

SAME GAME SAME DICE



Shareholders of Grand Central Enterprises Bhd (GCE) will congregate on 13 September 2024 to decide the fate of the Proposed Withdrawal of GCE's listing from the Bursa Malaysia. If successful, this deal would be another "not fair but reasonable" privatisation offer, echoing similar sentiments from previous privatisation exercises.

GCE's voluntary withdrawal - A done deal for minority shareholders?



Following a recent analysis of MPH Capital Berhad's privatisation offer at RM1.70 per share, *The Observer* now turns its attention to another privatisation move – the Proposed Withdrawal of Grand Central Enterprises Bhd(GCE)'s listing from the Main Market of Bursa Malaysia Securities Berhad, pursuant to paragraph 16.06 of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (collectively referred to Proposed Withdrawal). If successful, this deal would be another “not fair but reasonable” privatisation offer, echoing similar sentiments from previous exercises.

The privatisation of GCE was announced on 22 July 2024 by its controlling shareholders - Hotel Grand Central Limited (HGCL) and Tan Chee Hoe & Sons Sdn Bhd (TCHSSB) (referred to as Proposers or Joint Offerors), who collectively hold 73.39% of GCE's total issued shares as of 16 August 2024.

GCE is principally involved in the hotel business in Malaysia. It owns and operates five hotels under the Hotel Grand Continental brand located in Kuala Lumpur, Kuala Terengganu, Kuantan (*pic*), Kuching, and Langkawi with varying equity interests, and Hotel Grand Crystal located in Kedah under a management agreement. (*Picture Source: grandconkuantan.com*)

To facilitate the Proposed Withdrawal (which represents a conditional voluntary take-over offer), HGCL and TCHSSB have offered 46 sen per share to acquire the remaining 26.61% or 52.43 million GCE shares they do not already own (collectively referred to as Exit Offer). The Joint Offerors do not intend to maintain GCE's listing status on the Main Market of Bursa Malaysia.

Pursuant to paragraph 16.06(1)(c) of the MMLR, and subject to shareholders' approval, the Proposers who requested the withdrawal of listing must offer the shareholders a reasonable cash alternative or other reasonable alternative. With that, the Exit Offer is to facilitate the Proposed Withdrawal.

Rationale of Proposed Withdrawal

The Proposed Withdrawal and Exit Offer came amid GCE's consecutive streak of losses for the past ten years up to the financial year ended 31 December 2023 (FY2023) and the latest financial period ended 31 March 2024 (FPE 2024).

Amid the rising cost of doing business and stiff competition from new hotels, GCE anticipates challenging financial performance moving forward. Given the lacklustre prospects, the Company believes it is unlikely to raise sufficient funds for business improvements in the capital markets.

As it is, the Joint Offerors believe that privatising GCE will grant them greater flexibility in executing restructuring plans for the Company while free from the obligations of complying with listing requirements.

Additionally, GCE shares have been thinly traded, with an average monthly trading volume of just 500,221 for the past 12 months leading up to July 2024, representing a liquidity turnover of approximately 0.98%. Given the limited trading activity in GCE shares, the Joint Offerors claimed the Exit Offer allows shareholders to realise their investment immediately at an offer price of 46 sen per share.

Another “not fair but reasonable” exit offer

In its independent advice letter (IAL) dated 22 August 2024, independent adviser (IA) MainStreet Advisers Sdn Bhd concluded that the Exit Offer is **“not fair but reasonable”** and that it recommends shareholders to accept the Exit Offer.

The Exit Offer is **“not fair”** as its offer price of 46 sen per share represents:

- (i) A **discount of 60.68%** to the **estimated fair value of RM1.71 per GCE share**, calculated based on the revalued net asset value (RNAV) method
- (ii) A **discount of 52.08%** to the latest **unaudited net asset (NA) per share of 96 sen per share** as at 31 March 2024.

Then again, the IA opined that the Exit Offer was **“reasonable”**, as it provides an opportunity for shareholders, especially those with substantial holdings, to realise their investments in GCE – an opportunity that would have been unlikely given GCE’s low trading volume and lacklustre share prices over the past three years. Its prolonged losses and inability to distribute dividends since FY2019 added to the woes of limited upside in share prices.

Since the Exit Offer is intended to facilitate the Proposed Withdrawal, the IA has also assessed the offer to provide non-interested directors and shareholders a comprehensive understanding of the Proposed Withdrawal. From a holistic perspective, the IA opined the Proposed Withdrawal is **“fair and reasonable”**, and not detrimental to shareholders, considering the following:

- (i) GCE has incurred losses for the past 10 consecutive financial years due to a challenging operating environment. Besides, its NA per share has been declining RM1.29 (FY2014) to 97 sen (FY2023) and 96 sen (FPE 2024).

- (ii) Its hotels have an occupancy rate of around 24% and an average building age of 31 years. Given this, capital-intensive refurbishment is essential for it to remain competitive in the hospitality industry.
- (iii) There is no assurance that the GCE shares can be realised at its estimated RNAV.
- (iv) The market prices of GCE shares have been trading below the Offer Price for the past 12 months up to 19 July 2024.
- (v) GCE shares are illiquid.
- (vi) The Board received no alternative proposal for the Offer Shares (including any offer to acquire the assets and liabilities of the GCEB group). Moreover, since the Joint Offerors and the PACs collectively hold the majority stake of approximately 74.25% in GCEB shares as of 16 August 2024, any alternative proposal will be of no avail without their support.

Therefore, the IA recommends that shareholders **vote in favour** of the resolution on the Proposed Withdrawal, which will be presented at GCE's upcoming physical Extraordinary General Meeting (EGM) on 13 September 2024.

The IA further notes that its views on both the Proposed Withdrawal and Exit Offer are aligned, advising holders to accept the Exit Offer and shareholders to vote in favour of the Proposed Withdrawal resolution.

Limited options for minority shareholders

It is concerning that, as outlined in Section 11 of the Circular dated 22 August 2024, all shareholders - including those with an interest in the proposal - are entitled to vote on the resolution related to the Proposed Withdrawal. The reasoning is that the Proposed Withdrawal impacts the rights of all shareholders, and no specific shareholder or group of shareholders is expected to gain an undue advantage from the proposal.

In this context, the Proposed Withdrawal is not deemed a related party transaction and does not present a conflict of interest under the Listing Requirements. Consequently, **interested parties are not required to abstain from voting** on the resolution at the upcoming EGM, regardless of their direct or indirect shareholdings.

Indeed, this situation is unfavourable to minority shareholders. Given that the Joint Offerors and their persons acting in concert (PACs) initiated the proposal and stood to benefit from the delisting of GCE, how can they not be considered related parties when their interests are directly tied to the outcome of the proposal?

Besides, according to GCE's unaudited financial results for the period ending 30 June 2024, it has cash and cash equivalents totalling RM42.5 million. It costs the Joint Offerors just RM24.1 million to acquire the remaining shares that they do not already own. Should

the Proposed Withdrawal succeed, the Joint Offerors stand to pocket the remaining RM18.4 million cash, along with the five hotels owned and run by GCE.

Ironically, the fate of GCE's minority shareholders lies in the hands of two non-interested independent non-executive directors (INEDs). GCE's four executive directors and one other INED were considered interested parties in the proposal, leaving the decision largely to the two INEDs.

Upon reviewing the IA's opinion, they deemed the Proposed Withdrawal and Exit Offer 'fair and reasonable,' despite the offer price being at a 60.68% discount to GCE's RNAV per share. As a result, the proposal was put forth for shareholders' consideration, and shareholders were advised to vote in favour of it.

With the Joint Offerors and their PACs holding the lion's share of GCE, minority shareholders have limited options. The Proposed Withdrawal appears to be a done deal. Even if minority shareholders reject the Exit Offer, they risk having their investments tied up in an unlisted entity for an extended period. This pain could be particularly excruciating if their cost of investment far exceeds the offer price.

This situation reminds us of Uncle K, who recounted his story of investing in GCE over a decade ago, hoping that these would one day be passed down as an inheritance. Now, he finds himself in a predicament: accept the exceptionally unfair Exit Offer or risk holding onto shares of an unlisted entity.

Not the first and not the last

Notably, GCE's 60.68% discount to the RNAV of RM1.71 per share is likely the steepest among the eight PLCs that have announced privatisation in the past two years and eight months. In each of those cases, the IA concluded that the offer was 'not fair but reasonable,' yet still advised disinterested shareholders to accept the offer or vote in favour, particularly when the offeror intended to delist the company.

These exercises were deemed "not fair" because offer prices were at a discount between 10.84% and 60.68% of their fair value. Of the eight PLCs, six have been successfully delisted while two, namely MPH Capital Berhad and GCE, are still in progress.

Notice date	Offeror	Offeree	Offer price	IA comments	Discount over fair value
22 July 2024	TCHSSB and HGCL	GCE	RM0.46	Not fair but reasonable, to vote in favour and accept	(60.68%)
28 May 2024	Casi Management Sdn Bhd	MPHB Capital Berhad	RM1.70	Not fair but reasonable, to vote in favour	(48.01%)

Notice date	Offeror	Offeree	Offer price	IA comments	Discount over fair value
6 December 2024	Sime Darby Enterprise Sdn Bhd	UMW Holdings Berhad	RM5.00	Not fair but reasonable, to accept	(10.84%) to (16.90%)
10 November 2023	Lembaga Tabung Angkatan Tentera	Boustead Plantations Berhad	RM1.55	Not fair but reasonable, to accept	(40.40%)
2 March 2023	Lembaga Tabung Angkatan Tentera	Boustead Holdings Berhad	RM0.855	Not fair but reasonable, to accept	(45.30%) to (51.17%)
14 July 2022	Jardine Cycle & Carriage Limited	Cycle & Carriage Bintang Berhad	RM2.70	Not fair but reasonable, to accept	(31.76%)
17 February 2022	Hock Seng Lee Enterprise Sdn Bhd	Hock Seng Lee Berhad	RM1.35	Not fair but reasonable, to accept	(30.77%) to (31.82%)
26 November 2021	Brem Properties Sdn Bhd & Tan Sri Dato' Khoo	Brem Holding Berhad	RM1.20	Not fair but reasonable, to vote in favour	(37.20%)

(Source: Bursa Malaysia website)

It may be time for regulators to reconsider the acceptance of 'not fair but reasonable' voluntary exit offers. At the very least, PLCs intending to delist should offer prices that are 'fair and reasonable' for all shareholders.

Again, we advocate for practices similar to those in Singapore, where voluntary delisting offers must be both "fair and reasonable". A fair offer price that meets or exceeds the estimated fair value would better align the interests of minority shareholders with those of the offeror.

Additionally, independent directors are entrusted to protect the interests of minority shareholders. They should reject privatisation offers that are grossly unfair to minority shareholders.

For Malaysia's capital market to thrive, we aspire to a future where privatisation offers are genuinely 'fair and reasonable' for all shareholders, leaving no room for unfair offers at steep discounts.

MSWG AGM/EGM Weekly Watch 9 – 13 September 2024

The following are the AGMs/EGMs of companies on the Minority Shareholders Watch Group's (MSWG) watch list for this week.

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
09.09.24 (Mon) 10.00 am	Bintai Kinden Corporation Berhad (AGM)	<p>The Group reported a 68.31% decrease in revenue to RM36.79 million for FY2024 (FY2023: RM116.10 million) due to termination of 10 contracts under the M&E engineering segment and lack of new large-scale projects.</p> <p>A profit before tax of RM5.16 million was achieved in FY2024 (FY2023: LBT of RM116.62 million) due to absence of further major impairments.</p> <p>The Company received approval from Bursa for a six-month extension until 29 September 2024 to submit its regularisation plan.</p>
10.09.24 (Tue) 10.00 am	Land & General Berhad (AGM)	<p>The Group recorded a revenue of RM216.63 million in FY2024, a 13% lower than RM249.18 million in FY2023.</p> <p>The lower revenue was primarily due to lower sales from the Property division while new projects such as Livista and Wyn are at their early stage of development. The Property division remained the main source of revenue for the Group contributing 82% of the total Group revenue.</p>
11.09.24 (Wed) 09.45 am	See Hup Consolidated Berhad (AGM)	See Hup reported a marginal increase in revenue to RM126.27 million from RM126.2 million in the previous year.

Date & Time	Company	Quick-take
		<p>The trading and machinery hire segment reported a substantial increase in revenue from RM16.0 million to RM20.2 million, driven by the completion of the East Coast Rail Link Project. Its property and investment holding segment also saw significant growth in revenue from RM0.04 million to RM0.81 million, due to increased warehouse rentals.</p> <p>Meanwhile, its pre-tax loss improved significantly by 49.3% y-o-y to RM2.6 million mainly due to lower impairment losses and inventory write-offs.</p>
11.09.24 (Wed) 10.00 am	Symphony Life Berhad (AGM)	<p>In FY2024, the Group narrowed its pre-tax loss to RM7.3 million from a loss of RM72.1 million in the previous year. The improvement is primarily due to the write-back of RM24.5 million on its land in Amanjaya, Sungai Petani, offset by an adjustment of RM15.3 million for the net provision of construction cost.</p>
11.09.24 (Wed) 10.00 am	Censof Holdings Berhad (AGM)	<p>The Group reported marginal increase in revenue to RM101.26 million in FY2024, from RM102.47 million in FY2023.</p> <p>Its business segments delivered mixed performance in FY2024. The Financial Management Solutions - Government (FMS-G) and Commercial and SMEs (FMS-C) divisions saw revenue drops of 7.5% and 1.9%, respectively, due to project delays and competition.</p> <p>Meanwhile, revenue from the Wealth Management Solutions (WMS) and Digital Technology (DT) segments grew by 25.9% and 23.8%, driven by new project contributions, and the increased use of e-procurement, e-tender platforms, and cloud hosting services.</p>

Date & Time	Company	Quick-take
11.09.24 (Wed) 10.00 am	LTKM Berhad (AGM)	LTKM's revenue increased slightly by 0.2% y-o-y to RM257.7 million (FY2023: RM257.3 million), while it enjoyed record earnings with profit before tax of RM64.6 million (FY2023: RM30.5 million). The exceptional performance was contributed by record earnings from the poultry segment, improved earnings from sand mining segment and fair value gain on investment properties.
11.09.24 (Wed) 10.30 am	Systech Bhd (AGM)	<p>The Group's revenue from the continuing operation increased to RM25.131 million from RM17.45 million previously, attributed to contributions from the newly acquired subsidiary, TalentCloud AI Sdn Bhd coupled with higher contributions from e-Logistic Solutions and CyberSecurity Solutions segments.</p> <p>It narrowed its pre-tax losses to RM4.334 million from RM 5.45 million in FY2023, thanks to the disposal of the loss-making subsidiaries and improved efficiency.</p>
12.09.24 (Thur) 10.00 am	Xin Synergy Group Berhad (AGM)	<p>For FY2024, the Group recorded revenue of RM70.58 million (FYE2023: RM23.94 million) and profit before tax of RM4.46 million (FY2023: -RM42.40 million).</p> <p>The significant increase in revenue was mainly due to the higher contribution from the Property Development division.</p>
12.09.24 (Thur) 10.00 am	BM Greentech Berhad (AGM)	<p>BMGreenTech recorded a 16.6% growth in revenue to RM440.3 million in FY2024. The bio-energy, solar energy and water treatment segments of the Group have delivered record-breaking revenue.</p> <p>Meanwhile, profit before tax increased 129% to RM47.9 million, in line with the increase in revenue and the improved efficiency, delivery as well as stabilised raw</p>

Date & Time	Company	Quick-take
		material costs and foreign currency fluctuations.
12.09.24 (Thur) 10.30 am	D'nonce Technology Bhd (AGM)	<p>D'nonce net loss widened in FY2024, surging 33 times to RM8.83 million from a net loss of RM259,000 in FY2023, primarily due to a higher fair value loss on other investments at RM7.34 million compared to a loss of RM3.69 million a year ago. Its Other Investments primarily consist of investments in quoted shares.</p> <p>As of FY2024, D'nonce's investment in shares quoted in Malaysia increased to RM32.53 million from RM22.89 million previously. Throughout FY2024, D'nonce invested RM10.94 million in quoted shares.</p>
12.09.24 (Thur) 11.00 am	Emico Holdings Berhad (AGM)	<p>In FY2024, Emico recorded revenue of RM61.02 million, representing a slight decrease of RM180,000 compared to FY2023, in the absence of revenue contribution from the property division.</p> <p>Nevertheless, it posted a profit before tax of RM5.52 million (FY2023: RM1.41 million), primarily attributed to the higher selling prices and the strengthening of US dollar against ringgit.</p>
12.09.24 (Thur) 02.30 pm	Vizione Holdings Berhad (EGM)	<p>Vizione is seeking shareholders' approval for the resolutions below:</p> <ul style="list-style-type: none"> - Proposed Share Consolidation of every 5 existing Vizione Shares into 1 Vizione Share. - Proposed Private Placement of up to 143 million new Vizione shares after the Proposed Share Consolidation. <p>Notably, this marks the fifth equity fund-raising exercise undertaken by the Group since 2019, following three previous</p>

Date & Time	Company	Quick-take
		<p>private placements and one rights issue, which have collectively raised a total of RM234.59 million.</p> <p>Consequently, the number of issued shares has nearly quadrupled, increasing from 562 million to 2.05 billion.</p>
12.09.24 (Thur) 03.00 pm	Omesti Berhad (AGM)	<p>Omesti reported a massive pre-tax loss of RM256.27 million in FY2024 (FY2023: RM61.55 million), primarily due to impairment losses totalling RM208.98 million incurred during the year. Its revenue declined marginally to RM116.15 million compared to RM116.22 million previously.</p>
13.09.24 (Fri) 10.00 am	Powerwell Holdings Berhad (AGM)	<p>Powerwell's revenue declined 2.7% to RM154.8 million in FY2024, mainly due to fewer projects delivered and the nearing completion of a major semiconductor plant project.</p> <p>Nevertheless, its gross profit margin improved to 29.7% from 15.5% a year ago, driven by higher margins in key projects, specifically the solar power plant, data centres and semiconductor plant sectors.</p> <p>In FY2024, the Group secured significant high-value contracts, including a 100 MW solar power plant project from Bangladesh worth US\$8.90 million (or equivalent to RM41.90 million) and several data centres and commercial property projects.</p>

Points of interest:

Company	Points/Issues to Be Raised
Bintai Kinden Corporation Berhad (AGM)	<p>“The Board of Directors and management are in the midst of developing a comprehensive regularisation plan to be submitted to the relevant authorities for approval, with the intention to exit PN17 classification. Bintai has received approval from Bursa Malaysia Securities Berhad for an extension of 6 months, up to 29 September 2024, to submit the regularisation plan.” (Page 12 of Annual Report 2024)</p> <p>a) In view of the fact that the deadline for submission of the regularisation plan is less than a month away from the AGM date, is the Company on track to submit the plan before 29 September 2024? Please also provide an update on the progress.</p> <p>b) How much has been spent to date on engaging the relevant advisors to facilitate the submission of the regularisation plan?</p>
Land & General Berhad (AGM)	<p>In late February 2024, a Hong Kong court received a creditor's petition to liquidate Country Garden Holdings Company Limited, (“CGHCL”) over non-payment of its debt.</p> <p>CGHCL is the joint venture partner of Country Garden Properties (Malaysia) Sdn. Bhd. (“CGPM”) while the Company is the other joint venture partner. CGPM has been reporting losses for the past two financial years.</p> <p>a) Is CGPM’s operation continuing as usual? Please explain the actual position of CGPM now.</p> <p>b) Is there a demand for CGPM’s new property or completed properties? What were the inventories of unsold completed properties in terms of units and values for both FYs 2023 and 2024?</p> <p>c) What is the Group’s future plan for CGPM?</p>
See Hup Consolidated Berhad (AGM)	<p>The transportation and logistics services were the primary contributors to the Group’s revenue. However, this segment experienced a 4.51% decline in revenue, falling from</p>

	<p>RM110.18 million to RM105.21 million compared to the previous year, primarily due to a significant decrease in market rates (page 12 of Annual Report (AR) 2024).</p> <p>a) Please provide a revenue breakdown for air freight forwarding, sea freight forwarding and inland transport services in FYE2023 and FYE2024. Also, briefly state the gross profit margins for respective services.</p> <p>b) What is the current order book value for the Group's transportation and logistics services?</p> <p>c) In this business segment, who are the primary customers or industries served by the Group? Please provide a breakdown.</p> <p>d) What are the Group's current market shares at Port Klang, Penang Port, and Tanjung Pelepas Port for sea freight operations?</p> <p>e) Please explain the factors behind the significant decline in market rates and the strategies the Group uses to mitigate its impact on revenue.</p>
Symphony Life Berhad (AGM)	<p>The group's lower total revenue in FY 2024 as compared to FY 2023 was due to the slow movement of unsold stocks for three of the Group's development projects, namely Union Suites, Tijani Raja Dewa (Kota Baru), and industrial lots in Sungai Petani. (Page 37 of AR)</p> <p>a) Please explain the challenges faced by the Company in clearing completed property stocks for each of the property project namely Union Suites, Tijani Raja Dewa (Kota Baru), and industrial lots in Sungai Petani.</p> <p>b) Has there been an improvement in clearing the unsold completed property stocks for the three property projects? If yes, please provide the number of units sold and values respectively.</p>

	<p>c) What measures have been taken to clear the unsold completed property stocks for the three property projects? Are these measures successful in terms of the units sold? Please provide the numbers and values.</p>
<p>Censof Holdings Berhad (AGM)</p>	<p>Century Software (Malaysia) Sdn. Bhd., the Group’s largest subsidiary, leads the Financial Management Solutions – Government (FMS-G) division. Despite a 7.5% revenue decline due to administrative delays in public sector digitalisation projects, the FMS-G division still contributed 58.5% to the Group’s revenue (page 16 of AR2024).</p> <p>a) Please provide a breakdown of revenue and the total number of contracts for the Standard Accounting System of Government Agencies (SAGA) solution, the cloud-based Government Resource Planning (GRP) solution, and the ePihak Berkuasa Tempatan (ePBT) financial management solution to the FMS-G division for FYE2024.</p> <p>b) Please specify how much annual recurring maintenance revenue from each of the solutions above contributed to the FMS-G division in FYE2024. Additionally, how much are the profit margins of each solution to the FMS-G division in FYE2024?</p> <p>c) The division’s efforts to expand its reach beyond government projects have been fruitful. In FYE2023, it secured contracts from two private sector banks, including one in Brunei, and in FYE2024, it bagged a contract from DRB Hicom Berhad (page 17 of AR2024).</p> <p>i. Which banks in Malaysia and Brunei has the Group secured contracts with? Please specify the value of the contracts, the scope of the work, and the duration of the contracts. How will the revenue and earnings from these banks be distributed over the project duration? Are there any new contracts secured from the banking industry in both markets in FYE2024?</p>

	<p>ii. Additionally, please provide more information regarding the contract with DRB Hicom Berhad etc., how much is the contract's value, the scope of work and the duration of the contract.</p>
LTKM Berhad (AGM)	<p>In FY2024, sand mining segment recorded improvement in revenue by 27% due to increase in production. Sand mining recorded improved segmental earnings at RM1.3 million due to higher volume sold. (page 7 of AR2024)</p> <p>a) What was the volume of sand mined in FY2024 as compared to FY2023? How will the Group's sand mining segment expected to perform in financial year ending 2025?</p> <p>b) With the Government's rationalisation of the diesel subsidy, to what extent will it impact the Group's sand mining segment?</p>
Systech Bhd (AGM)	<p>The Group's CyberSecurity segment continues to be the leading contributor - contributing 53% of the Group's revenue (page 7 of AR2024).</p> <p>a) In relation to the Cyber Security Act 2024 that came in force recently, what is the Board's view on the impact of the new Cyber Security Act 2024 on the Group's CyberSecurity Solutions business?</p> <p>b) To what extent is the new Cyber Security Act 2024 a threat or an opportunity to the Group?</p>
Xin Synergy Group Berhad (AGM)	<p>For FYE2024, the Group recorded revenue of RM70.58 million (FYE2023: RM23.94 million). The increase in revenue was mainly due to the higher contribution from the Group's property development division. With higher revenue achieved during the financial year, the Group managed to lower the loss from continuing operations to RM0.87 million from RM42.57 million recorded for the previous financial year (Page 8 and Page 58 of the Annual Report 2024/AR2024).</p>

	<p>a) The revenue increase was mainly due to recognition of the progressive revenue for Ritze Perdana project in Simpang Ampat (Page 8 of AR2024).</p> <p>As Ritze Perdana has already been completed (Page 7 of AR2024), and the Group will only launch Phase 1 of the Jade Perdana Series in early 2025 (Page 9 of AR2024), what is the outlook for the Group's revenue in FYE2025?</p> <p>b) With the significantly lower loss, what is Xin Synergy's prospect of improving the bottom-line result or turning around the continuing operations in FYE2025?</p>
<p>BM Greentech Berhad (AGM)</p>	<p>The Bio-Energy segment and the Water Treatment segment attained record revenues in FY2024, up 11.4% and 5% respectively. (page 26 of Annual Report (AR) 2024)</p> <p>(a) What are the current outstanding orderbooks for these segments? How do they compare to a year ago?</p> <p>(b) How was the trend of key raw material prices over the last twelve months?</p> <p>(c) Does the Group have any plans for capacity expansion this year? If so, what is the budgeted capex and its breakdown?</p>
<p>DNonce Technology Bhd (AGM)</p>	<p>1. D'nonce net loss widened in FY2024, surging 33 times to RM8.83 million from a net loss of RM259,000 in FY2023, primarily due to a higher fair value loss on other investments at RM7.34 million compared to a loss of RM3.69 million a year ago. D'nonce's Other Investments primarily consist of investments in quoted shares.</p> <p>As quoted investments are constantly subjected to fluctuation in share prices and fair value, resulting in losses to the Company, should the Company rethink the investment strategy and objective for this segment? What are the key priorities for D'nonce in FY2025?</p> <p>2. As of FY2024, D'nonce's investment in shares quoted in Malaysia increased to RM32.53 million from RM22.89</p>

	<p>million previously (page 96, Note 14 – Other Investments, AR2024). Throughout FY2024, D’nonce invested RM10.94 million in quoted shares.</p> <p>a) Please list down the PLCs and the size of investment that D’nonce has invested in.</p> <p>If D’nonce cannot disclose the name of the PLCs, please disclose the business activities of these investee companies. On average, what is the market capitalisation of these investees?</p> <p>b) What is the investment thesis, risks, returns, and investment objectives in these securities? What form of return does D’nonce seek to receive from these investments? What is the total realised return/losses D’nonce recorded from investment in quoted shares over the year?</p> <p>c) In the meantime, D’nonce recorded a fair value loss of RM7.36 million on other investments (FY2023: fair value loss of RM3.69 million) in FY2024.</p> <p>Why did the market value of these investee companies decline sharply?</p>
Emico Holdings Berhad (AGM)	<p>Emico will be actively pursuing new potential customers for OEM both locally and internationally through direct outreach and strategic engagement. The Group has taken the initiative to improve and upgrade its facilities, thereby opening up more possibilities for new business opportunities and sustainable success (Page 17 of AR2024).</p> <p>a) What is the update for pursuing new potential customers for OEM? What efforts are being taken to secure new customers?</p> <p>b) Has Emico managed to secure new customers for OEM? If so, who are these customers and from which markets?</p>

	<p>c) What initiatives are Emico taking to improve and upgrade its facilities? How much does it cost the Group to improve and upgrade the facilities?</p>
<p>Vizione Holdings Berhad (EGM)</p>	<p>Proposed Private Placement involves issuing up to 143,000,000 Placement Shares, representing approximately 34.92% of the total number of Consolidated Shares. This issuance will result in significant dilution of existing shareholders' interests. (Page 5 of Circular)</p> <p>This marks the fifth equity fund-raising exercise undertaken by the Group since 2019, following three previous private placements and one rights issue, which have collectively raised a total of RM234.59 million. Consequently, the number of ordinary shares has nearly quadrupled, increasing from 562 million to 2.05 billion.</p> <p>The Board has expressed that the Proposed Private Placement is considered the most suitable method of fund-raising at this time, as it allows the Group to raise additional funds quickly without incurring interest costs or needing to service principal repayments, which would be required with bank borrowings. (Page 15 of Circular)</p> <p>Given that the Group has returned to profit making with low gearing ratio of 0.001 times as indicated in the unaudited fourth quarterly report for FY2024 after the pandemic, the Group is now at a better position to obtain bank borrowings. The Group has also secured new construction projects in Semenyih and Kota Kinabalu with total contract sum RM740 million which will enhance future earnings of the Group.</p> <p>a) Considering the Group's improved financial position, why has the Board chosen to proceed with the Proposed Private Placement which will result in significant dilution of existing shareholders' interests, instead of opting for bank borrowings?</p> <p>b) What would be the total interest payable if the Group were to secure borrowings of RM31 million to fund the Residensi Sentral Project?</p>

	<p>c) Moving forward, how does the Group plan to fund the initial working capital for the new construction projects in Semenyih and Kota Kinabalu?</p>
<p>Omesti Berhad (AGM)</p>	<p>Formis Network Services Sdn Bhd's new sales had dropped significantly due to the expiry of its registration with the Ministry of Finance since mid-March 2023, and its inability to re-register due to changes of shareholding at the holding company. Due to this predicament the Group was unable to close a total of nine (9) significant projects from the Public Sector that the Group had worked on (page 2 of AR2024).</p> <p>a) What was the total estimated value of the nine (9) significant projects and the quantum of financial loss to the Company?</p> <p>b) Who is responsible for the huge oversight?</p> <p>c) What is the level of oversight provided by the Board on the abovementioned matter?</p> <p>d) What actions have the Board taken to ensure that such incident would not recur in the future?</p>
<p>Powerwell Holdings Berhad (AGM)</p>	<p>During FY2024, the Group successfully secured significant high-value contracts, including a 100 MW solar power plant project from Bangladesh worth USD8.9 million (approximately RM41.9 million) and several data centres and commercial property projects. (page 20 of Annual Report (AR) 2024)</p> <p>(a) What is the Group's latest outstanding orderbook? Please provide the breakdown by industry (e.g. semiconductor, renewable energy, data centre etc). How much of this orderbook is expected to be recognised in FY2025?</p> <p>(b) What is your current tenderbook and its breakdown by industry? What is your target orderbook replenishment for FY2025?</p>

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presents

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NATIONAL CORPORATE GOVERNANCE
& SUSTAINABILITY AWARDS

2024

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26 September 2024 | Thursday

7.00 pm - 10.30 pm

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MINORITY SHAREHOLDERS WATCH GROUP

23 SEPTEMBER 2024 | MONDAY
9.00 AM - 5.00 PM
SHERATON PETALING JAYA HOTEL



Registration Fee
RM1800

Early Bird
(Before 6 September 2024)
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Group of 2
or more
RM1600

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Minority Shareholders Watch Group

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Managing Whistleblowing What You Should Know and Do

Programme Overview

This programme equips professionals in governance, compliance, risk management, and audit with the knowledge and tools to establish and maintain effective whistleblowing mechanisms. It focuses on integrating ISO 37002 Whistleblowing Management System (WMS) with legislative requirements, governance frameworks, policies, procedures, and emerging technologies to foster transparency, integrity, and accountability. The session will include a fireside chat with a former whistleblower, sharing his experiences and the gaps he encountered.

Session 1

Whistleblowing and ISO 37002 in the Malaysian Business Context

The significance of whistleblowing in business, key legislative requirements like the Whistleblower Protection Act 2010, and an introduction to ISO 37002. It includes case studies from Malaysian businesses to illustrate effective whistleblowing mechanisms and legal safeguards.

Session 2

Developing and Implementing Whistleblowing Policies and Procedures

Key components of an effective whistleblowing policy in line with ISO 37002 and local legislation. It will cover designing procedures for reporting, investigation, and follow-up, ensuring confidentiality, and protecting whistleblowers. Participants will engage in an interactive workshop to draft a whistleblowing policy for a hypothetical organisation.

Session 3

Governance, Management, and Emerging Technologies in Whistleblowing

Integrating governance frameworks to support whistleblowing systems, best practices for managing whistleblowing reports, and the role of emerging technologies such as encrypted communication tools and blockchain. It will also include a demonstration of implementing a secure whistleblowing technology solution.

Session 4

Monitoring, Evaluating, and Improving Whistleblowing Systems

Explore methods to evaluate the effectiveness of whistleblowing systems, continuous improvement practices customised for business organisations, and the use of data analytics and reporting tools to monitor and enhance these systems. Additionally, there will be a group discussion on challenges and solutions for maintaining effective whistleblowing systems in the business sector.

Session 5

Fireside Chat - What Made Me to Whistleblow

Dr. Muhammad Mohan, a former whistleblower, offers a firsthand account of his journey and motivations behind whistleblowing. Gain unique insights into the challenges faced and the pivotal moments that led Dr. Mohan to speak out, shedding light on the importance of transparency and ethical governance in organisational practices. Join us for an illuminating discussion that explores the personal and professional implications of taking a stand for integrity and accountability.



Trainer's Profile
Raymon Ram

Raymon is a seasoned advocate against economic crime with vast experience in leading corporate fraud investigations, facilitating anti-fraud courses, and contributing to Malaysia's anti-corruption initiatives. He has authored publications, developed anti-corruption guidelines, and is a certified fraud, bribery, and money laundering trainer. As the Founder and Managing Principal of Graymatter Forensic Advisory, he specialises in financial forensics and compliance. He also holds leadership roles at Transparency International Malaysia and the UN Office on Drugs and Crime.

Raymon is a Certified Fraud Examiner (CFE), Certified Anti-Money Laundering Specialist (CAMS), and ISO 37001 Lead Auditor. He holds a Master's in economic crime management, a Bachelor's in Psychology (HONS), and a Corporate Governance Certificate from the Basel Institute of Governance, Switzerland. He is also pursuing a Doctorate in Business Administration in Malaysia.



Panelist Profile
Dr. Muhammad Mohan

Dr. Muhammad Mohan, President of Transparency International Malaysia, is a leading advocate against corruption, promoting good governance and ethical corporate culture. A former whistle-blower who exposed corruption at his previous company and served as a key witness for ICA (now MACC), he joined TI-Malaysia to continue his advocacy. He frequently addresses ethics, governance, and anti-corruption in public and in-house programs and led a team to publish *The Sin of Corruption: A Religious Perspective*.

He is a PFCB-certified Lead Auditor for ABMS ISO 37001 and an engineer by profession. He has held leadership roles in plantation industries in Malaysia and the Middle East, including with the Sime Darby Group, Golden Hope Plantations, Tradewinds Plantations, and the Savella Group. He also holds a Doctorate in Business Administration from the University of Newcastle, Australia.



MINORITY SHAREHOLDERS WATCH GROUP

24 SEPTEMBER 2024 | TUESDAY
9.00 AM - 5.00 PM
SHERATON PETALING JAYA HOTEL



Registration Fee
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Early Bird
(Before 5 September 2024)
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What Can Seriously Go Wrong with RPTs?

Understand the legal requirements and gain insights from recent case

Programme Overview

This training programme aims to equip participants with a comprehensive understanding of Related Party Transactions (RPTs) and Recurrent Related Party Transactions (RRPTs), including conflict of interest (COI) situations and enhanced disclosure requirements. Participants will learn to develop and implement a Related Party Transaction Framework as a crucial line of defence, ensure transactions are conducted at 'arm's length' to protect minority shareholders and understand the importance of compliance with Transfer Pricing regulations to mitigate tax risks. The programme will highlight the benefits of a holistic governance, risk management, and internal control framework in providing assurance to the Audit Committee and Board and will address common pitfalls in managing RPTs.

Part 1 | 9:00 am - 10:30 am

- **Overview of Related Parties (RP), RPTs, and COI Situations**
 Discusses recent amendments enhancing COI disclosures.
- **Regulatory Perspectives on RPTs**
 Examines RPTs through the Companies Act 2016, Securities Commission Guidelines, MFRS, and Bursa Malaysia's Listing Requirements.
- **RPTs vs. RRPTs**
 Clarifies the distinction between Related Party Transactions and Recurrent Related Party Transactions.
- **Why RPTs are scrutinised?**
 Emphasises the importance of transparency, fairness, and protecting minority shareholders in corporate governance.

Part 2 | 11:00 am - 12:30 pm

- **Roles of the Board, Audit Committee, and Management**
 Focus on their responsibilities in managing RPTs, RRPTs, and COI situations.
- **Audit Committee Focus**
 Emphasizes key elements in reviewing RPTs, utilising tools from the Corporate Governance Guide 4th Edition for effective oversight.
- **Importance of RPT Framework**
 Highlights the need for a strong framework to ensure transparency, accountability, and regulatory compliance.

Part 2 | 11:00 am - 12:30 pm

- **Governance, Risk, and Control (GRC) Framework**
 Discusses its role in managing RPTs and RRPTs, especially concerning the Shareholders' Mandate, ensuring alignment with corporate governance best practices.

Part 3 | 2:00 pm - 3:30 pm

- **"Arm's Length" Concept in RPTs**
 Highlights the need for proper documentation to ensure transactions are fair and equitable.
- **Tax Corporate Governance Framework**
 Discusses the importance of transfer pricing compliance to meet regulatory standards in related party transactions.

- **Role of Auditors**
 Explores how Internal and External Auditors review and validate transactions to maintain transparency, accuracy, and compliance.

- **Ensuring Compliance**
 Emphasizes adherence to financial and governance practices within the organisation.

Part 4 | 3:45 pm - 5:00 pm

- **Case studies**
 What can still go "wrong"?



Trainer's Profile
Lee Min On

Lee Min On is a well-sought-after trainer for in-house training, public seminars and conferences, sharing thoughts and insights on Sustainability, Governance, Risk, Controls, & Internal Audit. He is an Audit Committee member of the Malaysian Institute of Accountants. He is also an Independent Non-Executive Director of four Main Market listed issuers in Malaysia. His qualifications and professional membership are Chartered Accountant, Malaysian Institute of Accountants, Certified Public Accountant, Malaysian Institute of Certified Public Accountants and Fellow Member, The Institute of Internal Auditors Malaysia. He retired as a Partner of KPMG in Malaysia in December 2015 after serving with the firm for 36 years.



26 SEPTEMBER 2024 | THURSDAY

9.00 AM - 1.00 PM

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揭秘ESG和气候相关的汇报与披露格式

为大马交易所永续发展报告框架, 和即将落实的IFRS S1和IFRS S2 新准则做好准备

适用于所有
类型的公司

Introduction

揭秘新 ESG 和气候披露框架: 大马联交所(Bursa Malaysia), 气候相关财务信息披露工作组(TCFD), 国际财务报告准则第1号(IFRS S1)和国际财务报告准则第2号(IFRS S2)带来的影响和新规定。

Note: 网络研讨会以中文进行, 材料为中英文双语。

Part 1 | 9:00 am - 10:30 am

- 1) 什么是环境、社会及管治 ("ESG") 汇报
- 2) 国际可持续发展报告格局发展趋势
- 3) 大马联交所 ESG 汇报新规定
 - 共同的可持续发展事项和指标
 - ESG重要性评估

Part 2a | 10:45 am - 1:00 pm

- 4) 国际财务报告准则第1号和第2号简介
 - 大马分阶段采用国际可持续发展准则理事会 ISSB 汇报框架的建议
- 5) 揭秘国际财务报告准则第1号: 可持续相关财务信息披露一般要求
 - SASB 汇报框架
- 6) 了解国际财务报告准则第1号和国际财务报告准则第2号的核心内容:
 - 管治
 - 策略
 - 风险管理
 - 指标及目标

Part 2b | 10:45 am - 1:00 pm

- 7) 揭秘国际财务报告准则第2号气候相关披露, 气候相关财务信息披露工作组 TCFD
 - 什么是 IFRS S2
 - 为什么必须做气候相关披露?
- 8) 揭秘国际财务报告准则第2号跨行业指标类别
 - 温室气体排放
 - 与气候相关的物理风险
 - 气候相关转型风险
 - 资本部署
 - 内部破价
 - 薪酬
- 9) 揭秘与气候相关的风险和机遇
 - 与气候相关的物理风险
 - 与气候相关的转型风险
 - 与气候相关的机遇
- 10) 揭秘气候相关情景分析
 - 什么是气候相关情景分析
 - 气候情景的类型
- 11) 生效日期和宽免

Trainer's Profile

Pam Lee

Founder - Polar Advisory Group Sdn Bhd

Pam Lee's previous ESG leadership roles include serving as leader of the corporate sustainability & climate change practice at sustainability consultancy ERM in Malaysia, ESG lead at financial institution MIDF Group, and ESG services at professional services firm BDO in Malaysia. Before pursuing her passion for sustainability, she served as Executive Director and license holder advising on corporate finance in the financial advisory practice at BDO. A Global Reporting Initiative (GRI) Certified Sustainability Professional, she is well versed in sustainability reporting, greenhouse gas, climate risks, and opportunities. Pam is a Fellow of the Institute of Chartered Accountants of England and Wales (ICAEW), a member of the Malaysian Institute of Accountants (MIA), a member of the Malaysian Institute of Certified Public Accountants (MICPA), and a graduate of the London School of Economics and Political Science.



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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