

MINORITY SHAREHOLDERS WATCH GROUP

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

New Straits Times, Business Times – Tuesday, August 24, 2021

MSWG AGM/EGM WEEKLY WATCH 23 - 27 AUGUST 2021

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 23 - 27 August 2021

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

Eduspec Holdings Bhd (AGM)

The Group's other receivables increased to RM18.6 million (2020: RM13.9 million) mainly due to increase in deposits amounting to RM9.3 million (2020: RM3.9 million) and prepayment of RM8.7 million (2020: RM4.1 million) (Note 13, page 132 of AR2021).

(a) What is the reason for the increase in deposits and prepayment? What is the increase in deposits and prepayments related to?

(b) Other receivables written off was approximately RM6 million (2020: Nil) (Note 13, page 132 of AR2021). What is the nature of the other receivables written off? What were the measures taken to recover the RM6 million prior to being written off?

Practice 1.2 - The Company does not have a designated Chairman and is still trying to identify an appropriate candidate for this position. (page 6 of CG Report 2021).

As highlighted in MSWG's letter last two years, the Chairman's position had been left vacant for many years. According to Eduspec's reply letter dated 26 August 2020, the Company has identified the potential candidate and target to officiate the appointment in early 2021.

(a) What has aborted the appointment of the identified candidate to fill the position?

(b) The Board has 5 independent non-executive directors, why has the Board not appointed one of them as the independent Chairman?

IJM Corporation Bhd (AGM)

Joint Ventures

(a) IJM recorded a share of profits of joint ventures of RM12,996,000 in FY2021 which is lower by 57.1% compared to a share of profits of RM30,272,000 recorded in FY2020 (Page 194 of the Annual Report 2021).

What are the main reasons for the lower share of profits of joint ventures in FY2021? What is the outlook for the joint ventures in FY2022?

(b) There is an allowance for impairment of amounts owing by joint ventures of RM27,286,000 recorded in FY2021 (FY2020: Allowance for impairment of RM6,063,000) (Page 255 of the Annual Report 2021).

i. Are the amounts owing by joint ventures recoverable? If so, what is the expected recoverability amounts in FY2022?

ii. Have any of these amounts owing by joint ventures been recovered to-date?

Atlas Holdings Bhd (AGM)

1. The Group's core business, duty-free segment reported revenue of RM223.5 million in FY2021, a decrease of 63.8% compared to RM616.6 million in FY2020. The lockdowns and closure of international borders by the Malaysian Government led to the Group's retail outlets' closure at the airport and Malaysia-Thailand border since 18 March 2020. Outlets that were opened experienced an overall decline in sales due to subdued consumer demand. Consequently, the duty-free segment reported loss before tax of RM28.2 million as compared to profit after tax of RM26.0 million in FY2020 (page 20 & 21 of Annual Report (AR) 2021).

(a) What is the impact on the duty-free segment's operations as a result of the latest Movement Controlled Order (MCO) 3.0?

(b) How is the Board planning to mitigate the impact of the prolonged closure of international borders on duty-free segment's business activities? How many duty-free outlets the Group is currently operating and how many were closed in FY2021?

(c) The duty-free segment business environment is expected to remain challenging (page 22 of AR 2021). Does the Group have an e-commerce or online strategy to complement its duty-free outlets? If none, why was it not considered by the Group?

(d) What are the Group's strategic growth plans going forward? How will the Group prepare itself for a post-pandemic environment to ensure timely business recovery and sustainability?

AME Elite Consortium Bhd (AGM)

Other income and other expenses

(a) What are the reasons for the significant decrease in other income from RM15,836,610 in FY2020 to RM10,456,735 in FY2021 (Page 80 of the Annual Report 2021)? What is the outlook for other income in FY2022?

(b) What are the reasons for the significant increase in other expenses from RM482,005 in FY2020 to RM1,295,118 in FY2021 (Page 80 of the Annual Report 2021)?

Southern Acids (M) Bhd (AGM)

Oleochemical Segment	FY2021	FY2020	Changes
Revenue (RM'000)	325,541	282,410	15.3%
Loss Before Tax (RM'000)	(5,481)	(3,219)	83.0%

The Oleochemical segment posted a pre-tax loss of RM0.5 million as compared to a pre-tax loss of RM3.2 million for the year before. The lower segmental loss posted in FY2021 was due to higher ASPs for fatty acids and glycerine, notwithstanding lower sales and production capacity utilisation.

Is the performance of the Oleochemical segment expected to improve in FY2022? What is the guidance on revenue and profit/loss before tax?