

## MINORITY SHAREHOLDERS WATCH GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated in Malaysia – Registration No.: 200001022382 (524989-M))

New Straits Times, Business Times – Monday, February 21, 2022

### MSWG AGM/EGM WEEKLY WATCH 21 - 25 FEBRUARY 2022

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 21 - 25 February 2022.

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*

**Wellcall Holdings Berhad (AGM)**

It was recently reported in the press that Wellcall has adopted a high-mix, low-volume (HMLV) strategy which gives the company a significant competitive edge in producing customised merchandise for its clients.

What percentage of the Group revenue is generated from HMLV strategy? Is the profit margin from HMLV strategy significantly higher than revenue from standardised products?

**Melati Ehsan Holdings Berhad (AGM)**

There is a net impairment loss on receivables amounting to RM3,996,338 in FY2021 (FY2020: Reversal of RM2,167,565) (Page 45 of the Annual Report 2021).

Which receivables are involved in the impairment exercise?

Is the amount recoverable? How much of the impairment loss has been recovered to-date? How much is expected to be recovered in FY2022?

**Fiamma Holdings Berhad (AGM)**

The Company recorded a lower revenue of RM338.02 million in FYE 2021 compared with the revenue of RM378.59 million in the previous financial year (FYE 2020). Included in FY2020's revenue was a one-off sale of land of RM39.21 million. Excluding the one-off sale of land, the Group recorded a marginally lower revenue of RM338.02 million in FYE 2021 against the revenue of RM339.38 million in FY2020. (Page 10 of AR 2021)

Meanwhile, the net profit of the Company declined marginally to RM34.5 million in FYE 2021 from RM35.2 million in the previous year.

What are the steps being taken by the Company to enhance its profitability in FYE 2022?

**APB Resources Berhad (AGM)**

There is an allowance for impairment loss on trade receivables amounting to RM6.9 million in FY2021 (FY2020: nil) (page 75 of AR2021)

What was the reason for the substantial increase in impairments?

How much of these impairments have been recovered to-date?

What percentage of these impairments are expected to be non-recoverable?

Are impairments expected to increase, going forward?

**Hubline Berhad (AGM)**

The independent auditor has highlighted material uncertainty related to going concern as the group's current liabilities exceeded its current assets by RM62,294,772 as at 30 September 2020 and RM50,045,240 as at 30 September 2021. What are the immediate to mid-term measures being taken/ to be taken by the Board to address the liquidity risk?

**EITA Resources Berhad (AGM)**

The Group's net cash flow from operating activities declined significantly from RM19,989 million in FY 2020 to RM2,376 million in FY 2021. (page 77 of AR 2021)

The significant decrease in net cash flow was mainly due to substantial adjustment for contract assets resulting in a cash outflow of RM25,508 million in FY 2021 compared to cash inflow of RM3,748 million in FY 2020.

**Hong Seng Consolidated Berhad (AGM)**

The total cost incurred in maintaining the outsourced internal audit function for the 18-month financial period ended 30 September 2021 was RM6,500 (FYE2020: RM6,420). (page 55 of AR2021)

Given that the fee is rather small (approximately RM542 per month), how does the Audit Committee assure itself that there is adequate coverage and an effective internal audit function?