



Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Email: admin@sias.org.sg
www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: 9R Limited

Stock code: 1Y1

Meeting details:

Date: 2 Apr 2024

Time: 2.00 p.m.

Venue: RNN Conference Center, 137 Cecil Street, Cecil Building #04-01, Singapore 069537

Q1. With the disposal of entities in the Offshore and marine segment, the group now has two core businesses in supply chain management and lifestyle retail.

Would the board/management provide shareholders greater clarity on the following operational/financial matters? Specifically:

- (i) **Supply chain management:** The supply chain management business faced challenges as migrant workers returned to Malaysia after the pandemic restrictions were lifted, resulting in reduced demand for robots fell as a result. **Can the board/management clarify if this development was not discussed during board meetings before the group ventured into the Keenon robot business? Has the pace of adoption been substantially lower than management's projection? What is the current cash burn rate in the business, and is it sustainable to continue providing after-sales service in Malaysia and Singapore? With the loss of exclusive distributorship in Malaysia and Singapore, is there a possibility of the group shutting down its Keenon robot business in the near future?**
- (ii) **Lifestyle retail business (karaoke):** Can management help shareholders better understand how its Red Box/Red Box Plus karaoke outlets differentiate themselves from other karaoke chains? What is the typical utilisation rate required for an outlet to break even? How soon does management expect the new outlet at The Exchange TRX to achieve breakeven?
- (iii) **Synergy:** Is management deploying Keenon robots at the karaoke outlets to ease the need for manpower?

Q2. The group recognised a \$(2.1) million impairment on trade receivables (Note 30), \$(0.3) million impairment on other receivables (Note 30) and an impairment loss on goodwill of \$(1.0) million (Note 14).

Based on the aging profile (page 165), it would appear that the majority of the \$2.1 million impairment in trade receivables were incurred during the past year, from customers in the supply chain management from the segment information.

- (i) **What are the profiles of the customer(s) with impaired trade receivables?**
- (ii) **Given that the group has a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, could management elaborate on the decision-making process behind extending credit of up to \$2.1 million to these customers?**
- (iii) **What are management's plan to recover the long-outstanding trade receivables?**
- (iv) **Did the audit committee monitor the group's compliance with its credit risk management framework and if so, were any deficiencies identified?**
- (v) **Has the group implemented any additional measures to enhance its credit risk management framework?**

Q3. The acquisition of Compact Sensation Sdn. Bhd. (CSSB) included an earn-out in RM1.0 million in cash and RM1.5 million in shares if CSSB achieved an audited net profit after tax of RM2.5 million in the financial year ended 31 December 2023.

An impairment loss of \$1.0 million was recognised for goodwill arising from acquisition of CSSB mainly due to change in forecasted sales and revenue growth rates after taking into account the current economic conditions.

- (i) **Can the board clarify if CSSB had achieved the target of an audited net profit after tax of RM2.5 million required for the earn-out?**
- (ii) **Would the impairment loss of \$(1.0) million be factored in the calculation of the audited net profit of CSSB?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on [SIAS website](#)

Join our mailing list [here](#) to receive latest news and upcoming events.

CONNECT WITH US

