

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 29 NOVEMBER – 3 DECEMBER 2021

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 29 November 2021 – 3 December 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
Bonia Corporation Bhd (AGM)	E-commerce contributed 7.2% (FYE 2020: 2.2%) to the Group's total retailing revenue of RM287.5 million for FYE 2021. The Company recognised the e-commerce platform as an important business segment and will continue to focus the effort on the digital marketing strategies to improve the e-commerce's revenue growth. a) What was the investment made to develop the e-commerce business in FYE 2021 compared to FYE 2020? b) What are the Company's plans to further develop its e-commerce business in FYE 2022?
Fintec Global Bhd (AGM)	Impairment loss on: [a] Amount due from subsidiaries In FPEZ2021, Fintec made an impairment of RM67.74 million (FY2020: nil) for the amount due from subsidiaries at company level, thus increasing the accumulated impairment amounted to RM200.13 million (Note 17 – Amount due from/to subsidiaries, page 94 of AR2021). Why was the impairment made? What is the rationale for extending these non-trade, unsecured, interest-free advances to subsidiaries? [b] Investment in unquoted shares In FPEZ2021, Fintec had made an impairment of RM4.86 million for its RM15.63 million new investment in unquoted shares (Note 18 – Investment in unquoted shares, page 94 of AR2021). Why was the impairment made shortly after Fintec invested in these unquoted shares? What were the unlisted entities that Fintec invested in?
Redtone Digital Bhd (Ika Redtone International Bhd) (AGM)	General and Administrative expenses for FY 2021 was RM39.4 million (FY 2020: RM30.8 million) and mainly comprises staff costs, depreciation and amortisation and general and administrative expenses. (Page 16 of AR1) What were the reasons for the considerable increase in general and administrative expenses when Group revenue had registered a 2% decline?
CME Group Bhd (AGM)	For FY2021, CME reported a pre-tax profit of RM0.63 million (FY 2020: RM0.89 million), which was mainly due to fair value gain on investment properties of RM2.4 million. Excluding the revaluation gain, CME would have slipped into losses for FY2021. In addition, CME's core business of Manufacturing recorded a substantial decline of 92% in revenue to RM2.04 million (approximately 50% of FY2021 revenue) from RM25.8 million in the previous year, resulting in a segmental loss of RM1.34 million (FY2020: pretax profit of RM2.3 million). Meanwhile, the Trading segment was the only business segment that was profitable with pre-tax profit of RM0.7 million. [a] With the weak performance of core businesses, will the Group be able to remain profitable (without one-off gains) going forward? [b] With the appointment of a new chief executive officer and new chief operating officer, what are the plans to improve CME's business prospect and performance?
Dagang Nexchange Bhd (AGM)	Non-audit fees increased significantly to RM603,000 (2019: RM115,000) (Note 27, page 219 of AR2021) and is about 113% of the Group's audit fees of RM533,000 in FPEZ2021. [a] What was the reason for the huge increase in non-audit fees? [b] Does the Company have a policy on percentage of non-audit fees paid to its external auditor compared to audit fees paid?