

MINORITY SHAREHOLDERS WATCH GROUP

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

New Straits Times, Business Times – Monday, September 27, 2021

MSWG AGM/EGM WEEKLY WATCH 27 SEPTEMBER 2021 – 1 OCTOBER 2021

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 27 September 2021 – 1 October 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

**George Kent
Bhd
(Malaysia)
(AGM)**

On-going projects

- (a) What is the progress of the Group's Light Rail Transit Line 3 project, Hospital construction works, and the construction of the Glove Manufacturing Plant? Are the projects on schedule?
(b) Are any of the abovementioned projects facing difficulties? If so, what is the Group's strategy to manage the difficulties?

**Solid
Automotive
Bhd
(AGM)**

1. The Group's cash and cash equivalents at the end of the financial year increased to RM42.3 million (FYE2020: RM16.2 million), partly contributed by the proceeds from exercise of warrants amounting to RM25.8 million (FYE2020: RM0.9 million) (page 55 of AR2021).
Considering that the Group's cash balance has increased substantially, what is the Board's plans in terms of utilising the proceeds received from the exercise of warrants? Are there plans for overseas expansion?
2. Product warranties claimed/utilised during the financial year increased significantly to RM4.6 million (FYE2020: RM1.8 million) (Note 29, page 85 of AR2021).
What were the main reasons for the sharp increase? To which products do these warranties related to?

**ES Ceramics
Technology
Bhd
(AGM)**

The cost incurred in maintaining the outsourced internal audit function for the financial year ended 31 May 2021 is RM7,500. (Page 30 of ARI). For FY2020, the cost was RM22,150.
MSWG had queried in the previous year, that given such low cost (approximately RM1,800 per month), as to how the Audit Committee assure itself that there would be adequate coverage and an effective audit function? The current situation is even worse as the audit cost has decreased to an even smaller amount of RM7,500. Please explain.

**Jasa Kita Bhd
(AGM)**

For the last 5 financial years, the Group has been incurring losses after tax attributable to Owners of The Company.
Consequently, apart from FY2017, shareholders have also not been receiving dividends for the last 4 financial years. (Page 11 of Annual Report – ARI)
What were the main reasons for the Group's continuous losses? When is it expected to be profitable and declare dividends?

**Lay Hong Bhd
(AGM)**

1. In FY2021, the Group harvested a total of 40.29 million kilogram ("kg") (2020: 45.51 million kg) of broilers due to lower productivity at some of the older farms in Tanjung Karang, Selangor and Kampong Serusup in Kota Kinabalu, Sabah. Due to this, the sales had accordingly recorded a decline of 5.07% or RM10.26 million from RM202.36 million to RM192.10 million (page 8 of AR2021).
(a) To what extent will sales of broilers be affected going forward, if the older farms continue as they are?
(b) What are the Group's plans to improve productivity? Are there plans to upgrade or modernise the older farms in Tanjung Karang, Selangor and Kampong Serusup in Kota Kinabalu, Sabah?
2. Impairment losses on revaluation on land and building was RM1.7 million (2020: Nil) (page 65 of AR2021). To which land and building do these impairment losses relate to? What is the reason for the impairment losses on revaluation on land and building?

**General Kunden
Corporation
Bhd
(AGM)**

1. As at 31 March 2021, the Group's cash and bank balances was RM1.9 million. The Group's trade and other payables were RM32.6 million in FY2021 (page 57 &pp: 58 of AR 2021) and finance costs were RM9.6 million in FY2021 (Note 25 to the Financial Statements, page 106 of AR 2021). With negative operating cashflow of RM20.6 million, how will the Group prepare itself to meet its financing payments and payables obligation on a timely manner?
2. The ageing analysis of the Group's trade receivables shows all categories of past due but not impaired trade receivables. The category of more than 91 days past due but not individually impaired increased significantly to RM19.6 million in FY2021 (FY2020: RM1.3 million) (Note 30, page 112 of AR 2021).
(a) How much of the RM19.6 million trade receivables have been collected to-date? What are the efforts by management to collect the long outstanding trade receivables?
(b) Has the Group experienced slower collections of its trade receivables from customers in the construction business? What are the profiles of the customers with long outstanding debts?
(c) What is the likelihood of impairment in the current year given that the industry has been disrupted by the pandemic and MCO 3.0?

**Oversea
Enterprises
Bhd
(AGM)**

Since FY2017 till FY2021, Group revenue has been continuously declining and there were consecutive losses after tax for the last 4 financial years. (Page 5 of Annual Report – ARI)
How does Management plan to arrest the continuously decreasing revenue? When is the Group expected to turn profitable?