

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

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MSWG AGM/EGM WEEKLY WATCH 26 - 30 SEPTEMBER 2022	
MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 26 - 30 September 2022. 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
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?
Ho Wah Genting Berhad (AGM)	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?
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?

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AME Elite Consortium Berhad (AGM)	Joint Venture 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 border="1"> <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?	FY2022	RM1,623,277	FY2021	RM3,510,111	FY2020	RM5,239,270
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Sentoria Group Berhad (AGM)	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) 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?						