



## MINORITY SHAREHOLDERS WATCH GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

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

# The Observer

19.08.2022

### ❖ Incessant bloodbath drags glove stock prices below pre-pandemic levels

How Malaysia's big four glove makers have 'fallen flat' due to the vicious cycle of price corrections in two years is nothing short of astonishing.

Lately, weak industry prospects have resulted in glove stocks being sold down further with Hartalega Holdings Berhad and Kossan Rubber Industries Berhad incurring the wrath of investors given declining/normalising average selling prices (ASPs) and stiff competition from China.

Recall that on 14 October 2020 the share price of Top Glove Corporation Berhad reached its all-time high of RM9.48 (ex-bonus issue of 2:1), valuing the world's largest glove maker at RM77.59 billion.

This was when Top Glove was only 52 sen away from overtaking Maybank as the largest company on Bursa Malaysia (Maybank's market cap then was RM81.39 billion) ([theedgemarkets.com](https://www.theedgemarkets.com), 15 October 2020).

Fast forward to recent times, the tables have turned on the big four and other smaller players, including those who had joined the glove bandwagon after being lured by supernormal profits reported by the existing glove companies due to soaring glove ASPs.

While Maybank's market cap has climbed 31.9% to RM107.37 billion as of 17 August 2022 (from RM81.39 billion on 14 October 2020), Top Glove's fortune has nosedived 90.9% to RM7.06 billion.

### Lower than pre-pandemic levels

To make the reality even harsher, all big four glove makers are currently trading below their pre-pandemic levels based on share prices as of 31 December 2019.

Hartalega which recently announced a dismal first quarter performance for its financial period ended 30 June 2022, was off its pre-pandemic price by 68.25% at RM1.74 as of 17 August from RM5.48 on 31 December 2019.

Hartalega has in recent times come under heavy selling pressure not only due to poor prospects but also amid consistent share disposals by Employees Provident Fund (EPF).

The institutional fund has ceased to be a substantial shareholder of Hartalega with its interest dipping below 5%. As of 15 August, EPF's stake in Hartalega has dwindled to 4.96% or 170.01 million shares from 8% or equivalent to 273.97 million shares on 3 January.

Closing at 86 sen on 17 August, Top Glove was 81.7% off its pre-pandemic price of RM4.70 while Kossan closed at RM1.02 or 75.48% lower than its pre-pandemic price of RM4.16.

Supermax Corporation Berhad which was last traded at 77.5 sen on 17 August was 68.25% off its pre-pandemic price of RM1.39 sen.

*\*Shares prices stated above are extracted from the Bursa Malaysia website and are adjusted for corporate exercises announced by glove makers*

### **Industry lull**

The near-term prospect remains bleak for glove makers given the current weak demand with customers keeping low inventory levels.

An abundance of supply in the market and price cutting by Chinese glove manufacturers are the two key factors affecting the prospect of glove makers.

As a result of massive capacity expansion by incumbent players, and influx of new players during the pandemic years, analysts estimated that the global glove manufacturing capacity has jumped by 22% to 511 billion pieces in 2022.

The demand-supply imbalance will persist although some of the new entrants have started to shut down their production facilities while most of the big players in the industry have deferred their expansion plans.

Analysts opine that the demand-supply situation will only head towards equilibrium starting in 2025 when the growth of new capacity taper off while demand for glove continues to be underpinned by better hygiene awareness.

On top of that, glovemakers are expected to further lower their ASPs to remain competitive in the near term.

The Chinese glovemakers are currently selling below cost, at US\$16-17 per 1,000 pieces against Malaysian players at around US\$20-25 per 1,000 pieces.

However, doing so suggests that glove makers are unable to fully pass on the cost increase to buyers due to dwindling ASPs and a more competitive operating environment.

### **Bearish outlook**

Premised on the above, research houses continue to be bearish on glove stocks.

For instance, CGS-CIMB Research has recently downgraded Hartalega to "reduce" from "hold" while slashing its target price by half to RM2.30 from RM4.70 previously.

UOB Kay Hian Research also downgraded the call on Hartalega to “sell” from “hold” with a lower target price of RM2.25 from RM2.55.

Meanwhile, against the backdrop of bearish sentiments on the sector given the stiff competition, Maybank IB Research has reiterated its “sell” call on Hartalega with a lower target price of RM1.86 compared to RM2.48 earlier.

Facing a similar fate is Kossan. Its three-month revenue for the financial period ended 30 June 2022 fell by 73.64% year-on-year (y-o-y) to RM589.86 million from RM2.24 billion due to lower ASPs and sales volume.

This has resulted in its net profit plunging 95.68% y-o-y to RM45.99 million (Q2FY2021: RM1.06 billion). With that, Kenanga Research has lowered its target price for Kossan to RM1.03 from RM1.20, while retaining its “underperform” rating on the glove maker.

Lastly, PublicInvest Research maintained its “neutral” call on Kossan with a lower target price of RM1.40 (from RM1.73).

**Devanesan Evanson**  
**Chief Executive Officer**

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### MSWG AGM/EGM Weekly Watch 22 – 26 August 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](http://www.mswg.org.my).

<b>Date &amp; Time</b>	<b>Company</b>	<b>Quick-take</b>
22.08.22 (Mon) 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. Most of the proceeds will be utilized for repayment of bank borrowings and for working capital purposes. Post debt repayment, its gearing ratio is expected to improve to 0.29x from 0.68x previously.
23.08.22 (Tue) 10.00 am	SAM Engineering & Equipment (M) Berhad (AGM)	For FY2022, the Group recorded a total revenue of RM1.15 billion (FY2021: RM873.7 million) and pre-tax profit of RM100.5 million (FY2021:RM81.8 million). The Aerospace business was still in red with a LBT of RM11.6 million though the loss was lower by RM10.6 million y-o-y. With the recovery of the domestic air travel, the Group is

		<p>seeing strong demand for its A320neo, A220 and B737Max products.</p> <p>For the Equipment business, the strong demands for its semiconductor and data storage equipment increased its PBT by 7.8% to RM112.1 million. Demand for the Group's equipment products continue to grow, and it will be expanding its capacity in Malaysia and Thailand in tandem with customers' increased demand.</p>
23.08.22 (Tue) 02.30 pm	Perusahaan Sadur Timah Malaysia (Perstima) Bhd (AGM)	<p>Perstima saw a significant jump of 61.5% in revenue to RM1.34 billion in FY2022. However, its net profit decreased by 2.5% to RM50.93 million compared to RM52.22 million in previous year.</p> <p>The sharp decline in profit margin was due to the sharp increase in raw material prices, higher distribution and administrative expenses.</p> <p>For now, falling international tin price should provide some respite for Perstima as the cost of tin mill black plate generally made up 80% of its production cost.</p>
23.08.22 (Tue) 03.00 pm	Kumpulan Fima Berhad (AGM)	<p>Despite the challenging market conditions amid the Covid-19 pandemic, the group delivered record results for FY2022 with a revenue growth of 37.3% to RM683.50 million and doubled its PBT to RM185.31 million from RM91.85 a year ago. All its four divisions recorded positive and improved underlying revenue growth in FY2022, with strong performances in plantation, bulking and food businesses and stable performance by its manufacturing division.</p>
24.08.22 (Wed) 11.00 am	ATA IMS Berhad (AGM)	<p>The Company plunged losses in FY2022 with a net loss of RM12.1 million after its major customer Dyson pulled out as the Company was alleged to be involved in forced labour practice.</p> <p>Dyson's pull out was material as some 81% of the revenue of the Company was contributed by it. Revenue fell 38% to RM2.6 billion from RM4.2 billion in a year ago. The challenge for the</p>

		Company moving forward is to procure new customers and remove the stigma to the Company due to the forced labour allegations.
24.08.22 (Wed) 03.00 pm	KPower Berhad (EGM)	Kpower is proposing a change of the company name from KPower Berhad to Reneuco Bhd. This is in line with its rebranding, restructuring and recapitalisation exercise with an aim to better reflect its core businesses in the sustainable energy and utilities segments, the leadership shift and continuity of the management.
25.08.22 (Thur) 10.00 am	Eduspec Holdings Berhad (AGM)	Eduspec's revenue for FY2022 decreased by 5.3% y-o-y to RM8.75 million (FYE2021: RM9.24 million) due to lower license income from Philippines. All segments of Eduspec's school business were adversely affected by school closures during the COVID-19 pandemic.  Nevertheless, with lower administrative expenses incurred in FYE2022 of RM10.86 million (FYE2021: RM19.27 million), it narrowed its net loss to RM13.27 million as compared to a net loss of RM23.49 million in the previous year.
25.08.22 (Thur) 10.30 am	YGL Convergence Berhad (AGM)	YGL saw its revenue jumped 152.1% to RM13.85 million in FY2022 mainly due to higher contribution from the solar installation segment with revenue increasing more than 9 times to RM8.27 million. Nevertheless, it recorded a net loss of RM0.08 million in FY2022 compared to a net profit of RM0.19 million a year ago. This was mainly due to different project margin and increase in material costs of solar system.
25.08.22 (Thur) 10.00 am	IJM Corporation Berhad (AGM)	IJM Corp recorded a lower PBT of RM317.87 million in FY2022, compared to RM511.15 million in previous year. The decline in profit performance was due to one-off impairments on the Group's property inventories and toll concession assets and the absence of one-off gain from the disposal of assets in previous year.
25.08.22 (Thur) 11.00 am	EUPE Corporation Berhad (AGM)	EUPE's revenue in FY2022 was lower at RM223.2 million compared to RM304.0 million registered in FY2021. As a result, its pre-tax profit was lower at RM39.7 million compared to

		RM85.2 million achieved in previous financial year.
25.08.22 (Thur) 11.00 am	YBS International Berhad (AGM)	YBS recorded a revenue of RM79.51 million in FY2022, up by 25.9% from RM63.13 million in FY2021. The precision machining and stamping segment was the main contributor to the growth with revenue rising 39% to RM50.3 million in FY2022. On the other hand, profit before tax increased 127.4% to RM7.12 million in FY2022. This was mainly due to increase in revenue with higher profit margin.
25.08.22 (Thur) 12.00 pm	EUPE Corporation Berhad (EGM)	EUPE will seek greenlight from shareholders for its proposed acquisition of 4.812 acres of leasehold land in Kuala Lumpur for RM125 million in cash.
25.08.22 (Thur) 01.00 pm	PNE PCB Berhad (AGM)	<p>The Group's revenue had increased to RM85.5 million in FY2022 from RM80.0 million in FY 2021. However, its net loss widened to RM20.7 million in FY2022 as compared to a net loss of RM4.8 million in FY2021, due to higher cost of sales from increased raw material prices, as well as allowance for impairment loss on trade receivables and deposit amounting to RM3.6 million and RM9.0 million respectively.</p> <p>The Group has been registering losses in the last four financial years.</p>
25.08.22 (Thur) 02.00 pm	Eastern & Oriental Berhad (AGM)	<p>E&amp;O's revenue for FY2022 plunged by 54% to RM140.5 million from RM304.7 million in the year before.</p> <p>The lower revenue was primarily attributed to the weak performance of the Properties segment which saw a RM176.8 million decline in revenue to RM110.6 million in FY2022.</p> <p>The reduction in properties-related revenue was due to the sale of land amounting to RM98.3 million in FY2021 and lower sales of completed properties amounting to RM70.4 million during FY2022.</p> <p>Nevertheless, it was back to black in FY2022 with a pre-tax profit of RM82.5 million compared to a pre-tax loss of RM48.0 million in FY2021.</p>

25.08.22 (Thur) 02.30 pm	Oriental Food Industries Holdings Berhad (AGM)	OFI recorded a 2.6% decline in revenue to RM288.1 million in FY2022. The decrease was due to lower sales from both local and export market in the snack food and confectioneries segment. In terms of geographical segment, the Group's revenue mix comprised of 45% local sales against 55% export sales. Nevertheless, the Group recorded an increase of 5.9% in PBT to RM24.2million, mainly due to forex gain and insurance compensation of RM1.45 million and RM1.51 million respectively.
26.08.22 (Fri) 10.00 am	Boilermech Holdings Berhad (AGM)	Overall, Boilermech performed well in FY2022 with a record revenue of RM317.8 million, up 33.9% yo-y. However, its pre-tax profit declined by 23.7% to RM25.7 million, mainly due to lower contribution from the Bio-Energy segment. The segment's PBT fell 25.4% to RM18.2 million on the back of higher commodity prices and unfavourable product mix.
26.08.22 (Fri) 10.00 am	Powerwell Holdings Berhad (AGM)	Powerwell registered a revenue of RM80.9 million in FY2022, compared to RM107.9 million in FP2021 (which covered 15 months). The COVID-19 pandemic had a large negative business impact on the Group's operations and performance results. Meanwhile, it reported a lower pre-tax loss of RM2.0 million FY2022 compared to a pre-tax loss of RM8.4 million in FY2021 due to lower expenses and lower impairment losses on trade and other receivables and rights-of-use assets.
26.08.22 (Fri) 10.00 am	Matrix Concepts Holdings Berhad (AGM)	<p>The Group saw a 21% decline in revenue to RM892.4 million in FY2022, against a revenue of RM1.13 billion in FY2021.</p> <p>At the same time, its dividend payout increased to RM104.3 million from RM100.1 million in FY2021, translating into a payout ratio of 52% in FY2022.</p>
26.08.22 (Fri) 10.30 am	Powerwell Holdings Berhad (EGM)	Powerwell is seeking shareholders' approval to vary the utilisation of proceeds raised from its IPO. The proposed variation allows the surplus funds earmarked for capital expenditure to be re-allocated for working capital purposes. Additionally, the Group requires additional time to complete the

		utilisation of the IPO Proceeds due to the disruption and uncertainties caused by the Covid-19 pandemic.
26.08.22 (Fri) 11.00 am	Xin Hwa Holdings Berhad (AGM)	Xin Hwa posted a revenue of RM105.4 million in the financial year under review - an improvement of 7.8% y-o-y, largely driven by higher contribution from the warehousing and distribution segment.  PBT came in at RM0.4 million as compared to RM4.6 million in FY2021, primarily affected by higher operating cost incurred, including increased depreciation for the new Shah Alam E-Fulfilment Centre, as well as an impairment loss of trade receivables amounting to RM2.3 million.
26.08.22 (Fri) 03.00 pm	Cahaya Mata Sarawak Berhad (EGM)	CMSB is seeking shareholders' approval for the proposed disposals by:  Samalaju Industries Sdn Bhd (SISB), a wholly-owned subsidiary of CMSB, of its entire 25% equity interests in OM Sarawak and OM Samalaju to OM Materials (s) Pte. Ltd. for USD120 million, including the settlement of all the shareholder's loans, including interest, extended by SISB to OM Sarawak and OM Samalaju.

**One of the points of interest to be raised:**

<b>Company</b>	<b>Points/Issues to Be Raised</b>
SAM Engineering & Equipment (M) Berhad (AGM)	The inventories as at 31 March 2022 was RM335.1 million, an increase of RM158.6m from RM176.5 million as at 31 March 2021. (page163 of AR 2022). Inventories written off amounted to RM3.770 million in FY 2022 compared to RM1.540 million in FY 2021. (page 163 of AR 2022)  Considering that inventories written off has increased significantly in FY 2022, what are the steps taken to enhance inventory management to ensure minimal inventories write-off?
Perusahaan Sadur Timah Malaysia (Perstima) Bhd (AGM)	Independent auditor KPMG PLT highlighted that the Company's investment in Perstima Utility Sdn Bhd (PUSB) is a key audit matter on its audit of Perstima's financial statement 2022 (page 83 of AR2022).  As of 31 March 2022, Perstima had invested RM5 million in PUSB. In turn, the amount owing by PUSB to the Company amounted to RM15.63 million.



	<p>KPMG pointed out that PUSB "has recorded losses for the past three financial years and in view of the current uncertainties on future profitability, there is an indication that the carrying amount of the investment in the subsidiary and receivables from the subsidiary may be impaired".</p> <p>a) How likely is it that PUSB could reverse its financial performance?</p> <p>b) Is the amount due from PUSB recoverable? How likely is the impairment?</p>
Kumpulan Fima Berhad (AGM)	<p>As highlighted in the segmental review in Annual Report 2022, several measures have been taken to address the manpower shortage at the plantation estates. How acute is the labour shortage issue faced by the plantation division? What is the total number of workers required for the upstream oil palm plantation business to operate efficiently and what is the current size of workforce?</p>
ATA IMS Berhad (AGM)	<p>1. The Company's revenue decreased significantly from RM4.2 billion in FYE 2021 to RM2.6 billion in FYE 2022 or by 38%. Profit After Tax (PAT) plummeted from RM150.3 million in FYE 2021 to a Loss After Tax (LAT) position of RM12.1 million in FYE 2022. The adverse performance of the Company in FYE 2022 was mainly attributable to the pull-out of one of its main customers, Dyson, which contributed some 81% of its revenue.</p> <p>One of the main reasons cited for the pull-out by Dyson was because of the alleged forced labour issues surrounding the Company.</p> <p>a) Have the labour issues plaguing the Company been resolved?</p> <p>b) As the Company has lost a major source of revenue with the departure of Dyson, what are the Company's strategies to make up for the loss?</p> <p>2. Other Expenses increased significantly in FYE 2022 to RM16.6 million compared to RM1.7 million in FYE 2021. (Page 66 of AR 2022)</p> <p>What were the reasons for the sharp increase?</p>
Eduspec Holdings Berhad (AGM)	<p>Loans and borrowings repayable within twelve months increased to RM21.6 million (2021: RM13.2 million). (Note 20, page 144 of AR2022)</p> <p>Given that the Group generated negative net operating cashflow of RM11 million (page 70 of AR2022), while the remaining cash and bank balances stood at RM3.3 million (page 59 of AR2022), how does the Group plan to meet its loan repayments on a timely manner?</p>
YGL Convergence Berhad (AGM)	<p>The software implementation segment recorded a 21.7% growth in revenue to RM5.578 million in FYE2022. Net loss from operations was RM0.162 million for FYE2022 as compared to</p>

	<p>net loss from operations of RM0.033 million for FYE2021. (page 16 of Annual Report (AR) 2022)</p> <p>a) What are your core products under the software implementation segment? Which are the top three revenue contributors?</p> <p>b) YGL has been lossmaking in most of the last 12 years. What were the key reasons for the continuing lacklustre performance? What are you doing to turn around this business?</p> <p>c) What is the current orderbook for the software implementation segment? How much of this orderbook are expected to be recognized this year?</p>
IJM Corporation Berhad (AGM)	<p>At the offsite Board Strategic Visioning Session held over a 3-day period in March 2022, the Board had actively deliberated on the visioning and forward-looking strategies for the Group, which also included ESG-related issues faced by the Group (Page 96 of the Annual Report 2022).</p> <p>a) What are the ESG related issues faced by IJM currently, which may need to be addressed in the near term?</p> <p>b) What are forward-looking strategies of the Company to address the issues?</p> <p>c) What ESG commitments have IJM decided to meet in the next two financial years? How much funding has been set aside for such purposes?</p>
EUPE Corporation Berhad (AGM)	<p>The Group's trade receivables increased by RM47.7 million or 101% from RM47.3 million in FY 2021 to RM95.0 million in FY 2022. (Page 125 of AR)</p> <p>The increase in trade receivables did not generally commensurate with the Group's revenue that has dropped by RM80.8 million or 26.6% from RM304.0 million in FY 2021 to RM223.2 million in FY 2022. (Page 87 of AR)</p> <p>a) Please explain the reason for the high trade receivables in FY 2022.</p> <p>b) Which business segment contributed to the higher trade receivables in FY 2022?</p> <p>c) What is the amount of the trade receivables that are past due but not impaired amounting to RM28.4 million in FY 2022 potentially turning into bad debts? (Page 151 of AR)</p> <p>d) What are the actions taken by the Group to mitigate the risk of the trade receivables that are past due but not impaired from turning into bad debts?</p>
YBS International Berhad (AGM)	<p>The increase of RM18.08 million in borrowings was mainly attributable to renovation and extension of factory building projects as part of the Group's continuing expansion program. (page 15 of AR 2022)</p>

	<p>a) How much was the total capex in FY2022? Please explain more on the expansion plans. (e.g. for which factory, capex breakdown, capacity expansion, etc.)</p> <p>b) What is the budgeted capex for FY2023 and FY2024? Please provide the breakdown of capex for each business segment.</p> <p>c) The Group's gearing ratio has increased from 0.48 time in FY2021 to 0.67 time in FY2022 (page 124 of AR 2022). Does the Group set a limit on its gearing ratio? Any plans to raise fund from the equity market?</p>
EUPE Corporation Berhad (EGM)	<p>Sunway Berhad has started developing its Belfield land well in advance before the Company is going to acquire a Belfield land located near the Sunway Berhad's Belfield project.</p> <p>a) Does the Company foresee the Belfield Land to be acquired to attract fewer potential house buyers as Sunway Belfield has the first mover advantage? How does the Company plan to overcome this issue?</p> <p>b) Does the Company know what is the Gross Development Value of Sunway Belfield project and the take-up rate of the condominium as this may indicate the buyer's acceptance of a property project located in Belfield? If yes, please provide the figures.</p> <p>c) Is there any other high rise property project that have been launched (except Sunway Belfield) or is to be launched around the vicinity of Belfield? If yes, please name them.</p> <p>d) What are the strategies the Company will adopt to ensure that its Belfield's Land property project will be successful?</p>
PNE PCB Berhad (AGM)	<p>Allowance for impairment loss on trade receivables rose sharply to RM3.594 million in FY2022 from RM428,407 in FY2021. There was an allowance for impairment of other receivable RM9.0 million in FY2022 (FY2021: Nil). (Page 81 of AR 2022)</p> <p>a) Why was there such a huge increase in allowance for impairment loss on trade receivables? What is the probability of recovery?</p> <p>b) What is the nature of the other receivables and what are the reasons for the allowance for impairment? What is the probability of recovery?</p>
Eastern & Oriental Berhad (AGM)	<p>The Group's administrative expenses increased by RM21.1 million or 58.6% in FY 2022 (RM57.2 million) as compared to FY 2021 (RM36.0 million). (Page 31 of AR)</p> <p>a) What were the reasons for the higher administrative expenses in FY 2022 as the Group's revenue has reduced by RM164.2 million or 53.9%?</p>

	<p>b) Which are the administrative expenses that recorded higher increases in FY 2022?</p> <p>c) What measures have been taken by the Group to mitigate the administrative expenses from increasing further without a corresponding increase in the Group's revenue?</p>
Oriental Food Industries Holdings Berhad (AGM)	<p>Looking at the product performance, the financial year under review achieved sustainable revenue for all products category except for biscuits with an encouraging growth of 17%. (page 8 of Annual Report (AR) 2022)</p> <p>a) OFI ventured into the production of biscuit products in FY2018. How has the performance been since then? What is the outlook for biscuit products in FY2023?</p> <p>b) What was the total production capacity and average utilisation rate for the biscuit production lines in FY2022?</p> <p>c) What are the Company's strategies to increase the sales of biscuit products in the highly competitive market? When do you expect to achieve optimal capacity for biscuit production lines?</p>
Boilermech Holdings Berhad (AGM)	<p>Overall, the Group performed well in FY2022 with a record revenue of RM317.8 million, up 33.9% year-on-year (YOY). However, profit before tax (PBT) declined 23.7% to RM25.7 million, mainly due to lower contribution from the Bio-Energy segment. (page 17 of Annual Report (AR) 2022)</p> <p>a) The Bio-Energy segment saw PBT decline 25.4% to RM18.2 million despite a 40% growth in revenue to RM246.1 million. Which raw materials have the biggest impact on your cost structure?</p> <p>b) What is the current outstanding orderbook for your Bio-Energy segment? How much of this orderbook is based on the latest (higher) cost structure? To what extent can you pass on the higher cost to your customers?</p> <p>c) What measures have you taken or plan to implement to mitigate the risk of sudden and huge rise in costs in the future? Put another way, would you be able to maintain the profit margins if the same situation happens again?</p> <p>d) What was the average utilisation rate for your boiler manufacturing plants in FY2022? What is the current utilisation rate and your target for FY2023?</p>
Powerwell Holdings Berhad (AGM)	<p>Prior to its listing on the ACE Market in January 2020, Powerwell's financial results were respectable with profit after tax (PAT) ranging from RM9.12 million to RM13.87 million between FY2017 to FY2019. Post listing, the Group recorded loss after tax of RM8.89 million and RM3.01 million in FY2021 and FY2022 respectively. (page 4 of AR 2022)</p> <p>a) What has gone wrong over the last two financial years?</p>

	b) What are the chances of achieving the previous record high PAT of RM13.87 million and PAT margin of 13.0% in the future?
Matrix Concepts Holdings Berhad (AGM)	<p>The Group has written off property development costs of RM5.58 million in FY 2022 as compared to RM Nil in FY 2021. (Page 141 of IR)</p> <p>a) What was the reason for the Group to write off property development costs of RM5.58 million in FY 2022?</p> <p>b) Please name the property project/s with the write off RM5.58 million.</p>
Xin Hwa Holdings Berhad (AGM)	<p>While the land transport segment reported a higher revenue of RM89.489m for FY2022, versus RM86.984m a year ago, the segmental profit before interest and tax declined sharply to RM1.949m from RM7.755m a year ago.</p> <p>a) What were the reasons for the sharp drop in the FY2022 segmental profit despite a higher segmental revenue in FY2022?</p> <p>b) What is the outlook for the land transport segment?</p> <p>c) What are the measures taken to improve the segmental margin?</p>

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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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