

MINORITY SHAREHOLDERS WATCH GROUP

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

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MSWG AGM/EGM WEEKLY WATCH 22 - 26 FEBRUARY 2021

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 22 -26 February 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
Wallcraft Holdings Bhd (AGM)	Despite a slight decrease in revenue for FYE 2020, the Group managed to achieve a higher gross profit margin at 38% compared to 36% for FYE2019. The impact of higher gross profit margin was due to operational efficiency arising from effective costs management and productivity. [Page 9 of Annual Report - AR] [a] Considering that the Group is exposed to raw materials costs fluctuations how does it manage its costs optimally and what are the major components costs saved? [b] What are the respective percentages of its revenue and costs denominated in US dollars?
EITA Resources Bhd (AGM)	Furutec Electrical is committed in its mission to grow its overseas busduct markets. Furutec Electrical continues to innovate, improve and seek international certifications for its range of busduct products to enhance its competitive advantage in the marketplace. [Page 12 of AR] [a] What percentage of its busduct business revenue is generated from overseas markets and what are its expansion plans? [b] What are its competitive advantages?
Melati Ehsan Holdings Bhd (AGM)	Melati Ehsan Group's share of results of the joint venture from an investment in B.H.D. Melati Sdn. Bhd. recorded a loss of RM2,410,505 in FY2020 compared to a profit of RM2,794,916 recorded in FY2019 [Page 58 of the Annual Report 2020]. How will the Board address the loss incurred by B.H.D Melati Sdn. Bhd.?
Fianmma Holdings Bhd (AGM)	The Company owns two parcels of prime land, i.e. 1.4-acre land Jalan Yap Kwan Seng and 2.6 acres land in Jalan Sungai Besi. The Company has proposed to develop these parcels of land into Residential Development. It remains cautious on the property market and is adopting a realistic approach by launching projects only when there is a firm demand. [Page 14 of AR 2020] [a] What is the market value of the prime lands? [b] Given that the Government has introduced a slew of measures to stimulate the property market such as Stamp Duty and Real Property Gains Tax (RPGT) exemptions, will the Company develop these lands in FYE 2021? If yes, what will be the prospective Gross Development Value (GDV)?
APB Resources Bhd (AGM)	The Group's trade receivables have increased significantly to RM33.9 million in FY2020 (2019: RM16.0 million). Out of the total trade receivables of RM33.9 million, 85% or RM22.0 million were more than 90 days past due but not impaired. [Note 24, page 81 of AR2020]. [a] How much of these trade receivables of RM22.0 million is related to the Group's major customers? [b] Why weren't any impairments made for these trade receivables as they have been long outstanding? [c] Any allowance for impairment losses expected for FY2021?
Latitude Tree Holdings Bhd (EGM)	The Company intends to extend its ESS (Employee Share Scheme) to its independent Non - Executive Directors (INEDs). In line with better corporate governance, MSWG does not encourage the practice of giving options to independent non-executive directors as they play an independent role (and not an executive role) in the Company and are responsible for monitoring the option allocation to employees and executive directors. The risk is that the independent director may be fixated with the share price and this may affect their impartial decision-making, which should be made without reference to share price considerations. What are the performance metrics that will be adopted by the ESS Committee to assess the eligibility of INEDs under the ESS?
SCH Group Bhd (AGM)	Despite the Group's recorded gain on profit guarantee of RM10.2 million, the financial impact has been offset by the impairment of goodwill and inventory written down amounting to RM9.5 million and RM2.6 million respectively. [Page 34 of AR] [a] What specifically caused the impairment of goodwill and which business segment/s contributed to the impairment? What is the likelihood of further impairment in the near term? [b] Which inventory was written down and why? Has the Management reviewed its inventory management system to minimize such write-down in future?