MSWG
MINORITY SHAREHOLDERS WATCH GROUP

The Observer
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Property Market Boom: Caution Amid JS-SEZ and Data Centre Frenzy

KEY HIGHLIGHTS

- The remarkable ascent in the property index and share prices of property counters are attributed to the announcement of the Johor-Singapore Special Economic Zone (JS-SEZ) and, subsequently, burgeoning interest from tech and data centre players in Johor.
- Amid this optimism, investors must balance their enthusiasm with prudence. One must exercise caution in this current bullish property stock sentiment.

By MSWG Team

As of 31 May 2024, the Bursa Malaysia Property Index has notably outperformed most indices with a 26.24% gain year-to-date.

It stands as the second best-performing sector after the Construction Index. As of 14 June 2024, the index closed at 1,137.31 points, the highest since April 2018.

The remarkable ascent in the property index, driven by rising share prices of property counters, is attributed to a few factors, primarily revolving around the announcement of the Johor-Singapore Special Economic Zone (JS-SEZ) and, subsequently, burgeoning interest from tech and data centre players in Johor.

JS-SEZ and data centre theme at play

The JS-SEZ is envisioned to bolster economic cooperation and integration between Malaysia and Singapore, driving substantial investments into Johor. This strategic initiative has triggered a wave of optimism among investors and developers alike, propelling property stocks to new heights.

Since the announcement, there has been a noticeable uptick in share prices of developers with substantial landbank and exposure in Johor. This enthusiasm is further fueled by the concurrent rise of the data centre industry in the region.

In the first half of 2024, companies like Google, Microsoft, and Bytedance committed billions of dollars to building data centres, cloud, and AI infrastructure in Malaysia.

So far, Johor has been the hotspot for setting up data centres in Malaysia, with reportedly 12 companies operating 14 data centre facilities across the state, according to data centre information portal *Baxter*.

At the same time, data centre players are busy scooping up land in Johor, benefitting developers such as Crescendo Corporation Berhad, UEM Sunrise Berhad, and Eco World Development Group Berhad. They are riding on rising demand for land to build data centre, adding millions of gains into their coffer.

Notably, Johor-based Crescendo has sold about 150 acres of land for data centre-related development, bringing sales of about RM790 million since November 2023. Collectively, Crescendo pocketed RM462.3 million in estimated gains from land sales. Its share prices touched a record high of RM3.95 on 12 June 2024. AS of 20 June 2024, share prices of Crescendo have risen by 164.5% since 1 November 2023.

UEM Sunrise and Eco World are also joining the selling spree. They recently disposed of 28.9 and 123.14 acres of land to an unnamed global data centre player and Microsoft for RM144.9 million and RM402.3 million, respectively. UEM Sunrise touched its five-year high of RM1.28 on 20 May 2024. It closed at RM1.12 on 20 June. Meanwhile, share prices of Eco World have gained 50.4% YTD; it closed at RM1.58 on 20 June.

One after another joining the bandwagon

Apart from selling land, developers like UEM Sunrise, Mah Sing Group Berhad, and Sime Darby Property Berhad (SDP) have announced their respective plans to set up data centres, joining many players who have already started building data centres in Klang Valley and Johor. For instance, SDP will develop and lease a hyperscale data centre worth RM2 billion at Elmina Business Park.

Amid the hype, it is alarming to see that Jakel Group, better known for its textile business, is also joining the bandwagon to build a data centre. It recently teamed up with PiDC Holdings Sdn Bhd to build a 51MW Tier III data centre in Cyberjaya worth RM1.2 billion.

Prior to this, Jakel had a limited footprint in the real estate space. Its latest real estate project was *J.Satine* – a joint-venture mixed development comprising residential, SOHO, and retail elements in Setapak, Kuala Lumpur.

Unapologetically, this scenario reminds us of the glove manufacturing craze in 2020. Drawn by skyrocketed demand and prices, numerous PLCs ventured into glove production one after another, though many without the necessary expertise nor the ability to execute. Subsequently, oversupply ensued, and the average selling prices plunged, and the rest is history.

Tread cautiously while remaining optimistic

The current performance of the Bursa Malaysia Property Index and the associated enthusiasm for property counters in Johor reflect a dynamic and evolving market landscape. The JS-SEZ and the data centre boom have undoubtedly created new catalysts for growth and investment.

However, amid this optimism, investors must balance their enthusiasm with prudence. According to the National Property Information Centre's (NAPIC) latest quarterly report, the Malaysian property market is yet to be out of the woods.

Notably, the overhang situation in the serviced apartment segment worsened in Q12024, with a 9.2% increase in unsold units at 21,913 units with a combined value of RM18.16 billion compared to 20,825 units at RM16.63 billion in the preceding quarter.

Johor and Kuala Lumpur have the highest number of overhang properties at 13,027 units and 4,501 units, respectively.

One must exercise caution in this current bullish property stock sentiment. It is crucial to thoroughly evaluate the fundamentals of the companies involved, their track records, and their strategic plans for sustainable growth. Blindly following market trends without understanding the underlying dynamics can lead to significant financial losses.

At the moment, landowners, construction companies, and infrastructure providers are the biggest beneficiaries of this data centre craze. However, sooner or later, the hype will inevitably taper off when supply outstrips demand. At that point, the invisible hand will take its course to restore the market to equilibrium.

As a perspective, an April 2024 report by market research firm Arizton highlighted that Malaysia has 34 existing data centres and 33 new facilities in the pipeline. If it takes years for the market to absorb the existing capacity, will it take a similar amount of time to take up the new space? Only time will tell.

MSWG AGM/EGM Weekly Watch 24 – 28 June 2024

The following are the AGMs/EGMs of companies on the 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
25.06.24 (Tue) 10.00 am	Kronologi Asia Berhad (AGM)	The Group maintained strong comparable revenue at RM301.4 million in FY2024, with a gross profit of RM71.0 million and a gross profit margin of 24%. However, its EBITDA decreased by 15% or RM8.4 million due to lower operational profits, primarily due to increased depreciation of property, plant, and equipment (PPE), particularly in support of the As-A-Service business segment and future-proofing solutions for customers. Other contributing factors include higher operating costs related to the solution Centre, forex losses, and lease interest expenses from right-of-use assets also contributed to the lower EBITDA.
25.06.24 (Tue) 10.00 am	My E.G. Services Berhad (AGM)	The Group achieved a record revenue and net profit of RM774.26 million (FY2022: RM651.11 million) and RM486.84 million (FY2022: RM400.40 million) in FY2023, respectively. The higher revenue and PAT were primarily attributable to the contribution from newly launched services from the Zetrix blockchain platform, sales of Zetrix tokens, and the Initial Exchange Offering of Zetrix tokens on three major global digital asset exchanges. Besides, its existing concession and commercial services continued to perform well with increased foreign worker job matching activities due to the uplifting of a freeze on foreign worker recruitment.

Date & Time	Company	Quick-take
25.06.24 (Tue) 10.30 am	PMB Technology Berhad (AGM)	The Group's revenue declined 16% to RM989.6 million in FY2023. This is primarily attributed to a slowdown in business volumes driven by lower metallic silicon prices and slower progress on construction projects. Despite realising a one-off gain of RM25.8 million from the disposal of a parcel of leasehold land, the Group's net profit fell 59% to RM44.8 million in FY2023.
25.06.24 (Tue) 3.00 pm	Sunway Berhad (AGM)	Sunway has achieved record-high revenue in FY2023 since its merger and listing in 2011. Revenue rose by 17% y-o-y to RM6.1 billion in FY2023, driven by increased revenue from all core business segments. In tandem with the topline performance, its profit before tax (PBT) increased by 9%, from RM909.2 million in FY2022 to RM993.3 million in FY2023.
26.06.24 (Wed) 9.30 am	Fiamma Holdings Berhad (AGM)	A slowdown in the economy, higher operating costs, stockpiling activities during the pandemic, and a low entry barrier for new players were affecting the Trading & Services performance in FPE2023. The Trading & Services segment is the largest revenue contributor to Fiamma, contributing 72% or RM348.84 million revenue to the Group in FPE2023.
26.06.24 (Wed) 10.00 am	LFE Corporation Berhad (AGM)	FY2023 marked a significant milestone for LFE Corporation as it witnessed a remarkable surge in revenue, soaring from RM73.2 million to RM114.4 million. Its net profit also rose sharply from RM1.9 million in FY2022 to RM15.2 million in FY2023.
26.06.24 (Wed) 10.00 am	Sarawak Oil Palms Berhad (AGM)	SOP recorded a 3.5% decline in revenue to RM5.1 billion in FY2023, mainly due to lower prices realised for palm products,

Date & Time	Company	Quick-take
		despite a higher sales volume. The average CPO price realised by the Group was 25% lower at RM3,862 per metric tonne, while FFB production increased by 2.7% to 1.23 metric tonnes. Meanwhile, profit before tax dropped 37% to RM314 million.
26.06.24 (Wed) 10.00 am	Maybulk Berhad (AGM)	In FY2023, Maybulk restructured its businesses by rightsizing the shipping bulker business and diversified into shelving and storage solutions and the industrial property business. Its revenue decreased slightly to RM128.21 million (FY2022: RM154.78 million), while PBT and exceptional items decreased significantly to RM17.47 million (FY2022: RM41.42 million). Revenue contribution from the Shipping Bulkers business was significantly lower due to lower hire days in FY2023 on account of smaller fleet size and a 19% decrease in average charter rates compared to FY2022. This resulted in lower profit recorded y-o-y.
26.06.24 (Wed) 11.00 am	Maybulk Berhad (EGM)	The EGM will seek shareholders' approval for the proposed shareholders' mandate to authorise the Company to perform share buyback exercise of up to 10% of its total number of issued shares. Besides, it also seeks approval for the proposed exemption for Dato' Goh Cheng Huat and his persons acting in concert, collectively holding 32.02% of shares in Maybulk, from the obligation to undertake a mandatory take-over offer for all the remaining Maybulk shares they do not own arising from the share buyback exercise.

Date & Time	Company	Quick-take
26.06.24 (Wed) 11.00 am	KPJ Healthcare Berhad (AGM)	KPJ recorded RM3.42 billion in revenue, marking a 19% increase from RM2.89 billion reported in the previous financial year. The growth was spurred by its efforts to have additional consultants and number of beds, and this has translated into heightened hospital activities, evidenced by increased patient visits of 2% to 3.32 million (FY2022: 3.26 million patients), a Bed Occupancy Rate (BOR) of 67% (FY2022: 58%). Accordingly, the Group's EBITDA soared by 17% to RM838.0 million from RM716.0 million recorded in the previous year.
26.06.24 (Wed) 02.00 pm	Astro Malaysia Holdings Berhad (AGM)	Astro's revenue dropped to RM3.4 billion in FY2024 from RM3.6 billion in the year before, driven by declines in subscription and commerce. Net profit decreased sharply to RM36.9 million from RM259.0 million, mainly due to lower pre-tax earnings and higher net finance costs. Looking ahead to FY2025, its bottomline may be further impacted by substantial content costs from events like the UEFA Euro Cup and the Summer Olympics. In addition, the introduction of new and lower-priced TV packs starting at RM41.99/month may pressure its Pay TV ARPU.
27.06.24 (Thur) 8.30 am	ARB Berhad (AGM)	ARB changed its fiscal year-end to 31 December from 30 June, resulting in an 18-month reporting period from 1 July 2022 to 31 December 2023. Its revenue was lower at RM402.7 million, primarily from reduced Internet of Things (IoT) segment revenue post-demerger in FPE2023. It turned loss-making in FPE2023 with a net loss of RM35.5 million, against a

Date & Time	Company	Quick-take
		net profit of RM79.5 million in FY2022, due to depreciation and impairment losses.
27.06.24 (Thur) 9.00 am	Teck Guan Perdana Berhad (AGM)	For FY2024, the Group registered a revenue of RM294.2 million, representing a decrease of 40% compared to RM489.7 million a year ago. The lower revenue was mainly attributed to the decrease in selling price. The average selling price for FFB was 25% lower at RM684 per metric tonne. On the other hand, net profit fell 74% to RM7.69 million.
27.06.24 (Thur) 10.00 am	Efficient E-Solutions Berhad (AGM)	The Group reported revenue of RM20.0 million and a pre-tax profit of RM0.1 million in FY2023. Its net loss was lower at RM0.48 million, a marked improvement from the RM1.25 million loss in FY2022, thanks to higher revenue and gross profits, gains from the disposal of fixtures, and an increased share in profits from an associate company.
27.06.24 (Thur) 10.00 am	PBA Holdings Berhad (AGM)	PBA's revenue rose 22% to RM423.6 million in FY2023 due to the implementation of the 2023 water rates for non-domestic consumption in Penang from 1 January 2023. However, its net profit fell 55% to RM34.3 million. It should be noted that the RM77.1 million net profit reported for FY2022 includes RM49.0 million in deferred tax assets recognised for unutilised reinvestment allowance to the extent that it is probable for recognition.
27.06.24 (Thur) 10.00 am	Pertama Digital Berhad (AGM)	Pertama Digital reported lower revenue from continuing operations of RM6.2 million in FY2023 (FY2022: RM8.8 million), mainly due to lower revenue contribution from contracts with customers (rendering of services).

Date & Time	Company	Quick-take
		Its net loss widened to RM10.5 million in FY2023 (FY2022: RM9.9 million) on account of the lower revenue, higher selling and distribution expenses, and higher finance costs.
27.06.24 (Thur) 10.00 am	Innature Berhad (AGM)	Innature's revenue declined by 10% y-o-y to RM135.32 million (FY2022: RM147.96 million), mainly due to the challenging retail landscape, with economic uncertainty and rising cost-of-living undermining consumer confidence. Its net profit, which included MFRS 16 accounting adjustments and non-core items, dropped by 50.8% to RM10.5 million (FY2022: RM21.33 million) mainly due to the lower gross profit and higher operating expenses. Despite the inflationary pressure and rising operating expenses, Innature's business generated healthy operating cash flow of RM22.5 million as of FY2023.
27.06.24 (Thur) 10.00 am	Dataprep Holdings Bhd (AGM)	Dataprep's revenue rose to RM31.33 million In FY2023 from RM28.13 million in FY2022, attributed to project completions and new project contributions. However, its pre-tax losses widened to RM24.24 million, primarily due to impairments and inventory allowances. The ICT products and services segment remained the primary revenue driver, contributing 98.99% of its FY2023 revenue.
27.06.24 (Thur) 10.00 am	Mah Sing Group Berhad (AGM)	In 2023, Mah Sing posted improved revenue of RM2.6 billion, 12.3% higher y-o-y (FY2022: RM2.32 billion). On the back of higher revenue and continued efforts to maximise cost efficiency, its PBT grew 24% y-o-y to

Date & Time	Company	Quick-take
		RM327.4 million while its net profit was 19% higher at RM222.2 million.
27.06.24 (Thur) 10.30 am	Press Metal Aluminium Holdings Berhad (AGM)	The Group recorded revenue and net profit of RM13.8 billion and RM1.5 billion, representing decreases of 12% and 14%, respectively, compared to the previous financial year. Lower revenue was mainly attributable to softened aluminium prices during the year. Moving forward, the Group aims to capitalise on the growth of green sectors such as electric vehicles ("EV"), solar and energy transmission where aluminium plays a crucial role in key components and solutions to open new avenues for growth.
27.06.24 (Thur) 10.30 am	Jaks Resources Berhad (AGM)	JAKS recorded revenue of RM39.6 million in FY2023, being the lowest in the last five financial years. The Group's net profit decreased to RM11.8 million in FY2023 from RM36.5 million in the previous year, mainly due to a lower share of profit in the Vietnam joint venture of RM131.1 million in FY2023 as compared to RM156.2 million in FY2022. The Company is undertaking the third private placement exercise in the last 5 years. The proceeds will be mainly utilised for the repayment of term loans for its investment properties - Evolve Concept Mall and Pacific Towers.
27.06.24 (Thur) 11.00 am	G3 Global Berhad (AGM)	G3 Global Berhad recorded RM74.2 million of revenue in FY2023 compared to RM13.1 million in revenue in FY2022 due higher contribution from the Airport Integrated Security and Safety System (AIS3) project to the ICT segment. In line with higher revenue, the Group recorded a turnaround performance in

Date & Time	Company	Quick-take
		with a net profit of RM1.6 million compared to a net loss of RM9.8 million in FY2022.
27.06.24 (Thur) 3.00 pm	Auro Holdings Berhad (EGM)	Auro Holdings Berhad and its subsidiaries proposed diversifying its existing principal activities to include the food and beverage business and related activities (i.e. merchandising activities associated with the food and beverage business).
28.06.24 (Fri) 10.00 am	Binasat Communications Berhad (AGM)	In FPE 2023, the telecommunications networks segment remained the largest topline contributor for Binasat, with RM92.00 million or 69.6% of total revenue recorded, while the power and telecommunication infrastructure works segment generated revenue of RM40.21 million. Its gross profit increased by RM0.83 million y-o-y to RM18.26 million, but the margin fell by 7.1% to 13.8% due to higher costs. The Group reported an LBT of RM10.47 million primarily due to an RM16.10 million goodwill impairment.
28.06.24 (Fri) 10.00 am	China Ouhua Winery Holdings Limited (AGM)	In 2023, the Group's revenue increased from RMB14.619 million to RMB15.604 million, reflecting an increase of 6.74% y-o-y. It reported a net loss of RMB7.403 million for the year. The operating result was badly affected by the stagnant Chinese winery market.
28.06.24 (Fri) 10.00 am	Privasia Technology Berhad (AGM)	Privasia posted a remarkable topline performance in FY2023, with a 185.6% growth in revenue to RM115.2 million from RM40.3 million in FY2022, fuelled by advancements in the Satellite-based network Services (SAT) segment's Point of Presence 2 (POP2) Project. Despite providing an impairment of goodwill

Date & Time	Company	Quick-take
		amounting to RM4 million, it recorded a net profit of RM0.4, a turnaround from an RM0.9 million loss in the previous year.
28.06.24 (Fri) 10.00 am	MCE Holdings Berhad (EGM)	The EGM to seek shareholders' approval for the proposed disposal of a piece of freehold land measuring approximately 13,263.38 square metres at Mukim Bukit Raja, Daerah Petaling, Negeri Selangor, by Vantage Realm Sdn Bhd, an indirect wholly-owned subsidiary of MCE, to Grand Ascent Sdn Bhd for RM43.69 million in cash. The proposed disposal of Land is at a premium of 5.52% to a market value of RM41.40 million.

Points of interest

Company	Points/Issues to Be Raised
Kronologi Asia Berhad (AGM)	In FYE2024, the Group maintained solid revenue and gross profit margins of 24% but saw a 15% decrease in EBITDA compared to FYE2023 due to lower operational profit. Increased depreciation of property, plant and equipment, operating costs, and forex losses impacted profitability. Strategies for operational and cost efficiency optimisation are ongoing (page 7 of Annual Report (AR) 2024). (a) How does the Group intend to drive sales moving forward to mitigate the decline in profitability? Please specify the Group's actions or program to optimise internal operational and cost efficiency. What are the key areas of cost optimisation and achievements made to date.
My E.G. Services Berhad (AGM)	An increase in foreign worker job matching service due to the uplifting of a freeze on foreign worker recruitment, amongst others contributed to the increases in the Group's revenue and PAT in FY2023 (page 20 of AR2023). As in previous years, Immigration remained an important contributor as related service offerings ranging from foreign worker work permit renewals and insurance to foreign worker recruitment and job matching continued to draw firm interest from customers. (page 22 of AR2023) Given that the Government has a freeze on hiring foreign workers since March 2023 and has continued the current freeze policy on foreign worker applications, to date, to what extent has it impacted the Group's business?
PMB Technology Berhad (AGM)	Revenue for the manufacturing and trading segment declined 17% in FY2023. This was largely influenced by exceptionally high metallic silicon prices recorded in the first quarter of 2022, alongside reduced sales volumes and lower selling prices of metallic silicon throughout the fiscal year. (page 31 of AR 2023) (a) What was the sales volume in FY2023? What were the key contributing factors to the lower sales volume? (b) What is the current trend for the price of metallic silicon? What is the outlook for the next 12 months?

Company	Points/Issues to Be Raised
Sunway Berhad (AGM)	The Property Development division recorded higher launches and property sales in FY 2023. New property launches in FY 2023 more than tripled, from RM1.0 billion in FY 2022 to RM4.4 billion. Compared to FY 2022, property sales grew by 20% to RM2.4 billion in FY 2023. (page 73 of IAR 2023). This year, the division aims to launch RM2.1 billion worth of properties, predominantly in Malaysia and has raised its property sales target to RM2.6 billion. (page 77 of IAR 2023) (a) What is the current overhang in unsold units in terms of number of units and total value? (b) The increase in property sales by 20% to RM2.4 billion in FY 2023 might be partially attributed to significantly higher new property launches of RM4.0 billion in FY 2023 compared to only RM1.0 billion in FY 2022. What is the average take-up rate in FY 2023? (c) Why did the division launch a significantly lower RM2.1 billion worth of properties this year compared to RM4.0 billion in FY 2023?
Fiamma Holdings Berhad (AGM)	<u>Investment in Quoted Shares</u> As reported by the external auditors, under the key audit matter, the Group's portfolio of listed investments makes up 8% of total assets, and the gain on investment in quoted shares represents more than 45% of the Group's profit before tax and is considered to be a key driver of performance results. Authority was granted to a person to solely operate a securities trading account. The authority granting the approval did not state any investment objectives, which normally include targets of returns, risk tolerance, limit of authority or having any other committees providing an oversight before entering into the investment. The absence of a formal investment policy would expose the Group to volatility risk pertaining to the movements of quoted share prices on Bursa Malaysia. The gain on investments in quoted shares of RM40.6 million during the period comprises realised gains of RM16.2 million and unrealised gains of

Company	Points/Issues to Be Raised
	RM24.4 million. This is further disclosed in Note 12 and Note 34 (Page 159 of AR2023). (a) Please provide a breakdown by stock name and the number of quoted shares that the Company invested in 2022-2023. (b) What were the rationale and objectives when the Group invested in quoted shares? (c) Why did Fiamma not have a formal policy for any investment in quoted shares? How does the Board intend to manage the risks of investing in quoted shares? What is the Group's risk tolerance level? Please elaborate on the current risk management and decision-making processes, including which authority or committee provides oversight before investing. Please explain to shareholders.
LFE Corporation Berhad (AGM)	1. Construction and mechanical & electrical (M&E) segments (a) What is the total outstanding orderbook of the construction and mechanical & electrical (M&E) segment? What is the total amount of unbilled revenue? (b) What is the total value of tenders submitted to date? What is the probable success rate? 2. The gross profit (GP) margins of the property development and construction segments stood at 20% and 23%, respectively. While the GP margin of the property development segment remained relatively stable compared to the previous year, the construction segment experienced an increase in GP margin. This uptick can be attributed primarily to the higher profit margin derived from a new specialist M&E project in the factory sector, which boasted better margins compared to general construction projects. (page 5 of AR 2023) (a) Going forward, what is the likelihood that the favourable GP margins can be sustained or even better?

Company	Points/Issues to Be Raised
	(b) Considering that specialist M&E projects in the factory sector can boast better margins, is LFE targeting more of such jobs? Currently, what percentage of the construction segment's orderbook is from the factory sector?
Sarawak Oil Palms Berhad (AGM)	The Group's FFB production increased by 3% compared to the previous year, indicating a yield recovery after addressing the severe shortage of harvesters and backlog in plantation upkeep and maintenance through aggressive recovery plans. The production costs for FY2023 remained consistent due to the stabilisation of fertilizer prices. (page 28 of Annual Report (AR) 2023) (a) How many harvesters did the Group hire in FY2023? Is the Group still facing worker shortage issues? (b) What was the Group's total cost of production per metric tonne (MT) for CPO in FY2023? What are the expectations for FY2024? (c) What is the Group's projected growth in FFB production for FY2024?
Maybulk Berhad (AGM)	Demand for shelving and storage solution in the industrial sector is expected to remain positive with the increase in demand for industrial properties as evident by launches of new industrial parks in the country, driven by interest from foreign investors. The Group will also focus on its higher margin gondola shelving product range in the retail and commercial sector, targeting amongst others, the rapid growing pharmacy chain stores in Malaysia. (page 13 of AR2023) (a) To date, to what extent did the Group manage to secure new customers for its shelving and storage solution products? (b) To date, to what extent has the Group managed to supply its gondola shelving product range to pharmacy chain stores in Malaysia?

<table>
<tr><th>Company</th><th>Points/Issues to Be Raised</th></tr>
<tr><td>KPJ Healthcare Berhad
(AGM)</td><td>Hospitals that are in gestation period have continued to improve and delivered higher EBITDA or reduced their losses as they continue to approach maturity. (Page 40 of IAR2023)

(a) Please provide details regarding the hospitals currently in their gestation period including patient visit statistics, revenue and EBITDA performance for FY2023 compared to FY2022. Additionally, please confirm whether these hospitals are on track to achieve profitability by FY2024.

(b) In 2023, one of the key focus areas was to deprioritise projects with long-gestation periods. (Page 31 of IAR2023) Kindly elaborate on the specific projects affected, the progress made in FY2023, and the future initiatives planned under this strategy.</td></tr>
<tr><td>Astro Malaysia Holdings Berhad
(AGM)</td><td>Astro's revenue amounted to RM3.44 billion, a 10.0% decrease from the previous year primarily due to decline in subscription and commerce. Meanwhile, the Group's net profit decreased to RM36.9 million from RM259.0 million in FY2023, dragged by lower pre-tax earnings and higher net finance costs (pages 139 and 140 of Integrated Annual Report (IAR) 2024).

<table>
<tr><th></th><th>FY2020</th><th>FY2021</th><th>FY2022</th><th>FY2023</th><th>FY2024</th></tr>
<tr><td>TV households ('000)</td><td>5,697</td><td>5,689</td><td>5,588</td><td>5,490</td><td>5,337</td></tr>
<tr><td>TV household penetration (%)</td><td>75</td><td>74</td><td>72</td><td>69</td><td>67</td></tr>
<tr><td>Revenue-Television segment (RM'million)</td><td>4,270</td><td>3,738</td><td>3,630</td><td>3,424</td><td>3,155</td></tr>
<tr><td>Pay-TV ARPU (RM)</td><td>100</td><td>96.9</td><td>97.2</td><td>98.2</td><td>99.7</td></tr>
</table>
(page 142 & 144 of IAR 2024)

(a) TV households and the TV household penetration rate have been on a declining trend, as shown above. Given the illegal streaming of content via multiple platforms, will this trend continue?

(b) What is the management's strategy to improve the pay-TV subscription revenues given the fierce competition from over-the-top (OTT) streaming platforms like Netflix and Disney+ Hotstar and Free-to-Air television (FTA TV)?

(c) What are the levers available to the Group to prevent customers from down-trading given the rising cost of living that they may reduce discretionary spend?</td></tr>
</table>

Company	Points/Issues to Be Raised
	(d) Astro introduced new plans for its TV packs with a lower price floor, starting at RM41.99 per month. Due to these lower packages, Pay TV ARPU may come under pressure. What is the average ARPU for Pay TV services regionally and globally and what is the projected blended ARPU for FY2025? What initiatives are being taken to sustain the ARPU level despite the cheaper TV package offerings? (e) Higher net finance cost impacted the Group's net profit in FY2024 as it increased by 133% to RM298 million, primarily due to unrealised forex losses from unhedged USD-denominated transponder lease liabilities as the Ringgit depreciated 11% against the USD in FY2024 (page 140 of IAR 2024). What is the Group's hedging policy to manage foreign exchange risk associated with these transactions?
ARB Berhad (AGM)	The Group's ERP segment generated revenue of RM183.5 million in FP2023, mainly from the sale of Cloud services, resell of software and source codes and Webinar platform. This segment recorded a loss of RM68.9 million compared to a segment profit of RM15.8 million in FP2022 (page 16 of AR2023). (a) Among the services offered by the ERP segment, which one has contributed the most to its recent growth, and what factors have driven this growth? (b) Considering the revenue breakdown provided, does the Group anticipate the growth in the ERP segment, particularly from the identified services, to be sustainable in FYE2024? (c) What were the factors that led to the segment recording a loss in FP2023? What are the Group's expectations and strategies regarding the segment's profitability for FYE2024?
Teck Guan Perdana Berhad (AGM)	The Group's FFB production increased 11% to 16,566 MT in FY2024. On the other hand, FFB yield rose to 17.18 MT/ha from 14.50 MT/ha in FY2023. (page 20 of Annual Report (AR) 2024)

Company	Points/Issues to Be Raised
	(a) The Group's FFB production and yield recovered in FY2024 after declining significantly from FY2019 to FY2023. What were the reasons for the improvements in FY2024? (b) What was the Group's total cost of production per metric tonne of FFB in FY2024? What are the expectations for FY2025? (c) What is the outlook for FFB production?
Efficient E-Solutions Berhad (AGM)	The Group has recently acquired the remaining stake in Regalia Records Management Sdn Bhd (Regalia) in 1QFYE2024 (page 10 of AR2023). (a) What key milestones or achievements have been reached regarding integration and synergistic benefits? (b) How much Regalia's document storage has transitioned to O'Neil Cloud, the Group's cloud-based records and information management service? (c) How does the Group measure the operational effectiveness of this technology migration and its impact on the Group's profitability?
Innature Berhad (AGM)	The Group's revenue declined to RM135.3 million (FY2022: RM149.4 million), just below 10.0% as compared to the previous year. The Group's performance in 2023 was affected by the challenging retail landscape, with economic uncertainty and rising cost-of-living undermining consumer confidence across all its markets. (page 18 of AR2023) (a) To what extent was the decline in the Group's revenue due to the recent influx of Korean cosmetic and personal care products? Does the Group expect competition from these Korean brands to intensify going forward? (b) More than 70% of the Group's revenue in 2023 comes from its 244k active Love Your Body members, which the Group believes is the embodiment of the brand's strength (page 22 of AR2023). What was the number of active Love Your Body members for FY2022 and to date?

Company	Points/Issues to Be Raised
Dataprep Holdings Bhd (AGM)	The Group's revenue for its ICT Products and Services was RM31.0 million. The Group has successfully secured a few new projects in FYE2023 to offset the impact of revenue decline arising from the completion of a few managed services projects during the year (page 29 of AR2023). (a) What are the total contracts values secured by the Group in FYE2023? (b) What is the current order book specifically for the Group's ICT Products and Services? What portion of it is expected to be recognized as revenue in FYE2024? (c) There are 16 ICT Products and Services provided by the Group (page 10 of AR2023). Please list three best and worst performers of the products and services together with their respective sales and profit margin to the Group in FYE2022 and FYE2023.
Mah Sing Group Berhad (AGM)	The sharp decline in losses is due to the ongoing strategic efforts in rationalising operating costs and to achieve improved productivity and operating efficiencies, notably in gloves manufacturing operations. (a) What were the operating losses of the gloves manufacturing operations in FY 2022 and FY 2023 respectively? (b) Please explain how the operating efficiencies of the gloves manufacturing operations have helped the division to record lower loss in FY 2023. (c) What is the outlook of the gloves manufacturing operations in FY 2024?
Press Metal Aluminium Holdings Berhad (AGM)	In 2024, the global green transition will call upon all industries to step up. The Group anticipates increased demand for low-carbon aluminium and see opportunities for growth in emerging sectors such as electric vehicles (EVs) and green energy infrastructure. (Page 15 of IAR2023) (a) What was the percentage of revenue contribution from EVs and green energy infrastructure customers over the

Company	Points/Issues to Be Raised
	past two years, and what is the expected revenue contribution in 2024? (b) What are the Group's advantages and disadvantages in securing orders from these emerging sectors? How does the Group intend to position itself to stand out among competitors and capture this market?
Jaks Resources Berhad (AGM)	1. The Property Investment division comprises two investment properties, namely Pacific Towers Business Hub and Evolve Concept Mall. The division incurred a finance cost of RM19.3 million while generating revenue of RM10.3 million and a loss after tax of RM6.3 million in FY2023. The current occupancy rates of Pacific Towers Business Hub and Evolve Concept Mall are 54.0% and 75.4%, respectively. (Page 17 of AR2023 and page 125 of AFS2023) (a) Compared to FY2022, did the occupancy rates of Pacific Towers Business Hub and Evolve Concept Mall show improvement? (b) What were the average monthly rental rates per square foot for Pacific Towers Business Hub and Evolve Concept Mall in FY2023? (c) Given the significant gap between revenue and finance costs, how likely are these investment properties to generate profit before taxation? What would be the revenue generated by these investment properties, assuming a 100% occupancy rate at current rental rates? (d) What is the total amount of the Group's loans or borrowings currently secured by these investment properties? (e) On 1 March 2024, the Board announced that the Company proposes to undertake a private placement of up to 10% of the total number of issued ordinary shares in JAKS. Under the minimum scenario, RM23 million or approximately 55% of the RM41.5 million proceeds raised, will be utilised to repay the term loans for Evolve Concept Mall and Pacific Towers.

<table>
<tr><th>Company</th><th>Points/Issues to Be Raised</th></tr>
<tr><td></td><td>
What is the Board's expectation regarding the performance of the Property Investment division after the private placement exercise? Does the Board expect to raise funds to lower borrowings further?

2. The Group has recorded negative cash flows from operating activities for the third consecutive year.

<table>
<tr><th></th><th>FY2021
RM'000</th><th>FY2022
RM'000</th><th>FY2023
RM'000</th></tr>
<tr><td>Cash flows used in from operating activities</td><td>(31,394)</td><td>(80,946)</td><td>(11,260)</td></tr>
</table>
(a) What were the reasons for consecutive negative cash flows in operating activities?

(b) Which business segments are draining the group's financial resources? What is management's plan for addressing the poor operating cash flow performance?

(c) What are the expected operating cash flows in FY2024? Does the management anticipate another year of negative cash flows in operating activities?
</td></tr>
<tr><td>G3 Global Berhad
(AGM)</td><td>
<u>Financial Performance</u>

Despite recording a much higher year-on-year revenue and a positive bottom-line result in FY2023, G3 Global recorded a gross loss of RM1,008,867 in FY2023 (FY2022: Gross Profit of RM1,031,217) (Page 79 of the Annual Report 2023/AR2023).

(a) Why did the Group incur a gross loss in FY2023?

(b) What has made the cost of sales higher than the revenue? If cost increases caused it, why was it not passed on to the customers?

(c) What are the measures taken by the Board to address the above issue?
</td></tr>
</table>

Company	Points/Issues to Be Raised
	(d) Can the Group achieve a gross profit in FY2024? If not, why?
Binasat Communications Berhad (AGM)	1. "Despite the increase in our gross profit (GP), our GP margin decreased by 7.1%, from 20.9% in financial year ended 30 June 2022 to 13.8% in financial period ended (FPE) 31 December 2023, primarily due to increase in costs resulting from higher labour costs, subcontractor charges and higher material costs for the purchase of fibre optic cables and other accessories required for our projects within both business segments." (Page 7 of Annual Report 2023 "AR2023") Has the Company considered the possibility of passing these increased costs on to its customers? If so, what steps are being taken to implement this strategy, and how does the Company plan to communicate and negotiate these changes with its customers to ensure minimal disruption to the project implementations? 2. "In FPE 2023, our Group reported a loss before taxation (LBT) and a loss after taxation (LAT) of RM10.47 million and RM12.48 million respectively, mainly due to an impairment of goodwill amounting to RM16.10 million arising from the lower recoverable amount of investment in our 51%-owned subsidiary, Borderless Connection Sdn Bhd ("BCSB")." (Page 7 of AR2023) (a) The acquisition was completed on 13 October 2021. The acquisition included a profit guarantee of not less than an aggregate audited profit after tax of RM8.00 million for the FYE 28 February 2022 and FYE 28 February 2023 by the vendors. Please provide more detailed insights into the factors that led to the impairment of goodwill amounting to RM16.10 million in BCSB. Specifically, what were the key drivers behind the lower recoverable amount of this investment? (b) How will the experience in BCSB influence the Company's approach and policies towards future acquisitions and/or investments?

Company	Points/Issues to Be Raised
China Ouhua Winery Holdings Limited (AGM)	1. The refundable deposits of RMB118,800,000 from the Local Government to the Group have long been outstanding. Has the Group proceeded with legal action against the local government? Please provide the latest update on this matter. 2. The gross profit margin of 2.4% for FY 2023 is much lower than 2.85% in FY 2022 despite a higher revenue of RMB15.6 million in FY 2023 as compared to RMB14.6 million. (a) Please explain the reason for the low gross profit margins for both FYs 2022 and 2023. (b) It appears that the wine business is not a viable business as the gross profit margin cannot cover the direct operating expenses. Please comment.
Privasia Technology Berhad (AGM)	The Group's revenue soaring to RM115.2 million from RM40.3 million in FYE2022, propelled by substantial advancements in the Satellite-based network Services (SAT) segment's PoP2 Project. Despite a RM4.0 million goodwill impairment, the Group achieved a RM0.4 million profit after tax, signaling a significant turnaround from a RM0.9 million loss in the prior year (page 28 of Annual Report (AR) 2023). (a) How much is the contract value of the PoP2 project? What is the total amount of progress billings recorded for PoP2 project during FYE2023? What is the current order book for the Group excluding the PoP2 project? (b) How has the deployment phase progressed for the PoP2 project? Any significant development achieved during the deployment period last year? Also, were there any challenges encountered during this period, and how have they been addressed? (c) What factors led to the RM4.0 million impairment loss on goodwill for the Group's subsidiary, Privasia Sdn. Bhd in FYE2023? Is there a possibility of this impairment being reversed in the future?

Announcement

MINORITY SHAREHOLDERS WATCH GROUP

MSWG CORPORATE MONITORING TEAM

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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.

Upcoming Training Programmes by MSWG

MINORITY SHAREHOLDERS WATCH GROUP

15 JULY 2024 | MONDAY
9.00 AM - 5.00 PM
MAJESTIC HOTEL KUALA LUMPUR

Registration Fee **RM1800**	Early Bird (Before 30 June) **RM1600**
	Group of 2 or more **RM1600**

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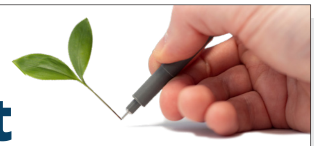
Preparing Your Sustainability Report



Navigating the evolving sustainability and climate change disclosure requirements

Programme Overview

The sustainability reporting landscape is evolving rapidly with a series of requirements being mandated over the next 3-5 years. Amongst others, Bursa Malaysia enhanced its Sustainability Reporting Framework mandating the reporting of a set of common sustainability matters and Task Force on Climate-Related Financial Disclosures (TCFD) aligned disclosures. These requirements are implemented in a phased manner commencing December 2023. Join us in understanding the requirements to prepare a comprehensive Sustainability Report that meets the regulatory requirements as well as global standards.

Part 1 | 9:00 am – 10:30 am

Introduction to Sustainability
- Sustainable Development, Sustainability, ESG – Are They the Same?
- Common Sustainability Matters within E,S,G

Deep Dive into Bursa's Sustainability Reporting Requirements

How to Prepare a "Compliant" Sustainability Report:
- **Governance**
  - How to Craft Disclosures that Address the Requirements from Multiple Frameworks
- **Scope and Basis of Scope**
  - Scope of Sustainability Report
  - Scope for Sustainability Indicators/Metrics

Part 2 | 11:00 am – 12:30 pm
- **Materiality**
  - Identification and Prioritisation of Sustainability Matters
  - How Does Bursa's Common Sustainability Matters Feature within This Process?

Part 3 | 2:00 pm – 3:30 pm

Deep Dive into Bursa's Sustainability Reporting Requirements (Cont'd)
- **Management Approach**
  - Reporting Progress of Policies, Processes and Initiatives
  - Making Use of Absolute and Intensity Indicators in Telling Your Story
- **Performance Targets**
  - What to Do When Revising Targets
- **Statement of Assurance**
  - Must the Sustainability Report Be Subjected to Assurance?

Part 4 | 3:45 pm – 5:00 pm

Latest Developments on Climate Reporting:
- **Current requirements**
  - Main Market (TCFD) and ACE Market (Basic Transition Plan)
- **Future Requirements (Under Public Consultation)**
  - Applicability of the ISSB Standards

Best Practices and Pitfalls to Avoid

Trainer's Profile

San Mei Kim

Mei Kim is a sustainability trainer. Prior to this, she was the former Sustainability Lead, Corporate Governance and Sustainability with the Regulation function at Bursa Malaysia. She co-led the development of key sustainability-related initiatives for the Malaysian capital market. This includes putting in place enhancements to Bursa Malaysia's Sustainability Reporting Framework (consisting of the listing requirements, sustainability reporting guides and related toolkits) as well as capacity building initiatives for public listed companies.

She is a GRI Certified Sustainability Professional and holds a Master in Sustainable Development Management from the Jeffrey Sachs Centre (Sunway University). She is also a member of the Association of Chartered Certified Accountants (ACCA), Association of Certified Fraud Examiners (ACFE) and the Malaysian Institute of Accountants (MIA).

MINORITY SHAREHOLDERS WATCH GROUP

16 JULY 2024 | TUESDAY
9.00 AM - 5.00 PM
MAJESTIC HOTEL KUALA LUMPUR

Registration Fee **RM1800**	Early Bird (Before 30 June) **RM1600**
	Group of 2 or more **RM1600**

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Understanding IFRS S1 and IFRS S2

Learn the Impact of the New Reporting Standard and How to Navigate the Requirements for Malaysian PLCs

Programme Overview

In February 2024, the Advisory Committee on Sustainability Reporting initiated a public consultation proposing the implementation of the ISSB Standards, effective December 31, 2025, for Main Market public listed companies (PLCs) and December 31, 2027, for ACE Market PLCs and large non-listed companies with revenue of RM2 billion and above. The market is anticipating the mandatory adoption of these new reporting standards, which may be announced this year. Join us to learn and prepare for these requirements.

Part 1 | 9:00 am – 10:30 am

Developments in the International Sustainability Reporting Landscape
- Commonly Adopted Sustainability Reporting Frameworks
- How the ISSB was Formed and Global Adoption Trends
- Proposed Adoption of the ISSB Standards in a Phased Manner for Malaysia
- Design and Applicability of the Standards:
  - IFRS S1 - General Requirements for Disclosure of Sustainability-Related Financial Information
  - IFRS S2 - Climate-Related Disclosures
- Future Developments in the Pipeline

Part 2 | 11:00 am – 12:30 pm

IFRS S2 - Climate-Related Disclosures
- TCFD 101 as a Foundational Base for ISSB S2
  - Climate Risks: Physical and Transition Risks
  - Governance, Strategy, Risk Management, Metrics and Targets
- IFRS S2
  - Objective, Scope, Core Content, Application Guidance
- Effective Date in Malaysia

Part 3 | 2:00 pm – 3:30 pm

IFRS S1 - General Requirements for Disclosure of Sustainability-Related Financial Information
- Objective & Scope
- Conceptual Foundations
  - Materiality
  - Reporting Entity
- Sources of Guidance
  - SASB Standards
  - GRI
  - ESRS
- Statement of Compliance
- Treatment of Errors
- Effective Date in Malaysia

Part 4 | 3:45 pm – 5:00 pm

Reliefs - Proportionality and Scalability Mechanism, Transitioning to an ISSB Report and Other Developments
- Without Undue Cost or Effort
- Consideration of Skills, Capabilities and Resources
- What Would an ISSB Report Look Like Versus the Current Sustainability Report Format(s)
- Assurance of Sustainability Report

Trainer's Profile

San Mei Kim

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