MSWG

MINORITY SHAREHOLDERS WATCH GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

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The Observer

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❖ When silence is not golden

Last Friday (19 August 2022), news started making the rounds in news outlets and social media that GDB Holdings Berhad, a Bursa Malaysia-listed construction firm had suspended its work on the 8 Conlay project site at Jalan Conlay, Kuala Lumpur.

A stroll down Jalan Conlay, Kuala Lumpur on 22 August 2022 (Monday) afternoon showed little construction activities taking place at the 8 Conlay project site.

With a contract value of approximately RM1.25 billion, the 8 Conlay development is the single-largest project ever undertaken by GDB.

When GDB was awarded the project in November 2020, it was appointed as the main contractor of the project to complete the remaining main building works for 8 Conlay. The contract was to last for 32 months and was slated to be completed by 22 September 2023.

So far, GDB has been tight-lipped on what has transpired between them and the client.

According to some news outlets (e.g., Nanyang Business Daily, Sin Chew Daily), a GDB's spokesperson had apparently confirmed the work suspension to a local financial daily but no further details were divulged. To add further concern to shareholders, the financial daily later retracted the report just hours after it circulated on the internet.

Meanwhile, KSK Land Sdn Bhd, the developer of 8 Conlay had dismissed market talks that the project is facing work suspension. Before this, the developer had refuted talks of financial distress, stressing that it had not missed or defaulted on loan repayments.

At the time of writing this article, GDB has not issued any official announcement, statement, or press release related to the rumour of the work suspension on the 8 Conlay project site.

As of 30 June 2022, GDB's outstanding order book amounted to RM1.23 billion consisting of construction works for Park Regent at Desa ParkCity, Perla Ara Sentral in Ara Damansara, Hyatt Centric Hotel in Kota Kinabalu, Sabah and 8 Conlay.

Should an announcement have been made?

The latest development at GDB has raised doubts about whether the construction firm should announce to Bursa Malaysia given the materiality of the work suspension on its business.

Rumour of this adverse development had unnerved investors. On 19 August, GDB's share price tumbled by 17% to an intraday low of 22 sen from the previous closing of 26.5 sen. The counter was down by 15% and settled at 22.5 sen at end of the trading day. At the same time, 21.05 million shares changed hands on 19 August, compared to the 1.1 million shares the day before. Share price of GDB slid further to 19 sen on 25 August.

While it is hard to draw a causal link between GDB's recent sharp drop in share price and the work suspension, the stock price reaction may have been due to the market not taking GDB's reticence lightly.

As per Chapter 9 - Continuing Disclosure of Bursa Malaysia Securities Listing Requirements (LRs), a listed issuer must, in accordance with LRs, disclose to the public all material information necessary for informed investing and take reasonable steps to ensure that all who invest in its securities enjoy equal access to such information.

As a rule of thumb, information is considered material if it is reasonably expected to have a material effect on the price, value or market activity of securities, or influence the decision or action of shareholders.

The information which concerns the listed issuer's business, financial condition, prospects, or which relates to dealings with employees, suppliers, and customers is considered material for public disclosure and knowledge.

Furthermore, PLCs must ensure that the disclosure of material information shall not be made individually or selective basis to analysts, shareholders, journalists et cetera unless the information has previously been fully disclosed and disseminated to the public.

Having said that, things may not be as straightforward in practice. Subject to the board and management's discretion, PLCs may temporarily refrain from publicly disclosing material information if they deem the immediate disclosure of such information would jeopardise their ability to pursue its corporate objectives, or when things are in a state of flux and a more appropriate moment for disclosure is imminent.

Bleak near-term prospect

Financially, GDB remained profitable over the three-months ended 30 June 2022 (Q2FY2022), despite a sharp margin squeeze.

Its quarterly revenue jumped 83% to RM147.5 million from RM80.72 million the year before, while net profit was lower at RM3.44 million compared to RM4.92 million earlier.

For the first six months of FY2022, GDB's revenue had jumped by 65% to RM316.47 million but with a lower profit of RM11.25 million (Q2FY2021: RM13.72 million).

The decline in profit was mainly due to lower profit margins from ongoing projects because of the increase in building material prices and labour costs. It also incurred higher project preliminaries and staff costs due to the prolonged contract duration arising from lockdown measures imposed earlier.

For the three-months ended 30 June, GDB had incurred net operating cash outflow of RM24.53 million, as compared to net operating cash inflow of RM18.44 million a year ago.

Overall, it anticipates a challenging outlook for FY2022 due to prolonged labour shortage issues, higher construction costs and higher preliminaries resulting from the prolonged construction period which has exerted pressure on its profitability for ongoing projects.

Some analysts hold a bearish view on GDB's near-term prospects. Hong Leong Investment Bank (HLIB) has downgraded the stock to "sell" from "hold", and cut the target price by 26 sen to 15 sen.

Likewise, TA Securities also downgraded GDB to "sell" from "buy" with a revised target price of 21 sen – a 32 sen cut from 53 sen projected earlier. The research house announced the cessation of coverage of the counter "due to the lack of access to management". The phrase 'lack of access to management' is a worrying pronouncement by a research firm.

While the rumours of the stop-work order on the 8 Conlay project have not been clarified, confirmed or denied by the management, analysts may have already priced in this uncertainty into their projection.

HLIB estimated that the 8 Conlay project formed about a third of GDB's unbilled orderbook with receivables plus contract assets of about RM100 million. The analyst anticipated slower financial recognition of the said project, reduced GDB's margin assumptions and was cautious on orderbook replenishment amid a challenging tender environment. The research house slashed GDB's FY2022, 2023, and 2024 forecasts by 39.6%, 42.5% and 28.1% respectively.

Meanwhile, TA Securities took a conservative approach by removing the outstanding order book value of the 8 Conlay project from its projection, and slashed the earnings forecasts for FY2022, 2023, and 2024 by 57.6%, 62.3% and 39.8% respectively.

Conclusion

The decision to withhold certain information from the investing public may be due to confidentiality. However, minority shareholders expect PLCs to confirm, clarify or deny price-sensitive information that is floating around. Silence is said to be golden but sometimes silence gives rise to suspicions. Rumours abound when there is a vacuum of information.

Devanesan Evanson
Chief Executive Officer

MSWG AGM/EGM Weekly Watch 29 August – 2 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
29.09.22 (Thur) 09.00 am	Kanger International Berhad (AGM)	Kanger has exited the bamboo business to focus on property development activities. Its foray into the property business is still in the nascent stage and will require time to show results. Meanwhile, its property investment into apartments at Antara Genting Highlands suites is expected to show results in FY2024 but the Company should address its mounting losses which could lead to a cashflow crunch.
29.09.22 (Thur) 09.00 am	Asia Brands Berhad (AGM)	Revenue for the Company was flat at RM170 million for FY2022 in comparison with FY2021. The Company was adversely affected by the pandemic which had disrupted supply chains. Moving forward, its performance is expected to be better in FY2023 as it pivots to online sales to market its baby and lingerie products which are considered essentials for consumers.
29.08.22 (Mon) 09.30 am	Resintech Berhad (AGM)	The top-line performance of Resintech has been fluctuating around RM76 million to RM91 million for the past 10 years. Meanwhile, its net profit was between RM3 million and RM10 million during the period. Its business of manufacturing and trading of diversified plastic building

		materials is primarily driven by the construction and infrastructure activities, which are cyclical in nature. With that, perhaps the Company should think of strategies to deliver a more sustainable growth in financial performance and consequently deliver better shareholders value. Nevertheless, it has attempted to diversify its activities to biotech industry with the plan to acquire a 30% equity interest in Bionutricia Holding Sdn Bhd.
29.08.22 (Mon) 10.00 am	NWP Holdings Berhad (AGM)	The Group registered a net loss of RM17.35 million in FY2022, compared to a net loss of RM10.69 million in the corresponding 18-month financial period earlier. The decline in profitability was attributed to the increase of working capital to support its diversification to new businesses. At the same time, its external auditor HLB Ler Lum Chew PLT had highlighted NWP's material uncertainty related to going concern, on the back of its RM17 million net loss in FY2022, negative operating cash outflow of RM6.03 million, and the status of current liabilities exceeded its current assets by RM1.8 million.
29.08.22 (Mon) 10.00 am	Solarvest Holdings Berhad (AGM)	Impacted by difficult operating environment and rising input material costs, Solarvest recorded a revenue of RM175.8 million in FY2022, represented a decline of 21.6% y-o-y compared to RM224.3 million in FY2021. Meanwhile, its net profit decreased by 57.1% to RM6.9 million. Backed by an all-time-high order book size of RM727 million, which is 4 times the size of its FY2022 revenue, Solarvest confidently expects better results for FY2023.
29.08.22 (Mon) 10.00 am	Dominant Enterprise Berhad (AGM)	The Group achieved a commendable result in FY2022, recording an operating profit of RM56.8 million (FY2021: RM29.6 million), representing an increase of RM27.2 million or 91.9%. The better

		profit performance was due to a one-off net insurance compensation received amounting to RM10.6 million from the fire incident in Muar warehouse, as well as the increased revenue and higher margins achieved from the distribution segment.
29.08.22 (Mon) 10.00 am	Genetec Technology Berhad (AGM)	Genetec recorded a 130% increase in revenue to RM223.6 million in FY2022, compared to RM97.1 million in previous year. Boosted by the EV and Energy Storage sectors, Genetec saw its segmental revenue increased significantly by 481.2% to RM163.9 million. As for the bottomline, Genetec recorded a net profit (attributable to owners of the company) of RM56.4 million as compared to a net loss of RM4.245 million in the previous year thanks to improved sales volume, better operational efficiency and margin improvement in product mix.
29.08.22 (Mon) 11.00 am	Genetec Technology Berhad (EGM)	The EGM is to seek shareholders' approval for its proposed acquisition of a piece of 99-year leasehold land in Bandar Baru Bangi, Selangor measuring approximately 6.348ha together with buildings erected thereon, for a total cash consideration of RM53 million.
29.08.22 (Mon) 02.30 pm	WCE Holdings Berhad (AGM)	Thanks to active construction activities, WCE recorded a higher revenue of RM606.9 million in FY2022, compared to RM375 million in FY2021. Although toll operations have commenced, the Group has recorded a pre-tax loss of RM139.3 million during the financial year as compared to RM104.8 million in the previous financial year. The loss was mainly due to the interest expense in relation to the project financing for completed sections of its concession project.
29.08.22 (Mon) 02.30 pm	Panasonic Manufacturing Malaysia Berhad (AGM)	The Company had discontinued its production of rice cookers in early 2022 citing that rising cost of production had eroded profit margins. With effect from September

		30 2022 onwards, it will also cease the production of kitchen appliances such as blenders, food processors and slow cookers. Going forward, its performance will hinge on how successful the new products are which it plans to introduce to the market are, to replace these products to make up for the loss of revenue.
29.08.22 (Mon) 03.00 pm	Power Root Berhad (AGM)	Power Root recorded a 12.5% increase in revenue to RM347.9 million in FY2022. The increase was driven by higher local sales, particularly after the lifting of MCO 3.0. Local sales accounted for 58.7% of its revenue in FY2022, up from 53.4% a year ago. However, net profit declined 7.1% to RM26.3 million in FY2022, mainly due to higher staff costs and higher sales incentives incurred.
30.08.22 (Tue) 10.00 am	Ajinomoto (M) Berhad (AGM)	Ajinomoto's pre-tax profit decreased substantially by 60.4% to RM24.3 million compared to RM61.3 million in the previous year. The decrease was mainly due to the hike in raw material prices and fuel costs, higher freight and transportation costs, increase in staff cost and other operating expenses. Inflationary pressure, supply chain constraints, hike in raw material prices and fuel costs will continue to weigh down the Company's profitability.
30.08.22 (Tue) 10.00 am	QL Resources Berhad (AGM)	QL's revenue increased by 19.6% y-o-y to RM5.24 billion (FY2021: RM4.38 billion) while its pre-tax profit decreased by 25.7% to RM321.21 million (2021: RM432.56 million). Excluded the one-off remeasurement gain recognised in FY2021, its pre-tax profit was lower by 9.1%. Notably, this is QL's first decline in profit after recording 21 consecutive years of earnings growth. In FY2022, the revenue of FamilyMart had surpassed the 10% threshold

		prescribed in MFRS 8.13 for Operating Segment reporting. The Convenience Store Chain (CSV) business recorded a pre-tax profit of RM43 million on the back of RM636.71 million revenue as FamilyMart achieved economies of scale. With CVS coming onstream as a catalyst for growth alongside the Group's core businesses, QL is cautiously optimistic to post better performance in FY2023.
30.08.22 (Tue) 10.00 am	Minetech Resources Berhad (AGM)	For FY2022, the Group achieved a revenue of RM85.4 million, down 10.1% from RM95.0 million in FY2021. The lower revenue was mainly due to lower contribution from the Quarry and Services divisions. On the other hand, the Group recorded a net loss of RM25.2 million in FY2022 compared to a net profit of RM0.9 million a year ago. This was mainly due to lower revenue and impairments exercise undertaken during the year.
30.08.22 (Tue) 10.30 am	ACME Holdings Berhad (AGM)	ACME saw its revenue dropped by 67% to RM9.9 million in FY2022 from RM30.3 million a year ago. The sharp decrease in revenue was mainly due to declined revenue contribution from the property development division. The Group recorded a net loss of RM2.6 million compared to a net profit of RM2.6 million in the previous financial year.
30.08.22 (Tue) 11.00 am	YLI Holdings Berhad (AGM)	YLI recorded a net loss of RM6.701 million in FY2022 as compared to a a net loss of RM1.126 million the year before due to a significant decrease in profit margin arising from higher raw material prices, utility cost and consumable material pricing. Besides, its bottomline performance was dragged by lower other income due to the absence of a one-off other income in FY2021.
30.08.22 (Tue) 11.30 am	ACME Holdings Berhad (EGM)	ACME would seek shareholders' approval for the proposed reduction of its issued share capital of RM160

		million pursuant to Section 117 of the Companies Act 2016.
30.08.22 (Tue) 12.00 pm	Mytech Group Berhad (AGM)	In FY2022, the Group achieved a pre-tax profit of RM1.84 million, as opposed to a pre-tax loss of RM1.21 million in FY2021, with the manufacturing segment recording a higher pre-tax profit of RM2.76 million (FY2021: RM2.47 million). However, the hotel segment recorded a higher pre-tax loss of RM0.41 million (FY2021: RM0.34 million).
01.09.22 (Thur) 09.30 am	Hartalega Holdings Berhad (AGM)	The Company's profitability and performance moving forward will be negatively affected by falling average selling prices (ASPs) and the increase in the supply of gloves. However, heightened awareness on hygiene post pandemic could cushion the impact of tougher operating environment.
02.09.22 (Fri) 03.00 pm	Omesti Berhad (AGM)	For FY2022, the Group's revenue increased by 29.8% y-o-y to RM305.29 million (FY2021: RM235.22 million), while pre-tax profit was lower at RM1.31 million (FY2021: RM8.30 million). The sharp decrease in profit was mainly due to the recognition of loss from associates amounting to RM2.51 million, as compared to a profit of RM6.58 million in the previous year.

One of the points of interest to be raised:

Company	**Points/Issues to Be Raised**
Kanger International Berhad (AGM)	1. Trade Receivables increased significantly from RM9.6 million in FYE 2021 to RM81.3 million in FYE 2022. (Page 60 of AR 2022). a) What were the reasons for the sharp increase? b) Have the credit policies of the Company been reviewed to ensure only credit worthy customers were eligible for credit? 2. Other Operating Expenses rose substantially RM67.2 million in FYE 2021 to RM207.2 million in FYE 2022. (Page 62 of AR 2022) What is the nature of these expenses and the reasons for the sharp increase?

	3. The allowance for slow moving and obsolete inventory written down increased significantly from RM385k in FYE 2021 to RM15.5 million in FYE 2022. (Page 68 of AR 2022) a) How much of the amount has been written off to date? b) Does the Company expect this allowance to increase with the slowing economy in FYE 2023?
Resintech Berhad (AGM)	Referring to Note 12 – Other receivables, deposits and prepayments (page 127 of AR2022) a) Included in Resintech's other receivables are advances of RM1.95 million (FY2021: RM1.95 million) for its other investment in which Resintech has the option to convert the advances into additional equity interests subsequently. - To what type of business do the advances and other investment relate to? - The level of advances remains the same in the past two years, why did the Company not convert the advances into equity interest given that the advances are classified as current assets? b) Also included in other receivables was an amount of RM10.84 million (FY2021: nil) owing by third parties. - What is the nature of these receivables? How did they arise? Who are the third parties? - How likely is the Company to recover the outstanding amount?
NWP Holdings Berhad (AGM)	In FYE2022, NWP recorded another gross loss of RM2,907,358, which is higher than the gross loss of RM2,685,857 in FPE2021. NWP 's cost of sales of RM6,136,018 is higher than the revenue of RM3,228,660 (Page 44 of Annual Report 2022). a) Why did the Group incur the higher gross loss in FYE2022? What has made the cost of sales higher than the revenue? b) As this is a serious matter, what are the drastic measures taken by the Board to address the above issue? c) Can the Group achieve a gross profit margin in FYE2023? If not, why?
Solarvest Holdings Berhad (AGM)	Some of the LSS4 players have announced a four-year extension to the effective period of Power Purchase Agreements (PPAs) with Tenaga Nasional Berhad to a total period of 25 years. To date, Solarvest has not made any company announcement related to the extension of PPAs. Please clarify whether the three projects secured by Solarvest under the LSS4 scheme, with a combined capacity of 50 MW, are entitled to the extension of PPAs? If no, please explain why.

Dominant Enterprise Berhad (AGM)	Despite the uncertainty and disruptions resulting from the COVID-19 pandemic, the Group achieved a commendable result in FY2022, recording an operating profit of RM56.8 million (FY2021: RM29.6 million), representing an increase of RM27.2 million or 91.9%. The Group received net insurance compensation amounting to RM10.6 million during the financial year from the fire incident in its Muar warehouse in January 2021. Excluding the net insurance compensation, Dominant would still have a commendable operating profit of RM46.2 million, a year-on-year increase of RM16.6 million or 56.1% (Page 12 of the Annual Report 2022). a) Is the good performance sustainable in FY2023? b) What competitive advantages does the Group have over its peers in the market?
Genetec Technology Berhad (AGM)	In FY2022, the group achieved exceptional growth in Electric Vehicle and Energy Storage segments, primarily driven by the strong orders from an existing key customer from the USA. Customer C, as disclosed on page 89 of Annual Report FY2022, who contributed RM163.872m or 73.3% to the group's revenue for FY2022. i) For the products that the group currently supplies to Customer C, Is the group the sole supplier of Customer C? ii) Does the group expect the percentage of revenue contribution from Customer C to increase further in the foreseeable future? iii) Given the high concentration of revenue contribution from Customer C, how does the group manage the customer concentration risk arising from Customer C? iv) What are the competitive advantages that the group possesses over other competitors which have helped the group to secure contracts/ orders from Customers C?
WCE Holdings Berhad (AGM)	The project completion was affected by delays in land acquisitions and finalisation of expressway alignment. The project is also financially impacted by cost overrun in land acquisitions. This is further compounded by the Covid-19 pandemic. Does the group anticipate the need for further equity fund raising to complete the expressway?
Panasonic Manufacturing Malaysia Berhad (AGM)	1. The Company discontinued its production of Rice Cookers in early 2022 citing that rising cost of production had eroded profit margins. With effect from September 30th, 2022, the Company will also cease the production of kitchen appliances such as blenders, food processors and slow cookers. a) What is the loss of revenue from the cessation of these lines of products?

	b) What are the products that the Company will introduce to the market to make up for the loss in revenue from the cessation in FYE 2023? 2. Other Operating Income of the Company rose significantly to RM19.5 million in FYE 2022 compared to RM6.4 million in FYE 2021. (Page 77 of AR 2022) What were the reasons for the sharp increase and is this Income expected to be recurring?
Power Root Berhad (AGM)	Power Root was prepared for the imposition of the sugar tax which was to be implemented on 1 April 2022. Although the Malaysian government has deferred the sugar tax implementation for the moment, the Company is ready for this eventuality. Power Root expects to roll out new products with lower sugar levels to meet the changing trends and tastes of consumers. (page 19 of Annual Report (AR) 2022) a) What are the potential impacts to Power Root from the new sugar tax in Malaysia? b) How much of your current products will be affected by the imposition of the sugar tax in Malaysia? How much of these products can be re-introduced with lower sugar levels? c) What did you learn from the sugar tax roll-out in the Middle East markets that you can apply here?
Ajinomoto (M) Berhad (AGM)	For FY2022, the group revenue increased by 9.4% to RM484.7 million from RM443.1 million. Despite recording higher sales volume of AJI-NO-MOTO, TUMIX and TENCHO industrial products, the group's profit before tax decreased substantially by 60.4% to RM24.3 million compared to RM61.3 million in the previous year. The decrease in profit before tax was mainly due to the hike in raw material prices and fuel costs, higher freight and transportation costs, increase in staff costs, depreciation, computer hardware and software maintenance and other operating expenses. (page 8 & 47 of annual report (AR) 2022) a) Does the Group expect to face similar strong headwinds in FY2023? b) How does the inflationary pressure (hike in raw material prices and rising fuel costs) affect Ajinomoto group's profit margin in FY2023? What are the opportunities for the group to pass on cost increases to maintain/increase its profit margin?
QL Resources Berhad (AGM)	QL's fishing fleet comprises 29 well-equipped purse seine vessels. Labouring hard to overcome crew shortage, the Group managed to increase operations of the vessels from a measly 3 at the beginning of FY2022 to 22 units at the end of Q4, after the monsoon season. As the labour situation improves, QL expects the entire fishing fleet in Endau to be fully operational. (page 25 of AR2022)

	Has the Group managed to overcome its crew shortage issue? To-date, are the entire QL fishing fleet fully operational?
Minetech Resources Berhad (AGM)	Referring to the Statements of Cash Flows (page 92 of AR2022) a) Please explain the nature of the following impairment losses: i. RM1.08 million for other receivables ii. RM4.61 million for trade receivables iii. RM0.55 million for intangible asset iv. RM4.24 million for asset held for sale b) Based on the Changes in working capital under the Statement of Cash Flows, trade receivables declined RM2.76 million in FY2022. This does not match the increase in trade receivables of RM16.92 million in the Statements of Financial Position on page 87. Why is there such a mismatch?
ACME Holdings Berhad (AGM)	The Group paid RM3,240,000 pursuant to the Sale and Purchase Agreement dated 28 January 2022 entered between the Company and Ramsey Properties Sdn. Bhd. in relation to the acquisition of 6 units of properties for a total consideration of RM8,000,000. (Page 89 of AR) a) What was the reason for acquiring the 6 units of properties from Ramsey Properties Sdn. Bhd. b) Where is the location and what are the features of the 6 units of properties acquired? c) What is the expected return from the investment in the 6 units of properties acquired.
YLI Holdings Berhad (AGM)	The Group recorded a gross profit margin (GPM) of 5.17% (RM4,332,000/ RM83,849,000) in FYE2022 compared to GPM of 9% (RM9,294,000/ RM103,174,000) in FYE2021 (Page 52 of the Annual Report 2022). The decline in GPM was primarily due to a multitude of factors, including the adverse implication from on-going Covid-19 Pandemic and the conflict between Russia and Ukraine and the pro-longed spike in raw material pricing, consumable material pricing, and utility cost (Page 19 of the Annual Report 2022). a) Given that the abovementioned combination factors, may continue to impact the Group's business performance adversely, in what ways can the Group improve the GPM? b) Can the Group pass on rising costs or a portion of it to the customers? c) What is the Group’s targeted GPM for FYE2023?
Mytech Group Berhad (AGM)	<u>Manufacturing Segment</u> 1. What is the previous, current, and expected capacity utilisation rate for the Segment's factory in FY2023?

	2. In the wake of rising production costs coupled with higher raw material costs, the Segment will continue to optimise its supply chain to remain vigilant in cost and identify new ways of working to enhance operational efficiencies improvement to deliver satisfactory operational performance (Page 6 of the Annual Report 2022). a) To what extent will the abovementioned higher costs impact the Segment's business operation adversely? b) What is the Segment's progress in optimising its supply chain? c) What improvements have been achieved by the Segment in terms of operational efficiencies? What are the targeted improvements for FY2023?
Hartalega Holdings Berhad (AGM)	1. The Company continues to go ahead with its expansion plans with its Next Generation Integrated Glove Manufacturing Complex (NGC 1.5) (Page 25 of AR 2022) Why is the Company going ahead with its expansion plans as there is an oversupply of gloves in the market? Shouldn't it put its expansion plans on hold until the supply dynamics improve for the sales of gloves? 2. Other Income rose significantly from RM53.4 million in FYE 2021 to RM95.3 million in FYE 2022. (Page 119 of AR 2022) What were the reasons for the increase and is this Income recurring?
Omesti Berhad (AGM)	The Business Performance Services segment revenue for the financial year increased by 63.7% to RM225.84 million (2021: RM137.96 million), mainly due to the higher order fulfilments (page 9 of AR2022). However, the Business Performance Services segment's results decreased significantly to RM4.94 million (2021: RM31.86 million) (Note 4(a), pages 31 & 32 of AR2022). What is the reason for the Group's Business Performance Services segment results to decrease significantly by 84.5% when revenue increased by 63.7%?

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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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