

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

New Straits Times, Business Times – Monday, 19 September 2023 Part 3

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
Fitters Diversified Berhad (AGM)	<p>The Group recorded a loss after tax of RM56.1 million in FY2023 mainly arising from (i) the inventories written down for property under development amounting to RM27.8 million due to rescinding of project hence written down of development cost incurred; and (ii) loss on disposal of investment amounting to RM26.3 million. (page 15 of AR 2023)</p> <p>a) Which project has been rescinded and why? Will there be further write down on inventories in FY2024? What is the Group's current outstanding orderbook?</p> <p>b) How long was the holding period for the investment which resulted in a disposal loss of RM26.3 million?</p> <p>c) Please provide the breakdown of the realised profits/losses on dealing in quoted securities.</p> <p>d) Fitters is involved in 3 core businesses with multiple subsegments under each business division. Why is there a need for the Group to trade in quoted securities? Should not the time and effort be better spent on improving or growing your existing businesses?</p>
D'Nonce Technology Berhad (AGM)	<p>Despite recording approximately 5% growth in revenue to RM174.86 million in FY2023, D'nonce turned loss-making in FY2023 with a net loss of RM258,662. In the previous year (11-month financial period ended 31 March 2022), D'nonce posted revenue and net profit of RM166.4 million and RM8.67 million, respectively.</p> <p>a) Was the higher revenue driven by better average selling prices or more work completed during the year?</p> <p>b) The losses were primarily due to high raw materials, which jumped 30.8% year-on-year to RM90.39 million from RM69.09 million in the previous year. Has the Group seen signs of high input costs easing? Are there ways to lock-in the input costs? What improvements have been made to the Group's procurement framework to ensure competitive input costs?</p> <p>c) How has the Management factored in cost pressures into new orders secured from customers?</p> <p>d) How likely is the Group to turn profitable in FY2024?</p>
Fitters Diversified Berhad (EGM)	<p>The Audit and Risk Management Committee is of the view that the risk of incurring an even deeper loss in a very short period of time outweighs the potential benefit of deriving capital gains in the CFM Shares and CFM Warrants, which are unlikely to be realised within a short period of time. In this regard, it was feared that such losses may not be recoverable and indefinitely lengthen the payback period for deriving any potential returns from the CFM Shares and CFM Warrants in the future (page 26 of Circular dated 7 Sept 2023)</p> <p>Did the Audit and Risk Management Committee consider the risk of capital loss when acquiring the shares of CFM at a huge premium to its historical prices of below RM1 before the sudden spike to above RM2 in December 2022? If no, why not? If yes, what was the downside risk i.e., the risk of capital loss when making the decision to purchase the shares?</p>
Omesti Berhad (AGM)	<p>Impairment allowance for amounts owing by related parties of the Group amounted to RM1.81 million were written off (Note 21, page 90 of Volume 2, AR2023).</p> <p>a) Why were the impairment allowance for amounts owing by related parties of the Group being written off?</p> <p>b) What comprises these amounts owing by related parties that have been written off?</p> <p>c) What were the measures taken to recover the RM1.81 million prior to being written off?</p>