MSWG
MINORITY SHAREHOLDERS WATCH GROUP
BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia . Registration No. 200001022382 (524989-M))

The Observer

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23.09.2022

❖ Coping with high interest rate environment

On 21 September, the Federal Reserve raised the benchmark interest rate by another 75 basis points (bps) to a range of 3% - 3.25%. The benchmark interest rate is now at its highest level since 2008.

The hikes that started in March this year – from a level of near-zero – represent the most aggressive monetary tightening measure since Fed started using the overnight funds rate as its principal policy tool in 1990.

After announcing the 75bps hike on Wednesday, Fed's chairman Jerome Powell said the inflation level hasn't fallen as much as the central bank had expected it would by this point. The US Consumer Price Index (CPI) remained high, though eased marginally to 8.3% in August from 8.5% in July. Powell stressed that the Federal Open Market Committee (FOMC) is strongly resolved to bring inflation down to 2%.

Projections from the meeting indicated that the Fed expects to raise rates by at least 125bps in its two remaining meetings this year. Furthermore, Fed officials signalled the intention of continuing to hike rates until the benchmark rate hits a "terminal rate" of 4.6% in 2023. Terminal rate is a point at which policymakers think they can stop hiking interest rate. The Fed's last forecast had that terminal rate at 3.8% next year.

As rate hike concerns persist, the near-term outlook for ringgit against the US dollar is likely to remain bleak. As of 22 September, the local currency fell to 4.5665/5700 against the greenback, the lowest level in decades.

OPR hike prospect

At domestic front, the Bank Negara Malaysia (BNM) had raised its overnight policy rate (OPR) by another 25 bps to 2.5% on 9 September.

Economists are mixed in opinion if another round of OPR hike is on the cards when the central bank's Monetary Policy Committee (MPC) sits for its final 2022 meeting on 2 – 3 November. For now, what is certain is that BNM would ensure that monetary policy remains accommodative and supportive of economic growth.

For instance, Maybank Investment Bank maintains its house view of OPR reaching 2.75% end of this year and 3.00% early next year. On the other hand, CGS-CIMB economist Nazmi Idrus expects no OPR hike during the next MPC meeting in Nov, keeping rate at 2.5% towards end-2022. He projects two 25bps rate hikes in 2023, bringing the OPR to 3.00%.

The central bank stresses that any adjustments to the monetary policy settings would be done in a "measured and gradual manner", ensuring that monetary policy remains accommodative to support a sustainable economic growth in an environment of price stability. BNM's statement and stance implies the continuation of the 25bps hike quantum in future hikes.

Overall, banking stocks are deemed clear winners from the OPR upcycle as net interest margin (NIM) is expected to widen. However, sectors which would be at the losing end are likely to be real estate investment trusts (REITs) (due to narrowed spread between dividend yield and Malaysian Government Securities) and property whereby rate hikes would increase monthly mortgage instalments.

Near-term weakness

Market conditions are likely to stay cautious in the near term as weakness is likely to permeate to Bursa Malaysia stocks.

Economists believe that with inflation numbers remain heightened, short-term global interest rates are likely to be lifted to a level that could sap demand and may also lead to a slower external demand for Malaysian exporters as well as slowing the recovery process.

These concerns are likely to keep investors wary over the near term with the benchmark FBMKLCI index seeing further near-term weakness as a result.

In a broader sense, business sectors – whether small medium enterprises (SMEs), PLCs or multinationals (MNCs) – are affected in a more intense and direct way from an interest rate spike.

Businesses borrow money from banks to expand their operations. When it becomes more costly to borrow, there is a need to curb or revise their expansion plans, possibly limiting their growth prospects. Depending on the business model, this might even lead to budget cuts which ultimately lead to freeze on hiring or limited allocation for expansion.

In addition, businesses would face rising cost of doing business due to cost-push effect from rate hikes. When businesses pass on the cost to consumers, households are left with less disposable income.

At the same time, they are subject to higher borrowing costs and thus put off the plan to purchase large-ticket items. To make ends meet, households would have to rebalance their spending by prioritising spending on 'staple necessities' while cutting back on leisure-driven needs.

The drop in consumption and spending would eventually erode aggregate demand and consequently affect business prospects.

All in all, no one would be spared in a rising interest rate environment.

Devanesan Evanson
Chief Executive Officer

MSWG AGM/EGM Weekly Watch 26 – 30 September 2022

For this week, the following are the AGMs/EGMs of companies which are in the Minority Shareholders Watch Group's (MSWG) watch list.

The summary of points of interest is highlighted here, while the details of the questions to the companies can be obtained via MSWG's website at www.mswg.org.my.

Date & Time	Company	Quick-take
26.09.22 (Mon) 10.00 am	D'Nonce Technology Bhd (AGM)	D'nonce reported a net profit of RM8.35 million on the back of a revenue of RM166.4 million over its 11-month financial period ended 31 March 2022. D'nonce has constantly changed its fiscal year-end, resulted in the absence of corresponding comparative financial figures for shareholders' comparison. On another note, it has announced an intriguing move of acquiring a loss-making label manufacturing company from Komarkcorp Berhad for RM9.1 million to be satisfied via the issuance of new shares. The acquired company has been in losses for years, and thus one wonders how D'nonce turn around the business.
26.09.22 (Mon) 09.00 am	SP SETIA Berhad (EGM)	SP SETIA will seek shareholders' approval for the two resolutioons below: (1) Proposing renounceable rights issue of new class C Islamic Redeemable Convertible Preference Shares in SP Setia ("RCPS-i C") to raise gross proceeds of up to RM1.18 billion. (2) Proposed amendments to the Constitution of the Company
27.09.22 (Tue) 11.00 am	Iris Corporation Berhad (AGM)	IRIS had achieved a 98% increase in revenue to RM211.0 million in FY2022, primarily due to a 97% strong growth

		in revenue recorded by its Trusted ID (Identification) division, arising from border reopening and revenue recognition from an existing domestic project. It also posted a pre-tax profit of RM4.2 million as compared to a pre-tax loss of RM9.6 million in FY2021.
27.09.22 (Tue) 11.30 am	Beshom Holdings Berhad (AGM)	The Group recorded a decline of 22.8% in its revenue to RM209.6 million for FY2022 as compared to RM271.4 million in the previous year. The Multi-Level-Marketing and Wholesale segments saw a drop in revenue and PBT, primarily due to the re-imposition of movement control orders in 1HFY2022. Consequently, its pre-tax profit dropped by 22.9% or RM12.0 million from RM52.3 million for FY2021 to RM40.3 million for FY2022.
28.09.22 (Wed) 09.30 am	Ho Wah Genting Berhad (AGM)	HWGB recorded a higher revenue of RM451.10 million in FY2022 as compared to RM392.12 million in previous financial period. The Group's revenue was mainly derived from the moulded power supply cord sets division in Indonesia, which represents 99.7% of the total revenue. Meanwhile, it registered a lower pre-tax loss of RM3.40 million in FY2022 as compared to RM30.49 million in FY2021.
28.09.22 (Wed) 10.00 am	AME Elite Consortium Berhad (AGM)	The Group recorded a lower PBT of RM68.9 million in FY2022 (FY2021: RM79.6 million) due to declined financial performance of the property development, and construction and engineering services. Both segments recorded lower revenue and profit in FY2022.
28.09.22 (Wed) 10.00 am	KNM Group Berhad (EGM)	KNM has proposed to dispose of its 100% equity interest in Borsig GmbH to GPR Siebzigste Verwaltungsgesellschaft mbH (now known as Vorsprung Industries GmbH) for EUR220.8 million in cash. The proceeds received is intended to repay its bank borrowings and for working capital purposes.

		Post debt repayment, its gearing ratio is expected to improve to 0.29x from 0.68x previously.
28.09.22 (Wed) 10.30 am	Ho Wah Genting Berhad (EGM)	HWGB's indirect wholly owned subsidiary HWG Fintech Property Sdn Bhd has proposed to acquire eight units of service apartments at Vortex Suites & Residences @KLCC for RM7.41 million from Koek Tiang Kung. It also proposed to acquire leases held by Dato' Kho Eng Hue @ Koh Eng Hooi over 11 units of condo at Residensi Iskandar for RM7.842 million. These acquisitions will be funded mainly via the issuance of RCPS at an issue price of RM0.148 per RCPS.
28.09.22 (Wed) 10.30 am	Sentoria Group Berhad (AGM)	For FY2022, Sentoria achieved a revenue of RM53.8 million, representing a 53% increase from FY2021. The property development division continued to be the major revenue driver with total RM53.6 million revenue recorded in FY2022. In turn, it recorded lower gross loss of RM19.7 million as compared to gross loss of RM40.7 million in FY2021. The lower gross loss recorded in FY2022 was mainly due to the significant margin compressions facing by its property development and leisure hospitality segments in FY2021.
28.09.22 (Wed) 10.30 am	Magni-Tech Industries Berhad (AGM)	The Company is looking for new locations to diversify its production bases and this could be a catalyst to enhance its business moving forward. Currently, it has production bases in Malaysia and Vietnam. It should be able to finance its expansion with internally generated funds as it has a healthy balance sheet.
28.09.22 (Wed) 11.00 am	Lay Hong Berhad (AGM)	The Group's revenue increased by 3.97% y-o-y to RM960.31 million (FY2021: RM923.66 million) due to higher productivity achieved and better ASP from the integrated livestock farming division. Nevertheless, its profit margin was affected by higher input cost, resulting a 20.93% decline in pre-tax profit to RM7.67 million.

		On the other hand, its food manufacturing business recorded poorer performance due to the continuous shortage of foreign labour and certain input of raw materials.
28.09.22 (Wed) 11.00 am	United Malacca Berhad (AGM)	Boosted by higher CPO prices, the Group's revenue increased by 39% y-o-y to RM554.0 million (FY2021: RM398.1 million), while pre-tax profit jump by RM119.7 million or 490% higher to RM144.1 million (FY2021: RM24.4 million). The Group's near-quintuple jump in pre-tax profit was boosted by soaring prices of CPO and palm kernel (PK) during the reporting period. For FY2023, it expects improved FFB production to be offset by the expected increase in operating costs. In addition, a significant shortage of labour in Malaysian estates could reduce expected FFB production in the first half of FY2023.
28.09.22 (Wed) 12.30 pm	Lay Hong Berhad (EGM)	The EGM is to seek shareholders' approval for the proposed establishment of an employees' share scheme comprising the Share Grants and the ESS Options. It also proposes to allocate the Share Grants and ESS Options to the eligible directors and major shareholders of Lay Hong.
28.09.22 (Wed) 02.30 pm	Esthetics International Group Berhad (AGM)	EIG sank into loss FYE 2022 due to the nation-wide lockdowns implemented during the pandemic which prevented its salons from operating. In FYE 2022, the Company had opened a few new outlets and rationalised a few underperformed outlets. Going forward, its performance would hinge on the success of these new outlets and these outlets should be able to do well as the economy opens up post COVID-19 pandemic.
28.09.22 (Wed) 02.30 pm	SCGM Bhd (AGM)	Upon the completion of the disposal of Lee Soon Seng Plastic Industries Sdn Bhd (LSSPI) to Mitsui & Co., Ltd and FP Corporation (the Disposal) for RM544.38 million on 1 September,

		SCGM is now classified as a Cash Company pursuant to Paragraph 8.03(1) of the Listing Requirements (LRs). With that, SCGM is required to submit a proposal to acquire a new core business to the Securities Commission (SC) for its approval within 12 months from the date of the Practice Note 16 announcement dated 2 September 2022, and implement the proposal within the timeframe prescribed by the SC.
29.09.22 (Thur) 10.00 am	Asia File Corporation Bhd (AGM)	Asia File recorded a 25.2% increase in revenue to RM323 million in FY2022. On the back of higher revenue, its operating profit grew by 36.4% to RM35.9 million. The higher revenue has resulted in cost optimisation and better absorption of fixed costs especially for its overseas operation. The filing products division saw a 18.9% jump in revenue to RM274.2 million. On the other hand, the consumer and food ware division continue to deliver steady growth in sales with revenue growing 78.4% to RM48.7 million in FY2022.
29.09.22 (Thur) 10.00 am	LB Aluminium Berhad (AGM)	LB Aluminium PBT increased by 5% to RM51.4 million in FY2022 (FY2021: RM49.0 million) thanks to improved contribution from the Aluminium Segment. The PBT of the Aluminium division increased by 33% to RM52.2 million in FY2022 (FY2021: RM39.3 million) because of better sales, improved profit margin, and a gain on asset disposal of RM4.20 million.
29.09.22 (Thur) 10.00 am	Petronas Chemicals Group Berhad (EGM)	PCG will obtain shareholders greenlight for its acquisition of Swedish Perstorp Holding AB for a EUR1.54 billion (about RM6.87 billion). This marks its second acquisition in the specialty chemicals space after the completion of Da Vinci Group B.V. in September 2019. The Group has a target to achieve at least 30% of revenue from its non-traditional business including the

		derivative and specialty chemicals by 2030.
29.09.22 (Thur) 10.30 am	Iconic Worldwide Berhad (AGM)	Despite a more than twofold increase in turnover to RM107.14 million in FY2022 from RM49.17 million in previous year, Iconic's net profit merely grew by 8.56% to RM9.6 million compared to RM8.83 million in FY2021. Besides, its net profit margin also decreased to 8.95% from 17.97% in the year before. Consequently, its ROE declined further to 4.78% from 5.3% earlier.
29.09.22 (Thur) 11.00 am	Lingkaran Trans Kota Holdings Berhad (AGM)	LITRAK's revenue improved slightly by 2.1% to RM400.9 million this year as compared to RM392.8 million in previous year. Meanwhile, its profit dropped by 20.9% to RM162.8 million from RM205.8 million earlier due to non-recurring items like higher depreciation and amortisation costs arising from the adoption of a new independent traffic consultant's report in the final quarter of the financial year, as well as higher income tax expenses due to imposition of a one-off Cukai Makmur.
29.09.22 (Thur) 03.00 pm	Opensys (M) Berhad (EGM)	This EGM is to seek shareholders' approval to amend its constitution of the Company. The amendments are necessary to incorporate the relevant amendments to its Constitution of the Company to facilitate the implementation of the Proposed Transfer Listing which was approved by the Securities Commission on 26 July 2022.
30.09.22 (Fri) 11.00 am	Computer Forms (Malaysia) Berhad (AGM)	CFM's revenue declined by 5.5% to RM27.2 million in FY2022, primarily due to lower sales in the flexible packaging segment. On the other hand, it posted a PBT of RM62.3 million as compared to RM0.4 million a year ago, thanks to the one-off pre-tax gain of RM63.5 million from its disposal of land earlier. Excluding this one-off gain and other non-operational expenses, it reported a marginal LBT of RM5,000 as compared to a PBT of RM0.4 million in FY2021.

One of the points of interest to be raised:	
Company	**Points/Issues to Be Raised**
D'Nonce Technology Bhd (AGM)	On 11 August 2022, the Group announced the business diversification to include manufacturing and selling of self-adhesive labels by acquiring 99.9991% equity interest in Komark (Thailand) Company Limited (KTCL) from Komarkcorp Berhad. a) KTCL has been making losses over the last four fiscal years with net losses ranging between THB10.68 million and THB22.39 million (page 70 of D'nonce announcement dated 11 August 2022). Given the loss track record of KTCL, what is the commercial sense of acquiring this loss-generating and value depreciating asset? How does this proposed acquisition create value for D'nonce shareholders? Would the consolidation of KTCL's financial result affect the overall financial performance of D'nonce moving forwards? b) As Komarkcorp has been unsuccessful in turning around KTCL for years, how would KTCL perform differently under the management of D'nonce? c) How does the Group derive the projection of KTCL contributing 25% of D'nonce net profit (page 6 of D'nonce announcement dated 11 August 2022)?
Iris Corporation Berhad (AGM)	In December 2021, the Group completed the Private Placement via 7 tranches with 297 million new IRIS shares issued, raising RM71.2 million. The additional fund raised enabled the Group to fund existing and future projects as well as participate in more projects to further strengthen its income stream. (page 2 of Annual Report (AR) 2022) a) Out of the RM71.2 million raised from the private placement, how much has the Group spent so far? What are your plans for the remaining fund? b) Does the Group have any plans to raise more fund in the next few years? c) What is the budgeted capex for FY2023 and FY2024?
Beshom Holdings Berhad (fka Hai-O Enterprise Bhd) (AGM)	Except for year FY2021, the group's revenue has been declining with the latest financial year FY2022 reporting a full-year revenue of RM209.6m after hitting a peak turnover of RM461.7m in FY2018. Besides the Covid-19 pandemic, what were the reasons for the decline in the group's revenue in the recent years? What are the measures taken to reverse the downtrend in revenue?

<table>
<tr>
<td>Ho Wah Genting Berhad
(AGM)</td>
<td>1. The Group’s revenue is mainly derived from the manufacturing and trading of wires and cables, moulded power supply cord sets and cable assemblies for electrical and electronics devices and equipment, constituting 99.7% of the total revenue for both FY2022 and FY2021, with the US being the biggest market, contributing 88.6% of the Group’s total revenue in FY2022 (FY2021: 89.2%). (page 27 of Annual Report (AR) 2022)
a) How much of your revenue from this division is from the manufacturing side vs trading?

b) What was the production capacity and utilisation rate in FY2022? What is the current utilisation rate?

c) How was the trend of raw material costs so far in FY2023? To what extent can you pass on the higher cost to your customers?

d) What is the outlook for this division in FY2023?

2. The Group incurred a lower LBT of RM3.40 million for FY2022 as compared to RM30.49 million for FY2021. (page 17 of AR 2022)

HWGB has been lossmaking in the last 11 years. What were the reasons for the continuing lacklustre performance? What are you doing to turn around the Group?</td>
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<tr>
<td>AME Elite Consortium Berhad
(AGM)</td>
<td><u>Joint Venture</u>
AME recorded a share of profit of an equity-accounted joint venture of RM1,623,277 in FY2022, which is lower by RM1,886,834 or 53.75% compared to a share of profit of RM3,510,111 recorded in FY2021 (Page 108 of the Annual Report 2022).

AME’s share of profits of the equity-accounted joint venture (JV) from FY2020 to FY2022 are as follows:
<table>
<tr><td>FY2022</td><td>RM1,623,277</td></tr>
<tr><td>FY2021</td><td>RM3,510,111</td></tr>
<tr><td>FY2020</td><td>RM5,239,270</td></tr>
</table>
a) What are the main reasons for another lower share of profit recorded in FY2022?

b) What is the Board's plan regarding the investment in the JV company as the share of profit shows a decreasing trend?

c) What is the outlook for the JV company in FY2023?</td>
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<tr>
<td>Sentoria Group Berhad
(AGM)</td>
<td>The Group’s gearing ratio (calculated as total borrowings divided by shareholders’ equity) as at 31 March 2022 was 256.8% compared to 168.4% as at 31 March 2021 primarily due to the lower shareholder funds as of 31 March 2022. (Page 8 of AR)</td>
</tr>
</table>

	However, the Group's debt to equity ratio stated on page 138 of Annual Report was 2.71 times for FY 2022 compared to 1.68 times for FY 2021. a) Please explain why there were two different debt to equity ratios for FY 2022. b) What actions have the Group taken to reduce the high gearing ratio moving forward? c) What is the Group's current gearing ratio as of August 2022?
Magni-Tech Industries Berhad (AGM)	The total fee for the internal audit function of the Company during FYE 2022 was RM14,815.00 (Page 49 of AR 2022) a) Given that the fee is rather small (approximately RM1,234 per month), compared to its revenue of RM989 million in FYE 2022, how does the audit committee assure itself that there would be adequate coverage and an effective audit function? b) What are the areas covered by the internal auditors during FYE 2022? c) How many internal audit reports were issued during FYE 2022?
Lay Hong Berhad (AGM)	1. The Group's food manufacturing business has recorded a decline in revenue to RM385.8 million (FY2021: RM425.4 million) due to the continuous shortage of foreign labour and certain input of raw materials in particular the mechanical deboned meat ("MDM") that affect the production cycle for the manufacturing of chicken nuggets and frankfurters. (page 9 & Note 30, page 124 of AR2022) a) To-date, to what extent has the Group's labour shortage issue normalised? How far off is the Group from addressing its labour needs? b) Does the Company have any plans to hire local workers to make up for the foreign labour shortage? c) How many workers do the Group's manufacturing business need to run at optimal capacity? d) To-date, has the Group managed to overcome the shortage of certain input of raw materials, i.e. the MDM that affect the production cycle for its manufacturing of chicken nuggets and frankfurters? 2. Other receivables increased significantly to RM27.6 million (FY2021: RM1.8 million) (Note 14, page 110 of AR2022). What comprises the other receivables? To-date, how much of the other receivables have been collected?

United Malacca Berhad (AGM)	During FY2022, UMB repaid RM8.7 million of revolving credit and a part-payment of a RM5.9 million term loan for PT Lifere Agro Kapuas mill. As of 30 April 2022, the Group's outstanding bank borrowings totalled RM117.4 million (FY2021: RM124.8 million) of which RM65.2 million revolving credits are in USD. (page 32 & Note 30, page 149 of AR2022) a) Given that 55.5% of the Group's bank borrowings are in USD currency, to what extent will the strengthening of the USD and the US Federal Reserve's aggressive interest rates hikes impact the Group's interest expense, going forward? b) Are there plans to lower the Group's bank borrowings exposure in USD currency?
Esthetics International Group Berhad (AGM)	The Company incurred its first loss for the 5 past financial years in FYE 2022 and it attributed the loss to interruptions to its operations due to the pandemic. Salons were closed during lockdowns and facial treatments, which were one its major revenue contributors, could not be conducted. With the opening of the economy, will the Company return to profitability in FYE 2023?
SCGM Bhd (AGM)	Upon the completion of the disposal of Lee Soon Seng Plastic Industries Sdn Bhd (LSSPI) to Mitsui & Co., Ltd and FP Corporation (the Disposal) for RM544.38 million on 1 September, SCGM will be classified as a Cash Company pursuant to Paragraph 8.03(1) of the Listing Requirements (LRs). With that, SCGM is required to submit a proposal to acquire a new core business to the Securities Commission (SC) for its approval within 12 months from the date of the Practice Note 16 announcement dated 2 September 2022, and implement the proposal within the timeframe prescribed by the SC. If SCGM fails to comply with the obligations prescribed in the LRs, Bursa Malaysia Securities may act against SCGM such as suspension and/or delisting of the Company. a) How likely is it that the Company will be able to identify a new business to ensure the business sustainability of the Company? What is the future direction of the Company? b) In your opinion, what are the appealing qualities in SCGM that would attract suitors for injection of new business? c) If SCGM is unable to identify a new business, would the Company consider distributing the remaining proceeds amounting to RM84.02 million from the disposal of LSSPI as dividend to shareholders? (The monies were initially earmarked for working capital to finance the day-to-day operations of SCGM and to identify new business).
Asia File Corporation Bhd (AGM)	Headquartered in Penang, the Group's domestic operations are carried out from its seven production and warehousing sites. For its overseas operations, the Group owns two files

	producing plants and one paper mill in UK while two manufacturing facilities are located in Germany. (page 3 of Annual Report (AR) 2022) a) What was the total production capacity and average utilisation rate for your plants in Malaysia in FY2022? How about for those in UK and Germany? b) The Group's revenue for the filing products segment has declined steadily from RM389.86 million in FY2016 to RM230.70 million in FY2022. Do you expect revenue for this segment to gradually decline in the coming years? If yes, what is the projected quantum of decline? c) Who are your main competitors for filing products and what are your competitive advantages over them?
LB Aluminium Berhad (AGM)	The Group's marketing and distribution expenses increased significantly by 68.46%, from RM30,105,000 in FY2021 to RM50,714,000 in FY2022 (Page 84 of the Annual Report 2022). a) What are the reasons for the significant increase in the abovementioned expenses in FY2022? How are these expenses related to the increase in revenue in FY2022? b) Does the Group expect these expenses to remain at the same level in the in FY2023?
Petronas Chemicals Group Berhad (EGM)	The acquisition of Perstorp marks PCG's second acquisition in the high entry barrier and high margin specialty chemicals space after the completion of Da Vinci Group B.V. in September 2019 for EUR163 million (approximately RM760.6 million). a) Earlier, PCG aspired of derive at least 30% of revenue from its non-traditional (derivative and specialty chemicals) portfolio by 2030. Having factored in this acquisition, how far is PCG from achieving the 30% revenue target? b) Upon completion of this acquisition, Perstorp will become PCG's indirectly wholly-owned subsidiary. What is the expected financial contribution of Perstorp to PCG moving forward? c) Asia-Pacific (including Oceania region) is one of the key markets for Perstorp with a revenue contribution of 24.69% for financial year ended 31 December 2021. How is the market presence of Perstorp compared to other specialty chemicals players in the Asia Pacific region? d) What is the internal rate of return and hurdle rate adopted for the evaluation of this acquisition?
Iconic Worldwide Berhad (AGM)	Despite a more than twofold increase in turnover to RM107.14 million in FY2022 from RM49.17 million in previous year, Iconic's net profit merely grew by 8.56% to RM9.6 million compared to RM8.83 million in FY2021 (page 90 of Annual Report 2022).

	Consequently, net profit margin decreased to 8.95% from 17.97% in the year before. At the same time, the return on equity slid further to 4.78% against 5.3% earlier. a) Considering the rising interest rate, Iconic's current debt level (as opposed to net cash position in FY2021) and depreciation charge of property, plant and equipment arising from business expansion, would the Board be able to maintain similar or better bottomline performance in FY2022? b) What are the strategies to improve the profit margin and consequently deliver better shareholders value?
Lingkaran Trans Kota Holdings Berhad (AGM)	Based on the tentative timetable for implementation (page 32 of the circular to shareholders dated 14 July 2022 in relation to the proposed disposal of all securities of Lingkaran Trans Kota Sdn Bhd and Sistem Penyuraian Trafik KL Barat Sdn Bhd), the expected completion of each proposed disposal was on 15 August 2022. To date, there is no announcement made by the company on the completion of the proposed disposals. a) Please clarify whether the disposals have been completed. If not, what is the reason for the delay? b) What is the new expected completion date for the proposed disposals?
Computer Forms (Malaysia) Berhad (AGM)	CFM is one of the largest business forms and commercial security printers in Malaysia producing preprinted business forms, personalised cheque books, special printed cheques, land titles, vouchers and other commercial security items. (page 5 of Annual Report (AR) 2022) a) Which products are the top revenue contributors in FY2022? How was the trend over the last five years? b) Do you expect revenue for this segment to continue to decline in the coming years? If yes, what is the projected quantum of decline? c) What is the latest status of your transition towards offering e-solutions to your customers such as document management services, e-notices, e-statement, email and SMS notifications (as mentioned in last year's reply letter to MSWG)?

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DISCLOSURE OF INTERESTS

•*With regard to the companies mentioned, MSWG holds a minimum number of shares in all* the companies covered in this newsletter.

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