

## MINORITY SHAREHOLDERS WATCH GROUP

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

New Straits Times, Business Times – Monday, 25 September 2023 Part 1

### MSWG AGM/EGM WEEKLY WATCH 25 -29 SEPTEMBER 2023

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 25-29 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](http://www.mswg.org.my).

One of the points of interest to be raised:

Company	Points/Issues to Be Raised
<b>NTPM Holdings Berhad (AGM)</b>	<p>As at 30 April 2023, the Group's financial ratio of its total bank borrowing divided by earnings before interest, tax, depreciation and amortisation is 5.97 times. Nibong Tebal Paper Mill Sdn. Bhd. and Nibong Tebal Personal Care Sdn. Bhd. have breached the financial covenants of their bank borrowing which shall not exceed 5.00 times at all times. Nonetheless, subsequent to the financial year ended, the lending bank has granted the Group the indulgence to resolve the breach of the financial covenants. The lending bank is agreeable to continue extending the banking facilities until the next review. (Page 133 of Annual Report 2023)</p> <p>a) Subsequent to the financial year ended 30 April 2023, has the Group resolved the breaches of the financial covenant?</p> <p>b) What would be the financial impact on the Group if the breaches of the financial covenant remain unresolved upon the next review by the lending bank?</p>
<b>BESHOM Holdings Berhad (FKA Hai-O Enterprise Bhd (AGM))</b>	<p>As the business environment becomes more challenging, the Group experienced a decrease in its distributor base in FY2023, which had an adverse impact on revenue (page 18 of AR2023).</p> <p>To-date, what is the growth of the Group's distribution base in West Malaysia and East Malaysia?</p>
<b>Talam Transform Berhad (AGM)</b>	<p>The Group's completed properties increased from RM17.1 million in FY 2022 to RM29.5 million in FY 2023, an increase of RM12.4 million or 72.5%. (Page 104 of AR)</p> <p>a) What were the reasons for the much higher inventory of completed properties in FY 2023 as compared to FY 2022?</p> <p>b) Please provide the type, units, and value of completed properties that were added in FY 2023.</p> <p>c) What were the challenges faced by the Group in clearing the completed properties in FY 2023?</p>
<b>AT Systemization Berhad (AGM)</b>	<p>The Group continues to incur losses over many financial years. The losses increased much further in the last two financial years despite significantly higher revenue. (page 5 of AR 2023).</p> <p>How did the Group register much higher losses in the last two financial years although revenue had rose significantly compared to the earlier financial years? How would the Management be able to turn the Group profitable and by when?</p>
<b>Microlink Solutions Berhad (new) (Postponed from date 4.9.2023) (AGM)</b>	<p>1. The Group's third-party trade receivables credit impaired that were past due more than 60 days have increased significantly by 58.47% from RM12.57 million in FYE2022 to RM19.92 million in FYE2023 (page 52 of AR2023 Volume 2).</p> <p>a) What were the difficulties faced by the Group in the collection of the trade receivables that were past due more than 60 days as the outstanding amount increased significantly?</p> <p>b) Who are the customers and who make up this category (past due 60 days) of the Group's receivables on FYE2023 and what are their profiles?</p> <p>c) To-date, how much of this overdue amount has been collected?</p> <p>2. The allowance for impairment losses on amounts owing by subsidiaries increased significantly from RM926,964 in FYE2022 to RM4.03 million in FYE2023 (page 18 of AR2023 Volume 2).</p> <p>a) What were the reasons for the substantial increase in impairment losses?</p> <p>b) Are the impairments expected to increase going forward?</p>
<b>Farm Fresh Berhad (AGM)</b>	<p>It was reported by the media that a prominent listed food &amp; beverage player is investing at least RM1b to develop an integrated dairy farm in Gemas, Negeri Sembilan.</p> <p>a) Is the entry of the new player in the production of fresh milk expected to affect the long-term expansion plan of the Group's dairy herd capacity? Please explain the answer.</p> <p>b) With a total landbank size of 5,367 acres, is the Group actively looking for opportunities to expand its landbank for dairy farm?</p>
<b>XL Holdings Berhad (AGM)</b>	<p>The Group recorded consecutive negative cashflow in operating activities amounting to RM22.9 million and RM8.7 million for FPE 2023 and FYE 2022 respectively. (Page 16 of Annual Report 2023)</p> <p>What are the measures taken by the Group to improve the performance of operating cash flow?</p>



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### MSWG AGM/EGM WEEKLY WATCH

25 -29 SEPTEMBER 2023

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<b>Esthetics International Group Berhad (AGM)</b>	<p>Product Distribution Segment recorded revenue of RM63.2 million for FY2023, which was 35.2% higher than FY2022 due to the absence of salon closures in most of the Group's markets in FY2023. With the higher revenue being partially offset by inflationary and exchange rate pressures, the segment reported a lower operating loss of RM5.1 million as compared to an operating loss of RM6.7 million in FY2022.</p> <p>a) How does the Group plan to turnaround the Product Distribution Segment after recording consecutive operating losses in FY2023 and FY2022?</p> <p>b) What is the outlook of the Product Distribution Segment in the next two financial years in view of the Group's effort in developing distribution networks and brands?</p>
<b>LB Aluminium Berhad (AGM)</b>	<p>The Property Segment recorded a loss of RM5.9 million (FY2022: Loss Before Taxation of RM799,000) due mainly to lower contribution from the associate as well as the impairment losses on investment in associate of RM5.8 million. (Page 66 of Annual Report 2023)</p> <p>a) What are the reasons for the impairment losses on investment in associate while the associate remains profitable and has contributed share of profit of RM305,000 to the Group in FY2023?</p> <p>b) Will the associate launch any new property development projects in the future?</p>
<b>Magni-Tech Industries Berhad (AGM)</b>	<p>1. The Group's sundry receivables increased by RM36,578,028 or 777% to RM41,284,042 as at 30 April 2023 (As at 30 April 2022: RM4,706,014). (Page 87 of Annual Report 2023)</p> <p>a) What is the nature of the sundry receivables as at 30 April 2023?</p> <p>b) To date in FYR 2024, what is the amount recovered for the sundry receivables as at 30 April 2023?</p> <p>2. The internal audit costs incurred during FYR 2023 was RM14,815. (Page 55 of Annual Report 2022)</p> <p>a) Given that the fee is rather small (around RM1,235 per month) compared to the Group's revenue of RM1.21 billion for FYR 2023, how does the Audit Committee assure itself that there would be adequate coverage and an effective audit function?</p> <p>b) What are the key audit areas or cycles that covered by the internal auditor in FYR 2023?</p> <p>Does the internal audit's work cover Vietnam operations in FYR 2023?</p>
<b>Lay Hong Berhad (AGM)</b>	<p>During the financial year, the Group has also embarked on a biogas plant within the cluster of six large closed house layer farms to generate electricity to part-power some of the said farms. It is expected to be fully operational in the current financial year ending 31 March, 2024. (page 12 of AR2023)</p> <p>a) What would be the estimated cost for the construction/setting up of the biogas plant?</p> <p>b) To what extent will the generation of electricity from the biogas plant translate to cost savings for the Group?</p> <p>c) Once the biogas plant is fully operational, to what extent will it help to reduce the Group's carbon footprint?</p>
<b>United Malacca Berhad (AGM)</b>	<p>To reduce its 100% reliance on a single crop in Malaysia and Indonesia, the Group has further expanded trial planting of new crops such as pepper and pineapples, aside from stevia which was started in the previous financial year.</p> <p>a) While we understand the Company's intention to mitigate the concentration risk, do new crops such as pepper, pineapples and stevia, in the long run, offer economic value per hectare of land similar to that of oil palm? Please elaborate on the reasons for the selection of these crops.</p> <p>b) What are the labour requirements for plantation of these crops compared to oil palm?</p>
<b>Genetec Technology Berhad (AGM)</b>	<p>The Group has achieved exceptional results, with record-breaking revenue and profit for the current financial year ended 2023. These outstanding results were driven by strong orders from key customers in the E-mobility and Energy Storage sectors, primarily in the USA and Europe (page 9 of Annual Report 2023). What is the group's current outstanding order book? Will this be sufficient to sustain the group's strong earnings in the foreseeable future?</p>

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