

MINORITY SHAREHOLDERS WATCH GROUP

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

New Straits Times, Business Times – Monday, 18 September 2023 Part 1

MSWG AGM/EGM WEEKLY WATCH

18-22 SEPTEMBER 2023

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 18-22 September 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
See Hup Consolidated Berhad (AGM)	<p>1. The accumulated impairment losses due from subsidiary companies increased significantly from RM168,000 in FYE2022 to RM7.2 million in FYE2023 (page 160 of AR2023).</p> <p>a) What specifically caused the impairment losses and which subsidiaries contributed to the impairment? What is the likelihood of further impairment in the near term?</p> <p>b) What is the likelihood of further impairment or reversal or recoverability in FY2024?</p> <p>2. The allowance for impairment losses on trade receivables grew substantially from RM385,955 in FYE2022 to RM7.8 million in FYE2023 (page 84 of AR2023).</p> <p>a) What were the causes for the substantial increase in allowance for impairment losses on trade receivables?</p> <p>b) How much of these impairments have been recovered to-date?</p> <p>c) What percentage of these impairments are expected to be non-recoverable?</p> <p>d) Will the impairments likely go up in the future?</p>
Land & General Berhad (EGM)	<p>Will the Company enter into similar Business Venture & Shareholders' Agreement with LGT in the future? If yes, how many such Business Venture & Shareholders' Agreements are expected and what will be the reasons for the increase in such business ventures?</p>
Land & General Berhad (AGM)	<p>In the investment properties, there is an amount of RM14.46 million grouped as "construction work in progress" of which RM10.04 million was subsequently transferred out in FY 2023. (Page 158 of AR)</p> <p>a) What is the property type grouped under "construction work in progress" and where is the location of the property?</p> <p>b) Are the investment properties from the "construction in progress" leased out or sold?</p> <p>c) If leased out, what is the annual rental yield?</p> <p>d) If it is sold, what was the financial impact of the disposal on the Group and who is the buyer?</p>
Iconic Worldwide Berhad (AGM)	<p>In Q4FY2023, IWB made a one-off impairment amounting to RM16.69 million (FY2022: nil) on the value of its personal protective equipment (PPE) inventories. As a result, IWB turned loss-making in FY2023 with a pre-tax loss of RM25.94 million compared to a pre-tax profit of RM12.3 million in FY2022.</p> <p>a) Why was there such significant inventories write-down or write-off?</p> <p>b) What is the breakdown of impairment on written-down and written-off inventories by types of PPE?</p> <p>c) What is the estimated amount that may be salvaged from the written-down inventories?</p> <p>d) At what prices are IWB looking to sell the PPE inventories, and how does this compare to the procurement price?</p>
MNRB Holdings Berhad (AGM)	<p>1. Despite posting better financial performances in FY2023 with a 14% and 4.4% increase in revenue and net profit to RM3.71 billion and RM119.47 million, respectively, MNRB did not distribute dividends to shareholders. As a comparison, the Company declared a cash dividend of 2.5 sen per share, totalling approximately RM19.6 million in FY2022. Why did the Company not declare dividends in FY2023 despite the better financial performance?</p> <p>2. Insurance and reinsurance players globally have committed to transitioning their insurance and reinsurance underwriting portfolio to net zero greenhouse emissions, as well as gradually phasing out from ESG-negative and sensitive industries.</p> <p>a) From MNRB's perspective, is it realistic for the Company to set such targets for now considering the current state of economy among emerging ASEAN countries?</p> <p>b) Has MNRB formally established sector exclusive policy to exclude certain sectors or industries from its underwriting practices?</p> <p>c) What are the strategies and approaches in integrating sustainability and ESG considerations into different segments of businesses namely reinsurance/retakaful, family takaful, and general takaful?</p>

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18 -22 SEPTEMBER 2023

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One of the points of interest to be raised:

Company	Points/Issues to Be Raised
Iris Corporation Berhad (AGM)	<p>Trusted ID posted a 66% growth in revenue to RM344.2 million in FY2023 due to the increased demand for ePassports and eID cards arising from post COVID-19 recovery. [page 5 of AR 2023]</p> <p>a) What was the total orderbook secured for the Trusted ID division in FY2023?</p> <p>b) What is the current outstanding orderbook?</p> <p>c) How long is the outstanding orderbook expected to last?</p> <p>d) Is this division actively tendering for projects? If so, what is the current tender book?</p> <p>e) What is the orderbook replenishment target for FY2024?</p>
Komarkcorp Berhad (AGM)	<p>Page 14 of the AR 2023 states: "To date, the Group has installed and is currently operating a total of 41 production lines for 3-ply face mask and 21 production line for respirator face mask. With this, the face mask business has an annual production capacity of 492 million units of 3-ply face mask and 252 million units of respirator face mask."</p> <p>a) What is the utilisation rate for the 41 production lines for 3-ply face mask and 21 production lines for respirator face mask respectively, as at 31 August 2023?</p> <p>b) Based on the current production capacity, what is the optimal utilisation rate for these production lines of face mask to reach break-even point?</p>
Eksons Corpoartion Berhad (AGM)	<p><u>Plywood Operations Division</u></p> <p>With the cessation of plywood operations on 1 January 2023, the Tawau factory has been leased out with a monthly base rent of RM25,000, with additional variable rent in excess of monthly production above 1,000 m3.</p> <p>a) Is the Tawau factory being leased out entirely or partially? Does the monthly base rent of RM25,000 reflect the market rental rate in terms of land size or building size?</p> <p>b) What is the expected return on assets for leasing the Tawau factory?</p> <p>c) Moving forward, what is the Group's long-term strategy in managing the assets under the plywood operations division, including the Sibul factory? Will the Group consider disposing the assets?</p>
Jadi Imaging Holdings Berhad (AGM)	<p>For FY2023, the Group's revenue declined 24% to RM32.8 million. The sharp fall in sales was underpinned by the lower demand from China. Meanwhile, the Group recorded a higher loss before tax of RM11.1 million compared to RM7.9 million in FY2022. This was due to higher operating costs from the increase in minimum wage and energy costs. [page 4 of Annual Report (AR) 2023]</p> <p>a) Despite a significant decline in revenue, the Group's gross profit margin (GPM) improved from 2.2% in FY2022 to 10.2% in FY2023. What was the reason for the higher GPM?</p> <p>b) Does the Group expect a rebound in sales from China market in FY2024? What is the outlook for FY2024?</p> <p>c) How much was the additional labour cost that the Group incurred in FY2023 from the increase in minimum wage? How much was the increase in energy costs?</p> <p>d) What is the budgeted capex for FY2024?</p>
Superlon Holdings Berhad (AGM)	<p>In line with Superlon's mission, Superlon unceasingly seeks to penetrate new international markets and to position Superlon as a dominant domestic player through the expansion of local market share. [Page 6 of Annual Report 2023]</p> <p>As the export sales contributed 61% (FYE 2022: 57%) of the Group's revenue in FYE 2023, please elaborate on the current strategies, targets and progress for penetrating new international markets.</p>