MSWG
MINORITY SHAREHOLDERS WATCH GROUP

The Observer
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SKY-HIGH STYLE

Following DXN's announcement of an RM27 million aircraft lease deal with a related party, MSWG has received several complaints from disgruntled minority shareholders expressing their concerns over the RPT and the charter prices agreed upon.

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DXN'S AIRCRAFT LEASE RPT DREW FLAKES FROM SHAREHOLDERS

One wonders if direct selling entity DXN Holdings Bhd. which boasts business dealings in as far as Latin America has a valid reason to charter a corporate jet at a cost of US$6 million (approximately RM27 million) via a related party transaction (RPT) to facilitate its business expansion plan?

Such a sore point has somehow sparked disgruntlement, especially among minority shareholders who question whether it is justifiable for the Main Market-listed company to proceed with the charter scheme, more so given the Gulfstream G550 corporate jet in question is co-owned by its executive chairman Datuk Lim Siow Jin.

This follows a Bursa Malaysia filing dated 6 November 2024 by the health supplement manufacturer which revealed that its subsidiary DXN Aero Nautic Sdn Bhd has entered into an aircraft charter agreement with charter carrier Luxaviation San Marino Srl and charter manager ExecuJet Asia Pte Ltd with a minimum of 300 flight hours for up to 12 months.

Notwithstanding that the Charter Agreement entered into by DXN Aero is with Luxaviation and ExecuJet, the subject Aircraft to be chartered by DXN Aero is currently owned by LSJ Logistics Limited, a wholly-owned subsidiary of LSJ Global Sdn Bhd, which in turn is the investing vehicle of Lim. LSJ Global controls DXN with a 68.12% stake.

It is noteworthy that LSJ Logistics Limited acquired the jet for US$24.5 million on 19 April 2024. Hence, the charter agreement is deemed an RPT.

DXN was given two options for the lease – US$6.60 million for 12 months or US$6.15 million in total if the jet is operated by DXN's pilots. The Company intends to employ its pilots to operate the aircraft. Currently, the Company has 2 pilots on staff.

With that being said, the two options provided DXN with the flexibility to utilise the charter manager's pilots in the event of a pilot shortage. It allows the Company to maintain seamless operations while minimising the costs associated with hiring additional full-time pilots.

The lease will be paid in 12 equal monthly instalments, which will be paid in cash and fully funded by the Group's internal funds.

A back-of-the-envelope calculation shows the charter cost of US$6.15 million or approximately RM27 million per year works out to be 8.4% of DXN's net earnings of RM311 million for the financial year ended 29 February 2024 (FY2024).

Supporting business growth and expansion

Going by DXN's rationale, the corporate jet will come in handy in supporting the Group's key management team and high-performing members who have attained 'crown ambassador' status (as per its multi-level marketing scheme) as well as to facilitate frequent travel across key cities in the group's overseas markets.

Delving further, DXN contended that the corporate jet will enable its leadership team to efficiently engage and motivate the Group's 4.9 million active members worldwide (as of September 2024) through in-person marketing events to drive global sales growth.

On this note, DXN noted that the majority of its sales are generated outside Malaysia with the Latin America market contributing 57.9% of the Group's total sales of RM1.90 billion for FY2024 followed by the Asian market which contributed 25.8%, mainly driven by India.

All in all, the Group has 13 manufacturing facilities, of which 11 are located outside of Malaysia with another two being constructed in Bangladesh and Nepal. The new facilities are expected to commence operation by the end of 2024, with DXN planning to add more facilities in the future.

Furthermore, Lim in a media statement said the convenience and flexibility of the corporate jet will streamline travel, enhancing efficiency and time management compared to commercial flights, especially given the vast distances between key locations[1].

Bone of contention

Following DXN's announcement, MSWG has received several complaints from disgruntled minority shareholders expressing their concerns over the RPT and the charter prices agreed upon.

Clearly, the investing public did not take the RPT lightly. On the next trading day after the RPT was announced, its share prices plunged 8.85% to 51.5 sen. Then, share prices dived further to close at 46 sen on 12 November 2024 - the lowest since it went listing in May 2023 at 69 sen. By 29 November 2024, the shares had recovered slightly, closing at 48.5 sen, valuing the company at RM2.42 billion.

Interestingly, five days after its stock exchange filing of the corporate jet deal, a substantial shareholder Gano Global Supplements Pte Ltd trimmed its shareholding in DXN to 8.79% after disposing of a 4.5% stake in a direct business deal.

[1] DXN's media release dated 6 November 2024, accessed via https://www.dxn2u.com/investor-relations/mediarelease.php?mid=7

The company did not disclose the selling price but Bloomberg data showed that the 4.5% stake comprising 223.77 million shares changed hands at 60 sen per share for a sum of RM134.26 million[2].

Gano Global which is the investment vehicle of KV Asia Capital Pte Ltd had originally acquired a 25.7% stake in DXN in 2017, according to DXN's *2024 Annual Report*.

Perhaps in response to mounting dissatisfaction and resentment from shareholders, DXN issued another announcement on 15 November 2024 to address the concerns and provide additional clarification.

In the bourse filing, the Group explained that the charter rate of US$20,500 and US$22,000 per flight hour was agreed upon after taking into consideration a benchmarking study conducted by BDO Tax Services Sdn Bhd.

Based on the quotations obtained from four other providers of corporate jet for the charter of the same jet model or comparable models (in terms of flight ranges and passenger capacities), it said the charter rate is within the range of comparable rates between US$17,800 and US$24,270 per hour.

Going by the nature and structure of the transaction, minority shareholders in particular, cannot be blamed for being sceptical and unconvinced as to how chartering the corporate jet with a related party will significantly enhance the Group's business and operations in distant markets. After all, it may take years for the Board and management to deliver on their promises and demonstrate tangible results. Only time will tell how the future lies ahead.

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[2] Substantial shareholder Gano Global trims stake in DXN, The Edge Malaysia, accessed via https://theedgemalaysia.com/node/733560

MSWG HIGHLIGHTS

MSWG INSPIRES FUTURE LEADERS THROUGH SC MALAYSIA'S INVESTED PROGRAMME AT UTHM

The serene campus of Universiti Tun Hussein Onn Malaysia (UTHM) Johor buzzed with excitement as the Securities Commission Malaysia (SC) investED Programme, organised by the Securities Industry Development Corporation (SIDC), took place on 14 November 2024. Among the key participants was the Minority Shareholders Watch Group (MSWG), represented by its Chief Executive Officer, Dr Ismet Yusoff.

Dr Ismet engaged with students in a session to understand the dynamics of the capital market. Drawing from his experience, he shared his journey in corporate governance and shareholder activism, offering practical insights and lessons.

He highlighted the latest developments in the capital market, particularly the growing importance of governance and sustainability. Dr Ismet encouraged the students to recognise their potential to contribute meaningfully to these areas. "You can bring fresh perspectives and innovative ideas that can shape the future of the capital market," he said.

The session reflected MSWG’s dedication to fostering awareness and encouraging young talent to explore opportunities within the capital market. The event provided a platform for meaningful engagement between industry leaders and the next generation of professionals.

MSWG AGM/EGM Weekly Watch 2 – 6 December 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.

QUICK-TAKE

Date & Time	Company	Quick-take
02.12.24 (Mon) 09.30 am	Kim Teck Cheong Consolidated Berhad (AGM)	KTC recorded a 30% increase in revenue to RM946.3 million in FY2024, thanks to higher sales from the distribution of consumer package goods and contribution from the new telco products distribution segment. Nevertheless, its profit before tax (PBT) declined by 26% to RM25.5 million on the back of higher selling and distribution expenses because of staff salary adjustments and the expansion into the provision of logistic services.
02.12.24 (Mon) 10.00 am	Destini Berhad (AGM)	For FYE2024, the Group revenue decreased by 14% to RM159.33 million due to a challenging global economic environment. Despite this, the Group secured significant contracts, replenishing its order book to RM846.00 million, indicating strong market confidence. However, it recorded a net loss of RM133.47 million, mainly due to higher financing costs and impairment charges of RM146.46 million.
02.12.24 (Mon) 11.00 am	BCB Berhad (AGM)	For FY2024, the Group delivered a revenue of RM222.89 million (FY2023: RM245.43 million) and achieved a PBT of RM31.03 million (FY2023: RM34.72 million). The major revenue contributors are Broadleaf @ Home Tree at Kota Kemuning and Bandar Putera Indah at Batu Pahat, Johor.
02.12.24 (Mon) 11.00 am	Divfex Berhad (AGM)	For FY2024, the Group's revenue decreased to RM55.01 million from RM76.42 million in the previous year, mainly due to lower project

Date & Time	Company	Quick-take
		billings in the ICT segment caused by delays in project awards and execution. Despite this decline, the Group achieved a higher net profit of RM7.78 million, compared to RM7.41 million in FYE 2023. This increase in profit was largely due to the recognition of deferred tax assets from unused tax credits, which amounted to RM3.14 million during the year.
02.12.24 (Mon) 12.30 pm	Divfex Berhad (EGM)	The Group proposes to establish an Employees' Share Option Scheme (ESOS) of up to 15% of its total number of issued shares for eligible Directors and employees of DFX and its subsidiaries.
03.12.24 (Tue) 09.00 am	JF Technology Berhad (AGM)	The Group saw an 8% decline in revenue to RM41.6 million in FY2024 due to the softer demand for test contacting sockets. Malaysia and China remained its anchor revenue drivers, contributing 27.5% and 37.8% respectively to the Group's total revenue for FY2024. Meanwhile, its PBT fell 46% to RM6.3 million, owing to the shift in product mix, share of loss of an associate and impairment of intangible assets.
03.12.24 (Tue) 10.00 am	Jentayu Sustainables Berhad (AGM)	In FYE2024, the Group's revenue fell to RM22.0 million from RM42.6 million due to the completion of the Coara Marang Project, which had contributed RM11.99 million of revenue in the previous year. Besides, it posted a pre-tax loss of RM19.5 million because of the absence of one-time gain amounting to RM18.46 million from land disposal in the previous year. Overall, it remains optimistic about future profitability, driven by renewable energy projects like Project Young and Project Oriole.

Date & Time	Company	Quick-take
		The management aims to achieve RM50 million PBT and 350 MW in secured generation capacity by 2026.
03.12.24 (Tue) 10.00 am	Redtone Digital Berhad (AGM)	The Group achieved a significant increase of 59.4% in revenue to RM342.2 million for FY2024, driven by improved performance across all segments. The Telecommunications Services (TS) segment grew despite intense competition, while the Managed Telecommunications Network Services (MTNS) segment, contributing 62% of total revenue, benefited from the JENDELA project. The Cloud & IoT segment also saw substantial growth and contributed 5% of its total revenue due to the MyGovUC 3.0 project. The Group posted a record profit before tax of RM83.2 million, a 10.9% increase, primarily due to strong MTNS and TS performance.
03.12.24 (Tue) 10.00 am	Velocity Capital Partners Berhad (AGM)	The Group achieved a 75% growth in revenue to RM65.8 million in FY2024, mainly contributed by the high growth in the transportation and logistics segment. On the other hand, it recorded a PBT of RM10.95 million compared to a LBT of RM26.5 million a year ago. It divested an investment in FY2024, leading to a reversal of an impairment loss totalling RM8.25 million. Additionally, due to the recoverability of other receivables, an impairment loss of RM2.87 million was reversed in FY2024.
03.12.24 (Tue) 10.30 am	A-Rank Berhad (AGM)	The Group recorded a revenue of RM713.9 million for FY2024, which was RM66.5 million or 10.3% higher than the previous financial year. The increase in revenue was contributed by both increases in business volume and average selling prices as compared to the previous year.

Date & Time	Company	Quick-take
		The Aluminium Segment was the sole revenue for FY2024 as the Property Segment was still in the midst of project planning during the financial year. Export sales contributed 30.7% to the total revenue whilst the balance is from the local market which is in line with the Group's strategy in maintaining its leading market position in Malaysia.
03.12.24 (Tue) 11.00 am	Sersol Berhad (AGM)	The Group reported a revenue of RM21.86 million for the 18-month financial period ended (FPE) 30 June 2024. It continued to be in red with a net loss of RM12.69 million for the FPE 2024, primarily due to inflationary pressures, higher commodity prices, rising energy costs and increased operating expenses.
04.12.24 (Wed) 10.00 am	Edaran Berhad (AGM)	Edaran posted a revenue of RM106.5 million in FY2024 (FY2023: RM69.4 million), its highest revenue in five years. Meanwhile, despite a year-on-year increase in administrative expenses and finance costs, the Group recorded a higher profit for the year of RM3.1 million (FY2023: RM2.0 million).
05.12.24 (Thur) 09.30 am	Excel Force MSC Berhad (AGM)	Following a change in the financial year, the Group reported a total revenue of RM29 million for the 12 months of FYE2024, with the Application Services Provider (ASP) segment contributing 70% of its total revenue. The ASP segment's performance was lifted by Bursa Malaysia's trading volume and value, with 37 IPOs and a 59% increase in average daily value in the 1H2024 compared to the end of 2023. Positive economic sentiments and expected interest rate movements also boosted trading activities.
05.12.24 (Thur) 09.30 am	Gamuda Berhad (AGM)	Gamuda recorded an all-time-high annual revenue of RM15 billion, representing a 63% increase from the previous year, with overseas construction revenue tripling to RM9

Date & Time	Company	Quick-take
		billion from RM3.5 billion. The impressive revenue growth was largely driven by the construction division's activities in Australia. Core net profit from construction and property businesses grew 12% to RM912 million from last year's RM815 million on the back of higher overseas construction earnings and stronger domestic property earnings and margins.
05.12.24 (Thur) 10.00 am	S & F Capital Berhad (AGM)	The Group recorded marginally higher revenue of RM82.4 million in FY2024 (FY2023: RM81.8 million), which was contributed by the Group's ongoing construction activities. However, its net profit was 44% lower than the year before at RM1.4 million due to the depreciation of capital expenditure of construction equipment at RM1.8 million. Other income was lower at RM900,000 (FY2023: RM1.2 million) due to an adjustment of doubtful debt in FY2023.
05.12.24 (Thur) 10.00 am	YTL Power International Berhad (AGM)	The Group achieved a 68% increase in net profit to RM3.41 billion and revenue rising to RM22.28 billion compared to RM21.89 billion in FY2023. In keeping with its growth and expansion strategy, the Group acquired a 53.19% stake in Ranhill Utilities. The outlook for the Group remains robust and it will continue to pursue its growth and expansion targets whilst focusing on improving operational efficiencies, responsibly managing its carbon footprint and advancing innovative pathways.
05.12.24 (Thur) 10.30 am	Gamuda Berhad (EGM)	Gamuda is seeking shareholders' approval for Proposed bonus issue of up to 2.98 billion on the basis of 1 Bonus Share for every 1 existing Gamuda Share. The Proposal is estimated to be completed by December 2024.
05.12.24 (Thur) 10.30 am	Mlabs Systems Berhad (AGM)	The Group's revenue increased by 18.8% y-o-y to RM26.72 million (FY2023: RM22.49 million),

Date & Time	Company	Quick-take
		mainly contributed by higher sales from trading business amounting to RM3.28 million and ICT and fintech business amounting to RM0.64 million. However, it recorded a widened net loss of RM18.35 million (FY2023: -RM8.79 million) primarily due to fair value loss on quoted shares amounting to RM2.10 million, an impairment of trade and other receivables totalling RM1.93 million, and an impairment loss on intangible assets of RM1.91 million.
05.12.24 (Thur) 01.00 pm	YTL Corporation Berhad (AGM)	The Group recorded a revenue of RM30.49 billion for FY2024, increasing 3% compared to RM29.62 billion in FY2023. Its net profit grew 83% to RM3.88 billion compared to RM2.12 billion in the year before. The improved results were due mainly to better performance from all of the Group's operating segments, with the utilities, cement and hotels divisions registering the highest increases.
05.12.24 (Thur) 03.30 pm	Malayan Cement Berhad (AGM)	The Group recorded a revenue of RM4.45 billion for FY2024, marking an 18% increase y-o-y. Its net profit touched RM647.5 million, showcasing a 156% growth compared to the previous year. The continued progress has been driven by the stabilisation of cement and concrete prices, alongside the ongoing efforts to enhance operational efficiencies. Cement demand is expected to remain positive, particularly within civil and non-residential sectors such as infrastructure, logistics hubs, data centres, and industrial facilities.

POINTS OF INTEREST

<table>
<tr><th>Company</th><th>Points/Issues to be raised</th></tr>
<tr><td>Kim Teck Cheong Consolidated Berhad (AGM)</td><td>
Despite recording a 30% increase in revenue in FY2024, the Group's pre-tax profit declined 26% to RM25.5 million. The lower profit was mainly due to the higher selling and distribution expenses. This was caused by increased staff costs from recent staff adjustments and the Group's expansion into providing logistic services, which is still in the process of growing its customer base. (page 11 of AR 2024)

a) How much of the increase in the selling and distribution expenses was due to the expansion into the logistic services? When does the Group expect the logistics services to become profitable?

b) What is the targeted revenue growth for the distribution of the Consumer Package Goods (CPG) segment in FY2024? Which product categories will be the key growth drivers?

c) How much did the Group spend on capex in FY2024? What is the budgeted capex for FY2025?
</td></tr>
<tr><td>Destini Berhad (AGM)</td><td>
The following demonstrated the revenue and net profit of each business segment in the Group for FYE2022 and FPE2024.

<table>
<tr><th>Revenue (RM'mil)</th><th>FYE2022 (12 months)</th><th>FPE2024 (18 months)</th><th>Variance or % Changes</th></tr>
<tr><td>Aviation</td><td>83.52</td><td>60.71</td><td>-27%</td></tr>
<tr><td>Energy</td><td>38.91</td><td>40.69</td><td>5%</td></tr>
<tr><td>Mobility</td><td>0</td><td>0</td><td>-</td></tr>
<tr><td>Marine</td><td>63.6</td><td>56.39</td><td>-11%</td></tr>
</table>

<table>
<tr><th>Segment Profit / loss (RM'mil)</th><th>FYE2022 (12 months)</th><th>FPE2024 (18 months)</th><th>Comments</th></tr>
<tr><td>Aviation</td><td>-1.86</td><td>-21.68</td><td>Widened Losses</td></tr>
<tr><td>Energy</td><td>3.33</td><td>-23.85</td><td>Negative Turnaround</td></tr>
<tr><td>Mobility</td><td>-4.39</td><td>-13.9</td><td>Widened Losses</td></tr>
<tr><td>Marine</td><td>-50.18</td><td>-2.04</td><td>Narrowed Losses</td></tr>
</table>

a) The aviation segment faced widened losses, both in terms of the revenue and net profit in FPE2024. The increased loss in FPE2024 was primarily due to impairment of trade receivables amounting to RM24.5 million. (Source: Page 30 of the AR2024)

(i) What is the main reason for the impairment of trade receivables? How much of these impairments have been
</td></tr>
</table>

Company	Points/Issues to be raised
	recovered to-date? What percentage of these impairments are expected to be non-recoverable? Are impairments expected to increase going forward? (ii) The aviation segment secured two new contracts from MINDEF amounting to RM37.79 million. Briefly provide details on the contract value, job scope, duration, award date, and job commencement date. (iii) What is the outlook of the aviation segment in the next fiscal year? Can the aviation segment improve its topline and net profit next year? b) Despite an increase in revenue attributed to higher rig activity in the energy segment, the business segment turned into red in FPE2024 due to impairment of receivables and investments amounting to RMNil. (Source: Page 31 of the AR2024) (i) Please verify how much was the impairment of receivables and investments in this business segment which led to the negative turnaround. Why were the receivables and investments impaired? How much has been recovered so far? What percentage is expected to be non-recoverable? Will impairments likely increase in the future? (ii) The Group expected an increased utilization of Destini Oil's assets in the prior AGM. Please update us on how much higher the current utilization rate of the oil assets in FPE2024 is compared to the prior year. (iii) Given that Destini oil also participating in tenders both in Malaysia and international, how much is the outstanding order book and current tender book of this business segment? c) There are no sales registered for the mobility segment in FYE2022 and FPE2024 as the contract execution only began in 2H2023. Additionally, the business segment registered a widen loss in FPE2024 compared to the prior year due to the commencement of MRO activities in December 2023. (Source: Page 32 of the AR2024) (i) Nevertheless, the Group expected operating profits from the division starting 2024 in the prior AGM. This is in consideration of the service and delivery schedules of the assets awarded under the contracts. Please explain why the Group is unable to reap profits for the division as per expected in the prior AGM.

<table>
<tr><th>Company</th><th>Points/Issues to be raised</th></tr>
<tr><td></td><td>
(ii) What is the revenue recognition trend for the secured contracts worth RM531.4 million and RM163.6 million over the contract period? Are the contributions expected to remain constant, or do they exhibit an upward trend as the contract progresses towards completion?

(iii) Is there any current tender book or order book replenishment target for this business segment, apart from the contracts mentioned above?
</td></tr>
<tr><td>BCB Berhad (AGM)</td><td>
The Group reported a loss on lease termination of RM3.62 million in FY 2024 as compared to RM Nil in FY 2023. (Page 126 of Annual Report (AR) 2024).

a) Please explain why the Group has to terminate the lease, which resulted in a massive loss of RM3.62 million.

b) Please provide more details on the lease which was terminated including lease type, value of the lease and lease period prior to expiration of the lease upon termination.
</td></tr>
<tr><td>Divfex Berhad (AGM)</td><td>
The sales of computer, hardware, software and accessories have declined significantly from RM55.0 million in FYE2023 to RM29.9 million in FYE2024 (Source: Page 99 of the AR2024)
<table>
<tr><th></th><th>Group
2024
RM</th><th>
2023
RM</th></tr>
<tr><td>Revenue from contracts with customers:</td><td></td><td></td></tr>
<tr><td>Sales of computer, hardware, software and accessories</td><td>29,869,890</td><td>54,979,114</td></tr>
<tr><td>Project management, consultancy, maintenance and software support services</td><td>25,138,727</td><td>21,201,135</td></tr>
<tr><td>Sales of consumer goods</td><td>152</td><td>237,133</td></tr>
<tr><td>Management services</td><td>-</td><td>-</td></tr>
<tr><td>Dividend income</td><td>-</td><td>-</td></tr>
<tr><td>Others</td><td>-</td><td>7,000</td></tr>
<tr><td></td><td>55,008,769</td><td>76,424,382</td></tr>
</table>

What is the primary reason for the drop in sales of computers, hardware, software and accessories in FYE2024? Is this declining trend of sales expected to continue in the next fiscal year? What is the Group's strategic planning to mitigate this issue?
</td></tr>
<tr><td>JF Technology Berhad (AGM)</td><td>
Higher contribution from the test interface products division and manufacturing facility in Kunshan led to a change in product mix contribution of the Group as these businesses are still advancing towards their optimal level. As a result, the Group's gross profit margin (GPM) decreased to 62.2% in FY2024 from 66.2% a year ago. Meanwhile, revenue contribution from Malaysia fell 24% to RM11.4 million in FY2024. (page 10 of AR 2024).
</td></tr>
</table>

<table>
<tr><th>Company</th><th>Points/Issues to be raised</th></tr>
<tr><td></td><td>a) Please provide more details on the changes in the product mix that affected the Group's GPM.

b) What is the expected timeline for the test interface products division and Kunshan facility to reach their optimal levels?

c) What were the key reasons for the 24% decline in revenue from Malaysia in FY2024?

d) What is the outlook for Malaysia operations in FY2025?</td></tr>
<tr><td>Jentayu Sustainables Berhad (AGM)</td><td>The following is the historical revenue contribution by each business segment of the Group.

<table>
<tr><th>Revenue (RM'000)</th><th>FY2020</th><th>FY2021</th><th>FY2022</th><th>FY2023</th><th>FY2024</th></tr>
<tr><td>Trading</td><td>80,979</td><td>22,874</td><td>20,359</td><td>13,264</td><td>14,388</td></tr>
<tr><td>Renewable Energy</td><td></td><td>6,385</td><td>60,839</td><td>11,996</td><td>1,981</td></tr>
<tr><td>Property Development and Others</td><td>458</td><td>958</td><td>382</td><td>10,480</td><td>33</td></tr>
<tr><td>Healthcare</td><td></td><td></td><td>1,268</td><td>6,901</td><td>5,557</td></tr>
<tr><td>Total</td><td>81,437</td><td>30,217</td><td>82,848</td><td>42,641</td><td>21,959</td></tr>
</table>

a) The Group has requested an extension from the Securities Commission Malaysia until 26th March 2025, to finalize the acquisition of three companies proposed in 2021. These include Telekosang Hydro One Sdn Bhd and Telekosang Hydro Two Sdn Bhd, which operate a 40MW hydro power plant in Sabah, and Jentayu Solar Sdn Bhd, which runs a 5.99MW solar power plant in Kedah. (Source: Bursa announcement dated 2 September 2024)

(i) Please provide the primary reasons for the extension request.

(ii) Can the Group ensure the acquisitions be completed by the new deadline? Or are there any specific challenges or obstacles that will lead to the need for more time? Please specify.

(iii) Operation wise, has Telekosang Hydro Two achieved its Commercial Operation Date by the end of December 2023? If yes, has it been overperforming like Telekosang Hydro One?

b) Project Oriole is expected to generate approximately RM270.0 million revenue per annum and as of 30 June 2024, the Group has invested RM81.2 million in the project. (Source: Pages 15-1 of the Annual Report (AR) 2024)</td></tr>
</table>

Company	Points/Issues to be raised
	(i) Is Project Oriole currently on track to meet its targeted Commercial Operation Date (COD) of December 2028? (ii) What is the annual expected profit after tax (PAT) of this project? c) The healthcare segment has emerged as the second most contributing segment to the Group's revenue in FYE2024 with a 25% contribution. Nevertheless, the segment is still facing widened losses in FYE2024 of RM2.8 million compared to in FYE2023, losses of RM1.1 million. (i) Has the current utilisation rate of the Ohana Specialist Hospital grown from 20% in Q1FYE2024? What is the hospital's current monthly revenue? (ii) What is the Group's internal timeline to reach 60% utilisation or a monthly revenue of RM1.5 million before the business segment undergoes expansion by introducing a Special Care Nursery for newborns and an additional clinical discipline?
Redtone Digital Berhad (AGM)	At the 21st AGM, the board and management mentioned that the completion of the Universal Service Provision (USP) projects under the Managed Telecommunications Network Services (MTNS) segment would generate recurring revenue during the operating period. a) Has the USP project been completed by June 2024? If yes, how much recurring revenue is anticipated during the operating period? b) As of September 30, 2023, the order book for the MTNS ongoing project stands at approximately RM698 million. Has there been any growth in the order book over the past year? If so, by how much? Are there any new contracts expected to be added soon?
Velocity Capital Partners Berhad (AGM)	The secured financing receivables of RM220.7 million as of 30 June 2024 are entirely secured against properties and stocks quoted on Bursa Malaysia Securities Berhad and are subject to interest at 4% to 7%. (page 98 and 100 of AR 2024) a) What proportion of the RM220.7 million secured financing receivables is backed by properties versus stocks? b) Please disclose the name of the quoted stocks and their respective values as of 30 June 2024.

Company	Points/Issues to be raised
	c) Is the interest rate on these financing receivables sufficient to generate a satisfactory return on investment given the collateral and the associated risks? d) How often are the underlying assets (properties and quoted stocks) revalued to reflect market conditions?
A-Rank Berhad (AGM)	The amount owed to related parties increased by 46% to RM27.37 million from RM18.74 million in the previous year. a) Non-trade amounts owing to related parties represent advances and payments made on behalf of the Company. (i) Who are the related parties making these advances and payments on A-Rank's behalf? (ii) Why did the related parties provide such financial support? (iii) What was the nature and purpose of these advances and payments? (iv) What factors contributed to the significant increase in the amount owed to related parties in FY2024? b) Concurrently, the interest rate on the amount due increased to 4.2% from 2.9% the year before (page 124, Note 16 – Trade and other payables, AR2024). As a result, interest expenses on the amount owing to related parties more than doubled, amounting to RM942,178 compared to RM429,356 previously (page 131, Note 22 – Finance costs, AR2024). (i) Why was a higher interest rate applied to the amount due? (ii) What procedures did the Audit Committee undertake to review and assess the fairness and reasonableness of the interest rate? (iii) How did the Audit Committee ensure that these transactions were conducted on normal commercial terms, at arm's length, and not detrimental to the interest of minority shareholders?
Sersol Berhad (AGM)	*"The Group will continue to focus on growth within its core business segments and remains steadfast in implementing cost optimisation and pricing strategies for its products to maintain competitiveness in the market."* (Page 5 of Annual Report 2024)

Company	**Points/Issues to be raised**
	The Company spent RM11.79 million for purchase of other investment during the 18-month financial period ended 30 June 2024. (Statement of Cash Flows) a) Please elaborate on the strategic rationale of the RM11.79 million of other investment? b) How does the said investment align with the Group's objectives to focus on growth within its core business segments? c) What due diligence was conducted before making this investment, and what are the anticipated returns or benefits from this allocation?
Edaran Berhad (AGM)	In FY2024, EDARAN secured several major projects from the Malaysian Administrative and Management Planning Unit (MAMPU), the Ministry of Education Malaysia (KPM), the Malaysian Meteorological Department (MET Malaysia), the Implementation Coordination Unit of the Prime Minister’s Department (JPM ICU), etc. (Page 22 of the Annual Report (AR) 2024/ AR2024). a) With the inclusion of secured projects in FY2024, what is the Group’s current total secured contracts value? How long will the current secured contracts last? b) The Group is actively pursuing projects to expand its involvement in cybersecurity, data warehousing, and data analytics while continuing to secure projects that leverage its existing strengths, such as maintaining MAMPU's data center infrastructure and KPM's PC leasing (Page 22 of AR2024). (i) What is the total value of the projects the Group is actively pursuing? How much of this contract value is expected to be awarded to the Group? (ii) What is the Group’s success rate in securing projects?
Excel Force MSC Berhad (AGM)	The Group launched three new products: '*eForce EmPower*,' '*eForce Interactive X-Chart*,' and '*eForce One*.' The '*eForce Interactive X-Chart*' is available for web subscription under the '*X-Chart on Xifu*' brand. (Source: Page 15 of the AR2024) a) '*eForce Interactive X-Chart*,' was launched in FYE2023 but did not contribute to the profitability of the Group in FYE2023. What is the current performance of the products? Has it been contributing to the topline and bottom-line of the Group in FPE2024? If not, what

Company	Points/Issues to be raised
	are the reasons given the launching of the product has been for two years? b) What are the current take-up rates of the newly launched products namely *'eForce EmPower*,' and *'eForce One*? How do these products' unique compare to competitors' offerings? What is the expected financial growth from these two new innovations to the Group in FYE2025? Are there any projections for market share growth?
Gamuda Berhad (AGM)	The Group recorded an all-time-high annual revenue of RM15 billion, representing a 63% increase from the previous year, with overseas construction revenue tripling to RM9 billion from RM3.5 billion. (Page 32 of IR2024) However, the net profit margin is lower compared to the prior year. a) What are the key factors contributing to the lower net profit margin in the overseas property division and the local construction division? b) While the overseas construction division, the Group's primary revenue contributor, achieved a slight improvement in its net profit margin to 3.5%, what strategies does the Group have in place to further enhance this margin? Are the newly secured overseas projects expected to yield better profit margins in the upcoming year?
S & F Capital Berhad (AGM)	1. <u>Orderbook</u> a) What is the Group's current outstanding orderbook? How long will this orderbook keep the Group busy? b) What is the Group's targeted orderbook replenishment in the next two financial years?
YTL Power International Berhad (AGM)	In terms of organic growth, YTL PowerSeraya was awarded the rights to build, own and operate a 600-megawatt hydrogen-ready combined cycle gas turbine unit. The new plant will be at least 30% volume hydrogen-ready, with the ability to be retrofitted to become 100% hydrogen-ready operationally. (page 6 of AR 2024) a) What is the total value of the contract? b) When is the turbine unit expected to be operational? How long will YTL PowerSeraya retain the right to operate? c) When does the Company expect to retrofit the turbine unit to be 100% hydrogen-ready operationally?

Company	Points/Issues to be raised
Mlabs Systems Berhad (AGM)	The Group's current assets have increased by 9.9%, rising from RM78.34 million to RM86.06 million. This growth is primarily driven by a notable rise in trade receivables within the ICT, trading factoring segment, as well as an increase in inventories for the trading segment, reflecting robust performance in these areas this year. (page 16 of AR2024) a) The Group's trade receivables were RM23.58 million (FYE2023: RM11.98 million) (Note 14, page 111 of AR2024), how much of the Group's trade receivables have been collected, to date? b) For the trade receivables that remain outstanding to date, they are mainly from which of the Group's business segment?
YTL Corporation Berhad (AGM)	1. Construction work on the Gemas-Johor Bahru electrified rail link is in the final phase and continued on schedule during the financial year under review. Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd (SPYTL), together with its joint venture partner, SIPP Rail Sdn Bhd, has been appointed as the local subcontractor to carry out the design, construction, supply, installation, completion, testing, commissioning and maintenance for the electrified double track project from Gemas to Johor Bahru. (page 24 of AR 2024) a) What is the total value of the contract? When is the project expected to be completed and commissioned? b) What is the tenure of the maintenance rights granted to SIPP Rail Sdn Bhd? 2. Despite the challenges in the economy, the construction sector's continued growth signifies its resilience and capacity to contribute positively to the broader economic landscape. The construction division will continue its proactive strategy to ensure construction work-in-progress is on track and to replenish its order book. (page 36 of AR 2024) a) What is the total outstanding order book and how long is it expected to last? b) What are the total bids submitted for construction jobs in FY 2024? What is the anticipated success rate?
Malayan Cement Berhad	The launch of the Group's ECO product range - comprising of ECOCemTM, ECOConcreteTM, ECODrymixTM, and ECOSandTM — is well timed and well-received. Under its ECOCem offering, the Company is especially proud of its MASCRETE® range, which has been specified and used in various iconic projects across the country. (Page 11 of AR 2024)

Company	Points/Issues to be raised
	a) Does the Group have competitors that produce similar eco-friendly cement like ECOCemTM, and if so, what is the Group's domestic market share? b) What percentage of the Group's total cement production constitutes ECOCemTM versus conventional cement? Given its positive reception, does the Group plan to significantly increase ECOCem™ production? Are there any challenges or issues associated with scaling up production?