 per share represents a premium of 13.64% to the 5D-volume weighted average market price (VWAMP) of Globetronics Share up to and including 15 December 2023, being the last trading date immediately prior to the announcement of the acquisition of Globetronics of RM1.76.</p> <p>However, the share price of Globetronics has been trading well below RM2.00 for the past six (6) months. It was trading at RM0.53 on 17 September 2024.</p> <p>(a) As RM95 million of the purchase consideration was financed through bank borrowings at a 6.15% interest rate, while RM45 million was financed through internally generated funds, what is the Company's effective total cost of the acquisition when factoring in interest payments over the next seven years and implicit cost of using internally generated funds?</p> <p>(b) Given the recent decline in Globetronics' share price, how sensitive is the overall return to further market volatility of shares in Globetronics?</p> <p>(c) What is the Company's plan for its investment in Globetronics? Will the Company continue to invest in it, or is there a strategy to phase it out and redirect resources to more promising opportunities?</p>
George Kent (Malaysia) Berhad (AGM)	<p>The Group closed FY2024 with revenue of RM134.45 million and a loss before tax of RM25.70 million. The loss is primarily due to the impairment loss on property, plant and equipment of an associate, impacting the share of results of associates and impairment loss on investment in an associate (Page 16 of AR 2024).</p> <p>(a) What exactly caused the impairment loss on property, plant and equipment of an associate? What is the probability of the impairment loss being reversed in FY 2025? What were the specific causes behind the impairment loss on property, plant, and equipment of the associate? What is the likelihood of these impairment losses being reversed in FY2025?</p> <p>(b) What is the Group's outlook for FY2025, and when is it expected to return to profitability?</p>
AT Systemization Berhad (AGM)	<p>In reply to MSWG's question dated 25 September 2023, it was mentioned that the Company had implemented or planned to implement key strategies such as expanding market share and market reach by developing new products, entering new segments and exploring new opportunities.</p> <p>(a) What action has the Company taken to increase its market share and market reach? Has the Company secured any new customers during FYE 2024?</p> <p>(b) Despite the efforts to increase efficiency and increase customer satisfaction and loyalty, the Group reported a loss before tax of RM85.47 million (FYE 2023: RM82.70 million). What is the Board's view on the overall effectiveness of these strategies?</p>
LB Aluminium Berhad (AGM)	<p>Moving forward, the Group aims to enhance automation in its production lines, expand solar photovoltaic system capacity, and closely monitor operational efficiency to reduce production costs (Page 85 of AR2024).</p> <p>(a) What was the Group's utilisation rate for the Aluminium Segment in FY2024 compared to the previous year?</p> <p>(b) What is the targeted level of automation in the production lines for the coming year, and what progress was made in FY2024 toward achieving this target?</p> <p>(c) Besides improving automation and increasing the use of renewable energy, what other key initiatives does the Group plan to undertake to reduce production costs?</p>
Superton Holdings Berhad (AGM)	<p>Gross profit margin increased to 33.6% (FYE 2023: 25.2%) for the Insulation Division mainly due to lower raw material cost, favourable foreign exchange rate movement, relatively more sales to higher margin markets and production efficiency contributed by factories in Vietnam (Page 8 of AR2024).</p> <p>(a) Please provide insights into the price trends of its major raw materials and the Group's insulation products over the past two years.</p> <p>(b) Which specific countries contributed to the higher profit margins compared to the previous year? Are these sales expected to be sustainable moving forward, and what are the Group's strengths and strategic initiatives to maintain its competitive advantage in these markets?</p> <p>(c) What were the annual installed capacities and utilisation rates of the factories in Malaysia and Vietnam in FY2024? Additionally, what percentage of the manufacturing processes are currently automated?</p>

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Iris Corporation Berhad (AGMa)	<p>Trusted ID division achieved a 7% increase in revenue to RM369.1 million in FY2024, driven by increased delivery of ePassports and eID cards. Meanwhile, PBT jumped 64% to RM63.9 million. Moving forward, the Group expects to continue to derive revenues from its on-going Trusted ID projects in Africa and Asia regions. (page 5 of AR 2024)</p> <p>(a) How much was the total orderbook secured by the Trusted ID division in FY2024? How does it compare to a year ago? (b) What is the Group's latest outstanding orderbook, and what is its breakdown by region? (c) What is the Group's target orderbook replenishment for FY2025? (d) What is the outlook for the remainder of FY2025, particularly in terms of revenue and profit margins?</p>
Talam Transform Berhad (AGM)	<p>In 2024, the Group had successfully negotiated with IJM Group to extend the repayment of RM235.76 million owing to them by two years to 21 May 2026 with terms to incorporate an amicable arrangement to set off a property to IJM Group to partially settle the amount and to charge certain properties to them as collateral for the balance. (Page 18 of AR)</p> <p>(a) Where is the location and value of the property that the Group has identified as part of the settlement of the amount owing to IJM Group? (b) What were the values and locations of the properties the Group has charged to IJM Group as collateral for the balance of amount owed to IJM Group? (c) Why did the Company not settle the debt owing to IJM Group by way of disposal of the Company's lands as this will not incur additional finance cost on the outstanding amount owed? (d) What is the interest rate charged by IJM Group?</p>
Farm Fresh Berhad (AGM)	<p>1. Today, the Company is a fully integrated dairy producer, operating seven dairy farms and four processing facilities across Malaysia and Australia. Having ascended to the position of Malaysia's largest integrated producer of dairy products, the Company is poised to further expand its presence within the Asia Pacific region. (page 8-9 of IAR 2024)</p> <p>(a) Apart from establishing its presence in Australia and the Philippines, which other countries does the Company intend to penetrate and what is the timeline? (b) As noted on page 242 of IAR 2024, Australia's operation shows a segment loss of RM8.9 million in FY2024. Please explain how and what mainly contributed to its loss. What is the outlook for FY2025?</p> <p>2. In May 2023, the Company completed a 65% acquisition of The Inside Scoop Sdn. Bhd., followed by a 70% acquisition of Sin Wah Ice Cream Sdn. Bhd. in October 2023. (page 28 of IAR 2024)</p> <p>How and to what extent have both the acquired companies contributed or added value to the Group?</p>
XL Holdings Berhad (AGM)	<p>In FYE 2024, the revenue from the Food Segment continued to be the primary contributor to the Group, comprising 62.7% of the total revenue. However, the segment reported lower average monthly revenue of RM3.69 million in FYE 2024 compared to RM4.13 million in FPE 2023 (Page 21 of AR2024).</p> <p>(a) At the last AGM, the Group indicated that the food segment would be a focus for business expansion and that demand for food products was expected to increase gradually. Please explain the reasons for the lower average monthly revenue in FYE 2024, and what challenges the Group encountered in expanding this segment? (b) The food segment reported a loss after tax of RM500,059, compared to a profit after tax of RM1.09 million in FPE 2023. What were the reasons for this shift to a loss-making position? How does the gross profit margin of the food segment compare to FPE 2023?</p>
NTPM Holdings Berhad (AGM)	<p>Despite recording higher year-on-year revenue of RM905.5 million (FY2023: RM868.3 million) and profit before tax of RM6.8 million (FY2023: RM174K) (Page 93 of AR2024), the Group recorded a loss after taxation of RM7.9 million in FY2024, an increase of 34.2% as compared to the loss after taxation of RM5.9 million in FY2023. The Group's effective tax rate for FY2024 is higher than the statutory tax rate mainly due to the unutilised tax losses of certain subsidiaries, where deferred tax assets were not recognised as the recognition criteria were not satisfied (Page 3 of the Annual Report 2024/AR2024).</p> <p>(a) Does NTPM expect this taxation aspect to continue to affect its bottom-line result in FY2025? If so, please explain. (b) What can the management do to lessen any potential adverse impact in the future?</p>