MSWG
MINORITY SHAREHOLDERS WATCH GROUP

The Observer
Official Newsletter from MSWG

FRIDAY | 21 FEBRUARY 2025

THE ICONIC HANDOUT

With RM104.6 million cash and a low gearing of 0.03 times as of 31 December 2023, Fiamma does not seem to be in desperate need of liquidity. So, why Fiamma would "relinquish" its control of the two subsidiaries that own two prime lands in Kuala Lumpur to a related party?

WHY YIELD WHEN YOU CAN HAVE IT ALL?

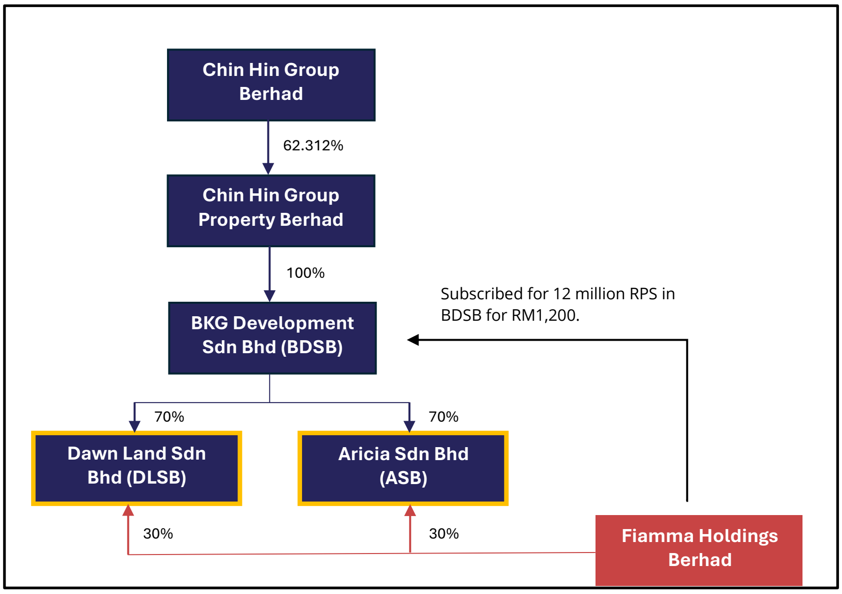
In what could be misconstrued as an act of altruism, Fiamma Holdings Berhad relinquished its control of two property development subsidiaries to a related party through a series of intricate corporate exercises.

In an extraordinary general meeting held last Tuesday (18 February 2025), Fiamma's shareholders unequivocally approved two proposed joint ventures (JVs) between Fiamma's wholly-owned subsidiaries - Dawn Land Sdn Bhd (DLSB) and Aricia Sdn Bhd (ASB) with BKG Development Sdn Bhd (BDSB), a wholly-owned subsidiary of Chin Hin Group Property Berhad (CHGPB).

The Proposed JVs are deemed related party transactions by virtue of the interests of the Interested Parties, namely Datuk Seri Chiau Beng Teik (Beng Teik) and Chiau Haw Choon (Haw Choon). Beng Teik and his son, Haw Choon are the Executive Chairman and Executive Director of Fiamma. They are deemed major shareholders of Fiamma by their interest in Signature International Berhad and Divine Inventions Sdn Bhd. Meanwhile, Chin Hin Group Berhad, which is controlled by Beng Teik and Haw Choon owned 71.724% of Signature International as of 14 June 2024.

The JVs entail proposed developments of two pieces of prime land in Klang Valley, located in the heart of Kuala Lumpur and the bustling Chan Sow Lin neighbourhood (collectively referred to as Proposed Developments). The developments dubbed "Dawn KLCC" and "Aricia Residences" will fetch an estimated gross development value (GDV) of RM1.37 billion and an estimated gross development profit (GDP) of RM227.26 million[1] upon completion.

Under the proposals, BDSB will subscribe to 70% stakes in DLSB and ASB for RM7 million. Subsequently, Fiamma's shareholdings in DLSB and ASB will be diluted from 100% to 30%. As it is, Fiamma lost control of the two companies compared to full control (diagram on the right).



To "compensate" the dilution of Fiamma's shareholdings from 100% to 30% in DLSB and ASB, Fiamma would

[1] *Fiamma's circular to shareholders dated 28 January 2025.*

subscribe for 12 million redeemable preference shares (RPS) in BDSB for RM1,200, which will entitle Fiamma to receive the redemption sums of RM12.00 million from BDSB in the fifth and sixth year.

On the other hand, BDSB will procure DLSB and ASB to repay and/or redeem up to RM199.85 million of advances to Fiamma, its subsidiary and its creditors.

While Fiamma will derive 30% of the GDP or estimated RM68.18 million from the Proposed JVs, the catch is the recognition of profit is weighed upon the declaration of dividends by DLSB and ASB. Moreover, profit will only come in upon completion of the Proposed Developments and sale of properties, i.e., the fifth year.

With RM104.6 million cash and a low gearing of 0.03 times as of 31 December 2023, Fiamma does not seem to be in desperate need of liquidity. Thus, why Fiamma would "relinquish" its control of the two subsidiaries that own two prime lands in Kuala Lumpur?

The Foray into Property Development

Started as a distributor of household appliances, Fiamma built a strong brand presence across Malaysia. Over time, it expanded into other consumer products, including medical devices. Despite these diversification efforts, the bulk of FHB's revenue traditionally stems from the sale and distribution of kitchen and home appliances.

In the quest for additional revenue streams, Fiamma made a bold move to venture into property development a decade ago, capitalising on the robust Malaysian real estate market back in 2008. While not well-known as a prominent developer, Fiamma did complete or participate in several residential and commercial projects such as Taman Kota Jaya township in Johor, East Parc serviced apartment units in Bandar Menjalara, Kuala Lumpur. However, the segment never truly eclipsed the Group's bread and butter products distribution business in terms of scale and financial contribution.

However, Fiamma began to see an exodus of property development staff in 2022. In the last quarter of 2023, the last key personnel departed from the team as well.

Losing this core expertise is a grave concern - property development requires specialised capabilities across project management, financing, approvals, marketing, and construction oversight. To ensure the continuity of the two projects, Fiamma actively explored potential partnerships to undertake the Proposed Developments, while submitting the necessary applications to the relevant authorities.

In early 2024, Fiamma roped in BDSB and its holding company, CHGPB to jointly develop the projects. To date, DLSB and ASB have obtained the development order (DO) and approval for building plans from authorities.

Notably, despite the Proposed JVs being subject to shareholder approval at the EGM, CHGPB already prominently featured Dawn KLCC and Aricia Residences as its property development projects on its corporate website. Additionally, CHGPB's logo is well-marked on the construction site of the two developments.

More Questions than Answers

MSWG has highlighted several key areas of concern regarding the Proposed JVs and Proposed RPS Subscription (see sidebar).

However, Fiamma's explanations inevitably raise more questions that merit further clarification.

Firstly, Fiamma did not disclose the timeline for exploring other potential collaborations, nor the number of potential partners considered. Shareholders are perplexed by how these offers varied compared to the terms of the Proposed JVs.

Crucially, the Board did not explain the reasons for the non-materialisation of other potential JVs. Accordingly, we are unconvinced that Fiamma's partnership with CHGPB would be most beneficial for shareholders.

Secondly, the Board asserted that retaining a 30% stake in the developments presents a more favourable long-term value proposition compared to outright sales.

Again, the generic statement does not adequately address the significant risk associated with the non-distribution of dividends. After all, Fiamma may not receive any profit if dividends are not distributed. The absence of any guarantees from CHGPB to secure

THE EXCERPT OF MSWG's QUESTIONS AND FIAMMA'S RESPONSES

MSWG's Question
Has the Group explored other potential partnership before concluding the deal with CHGPB? Why was CHGPB selected over others? How does partnering with CHGPB maximising FHB's shareholder value?

Response
Fiamma explored JVs with foreign property developers and potential outright sales of the lands, but nothing materialised. Ultimately, CHGPB was selected as the preferred JV partner due to strategic synergies.

MSWG's Question
Has the Board secured assurances from CHGPB to guarantee the 30% profit entitlements if DLSB and ASB become insolvent or withhold dividends?

If not, why has the Group not considered fully disposing of its interest in DLSB and ASB to eliminate this risk, especially since it no longer has a dedicated property development team?

Response
The Board has assessed the risk of non-distribution of dividends and considered CHGPB's proven track record. The Board believes the risk is minimal considering the viability of the Proposed Developments.

MSWG's Question
What is the Board's view on CHGPB's premature marketing and branding activities for the two projects?
Do these activities suggest implicit approval from the Group before obtaining FHB's shareholder approval?
Does the Board consider CHGPB's premature marketing of the Proposed Developments potentially misleading to stakeholders?

Response
The Board acknowledges concerns about CHGPB's marketing before shareholder approval but these activities do not imply a final decision or approval of the Proposed JVs. Such preliminary efforts are common industry practices to create market awareness and assess buyer interest.

Fiamma's 30% entitlement further exacerbates these concerns, leaving shareholders exposed to considerable financial risk.

Lastly, CHGPB's marketing efforts, which are ahead of shareholders' approval at the EGM, are another point of contention. While the Board brushed off the concern, claiming that these are common industry practices to generate and gauge market interest, they are misleading as they give rise to the impression that the EGM's outcome is a foregone conclusion.

Shareholders' approval is fundamental to the governance process as it allows shareholders to participate in decision-making and protect their interests. FHB should ensure that any promotional activities are clearly communicated as preliminary and contingent upon EGM approval to avoid potential misinterpretation.

Uncertainties Ahead

We are puzzled as to why Fiamma "relinquished" its control of the two prime lands to a related party while asserting that the JVs would allow it to expand its footprint in the property development sector without an in-house property development.

With the resources it has, Fiamma could have rebuilt its property development team while pursuing the two developments on its own to better portray itself in the property industry.

Secondly, we are deeply concerned about the recognition of the 30% profit from the JVs at a much later date. The profit recognition will be upon declaration of dividend from the board of DLSB and ASB, and as Fiamma will no longer be in the driver's seat, it adds more uncertainties ahead.

Further, the redemption of 12 million RPS within six years is at BDSB's discretion. A cash payment, instead of a subscription of RPS in BDSB, will provide immediate liquidity for the Group and allow for strategic deployment of funds.

Premised upon the above considerations, MSWG voted against the two resolutions in Fiamma's EGM.

[END]

MSWG
MINORITY SHAREHOLDERS WATCH GROUP

13 MARCH 2025 | THURSDAY
8:30 AM - 4:00 PM
AICB CENTRE OF EXCELLENCE, KL

1 DAY COURSE | HRD CORP CLAIMABLE

Registration Fee	Early Bird (Before 28 February 2025)
RM1,800	**RM1,600**
	Group of 2 or more
	RM1,600

All prices are subject to any applicable government tax.

All MSWG subscribers enjoy special rate for registration.
Please contact us for more details.

Register now

Scan the QR code or click here

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Navigating the
National Sustainability Reporting Framework & Latest Bursa Listing Requirements

Programme Overview

In September 2024, the Securities Commission Malaysia announced implementation of the National Sustainability Reporting Framework (NSRF). It mandates IFRS Sustainability Disclosure Standards (ISSB Standards) for listed and large non-listed companies. The framework aims to enhance transparency, accountability and business resilience, aligning the nation's sustainability goals. In December 2024, Bursa Malaysia announced corresponding amendments to the Listing Requirements. Compliance will be phased, starting in 2025 for large Main Market PLCs, extending to others by 2027.

Part 1 | 8.30 am - 10.00 am

Developments in the International Sustainability Reporting Landscape
- Commonly adopted sustainability reporting frameworks
- How the ISSB was formed and global adoption trends
- Adoption timelines for Malaysia – NSRF and Bursa Listing Requirements
- 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 | 10.30 am - 12.00 pm

IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information
- Conceptual foundations
  - Materiality
  - Reporting Entity
- How to shortlist financially material sustainability matters
- Sources of Guidance (SASB, GRI, ESRS)
- Statement of Compliance
- Treatment of Errors

Part 3 | 1.00 pm - 2.30 pm

IFRS S2 – Climate-Related Disclosures
- **TCFD 101 as a foundation for IFRS S2**
  - Climate Risks: Physical and Transition Risks
- **IFRS S2 – Core content**
  - Governance, Strategy, Risk Management, Metrics and Targets

Part 4 | 2.45 pm - 4.00 pm

Transitioning to an ISSB Report and other key considerations:
- Reliefs – Proportionality and scalability mechanisms
  - Without undue cost or effort
  - Consideration of skills, capabilities and resources
- What would an ISSB Report look like versus the current sustainability report formats
- Assurance of Sustainability Reports

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).

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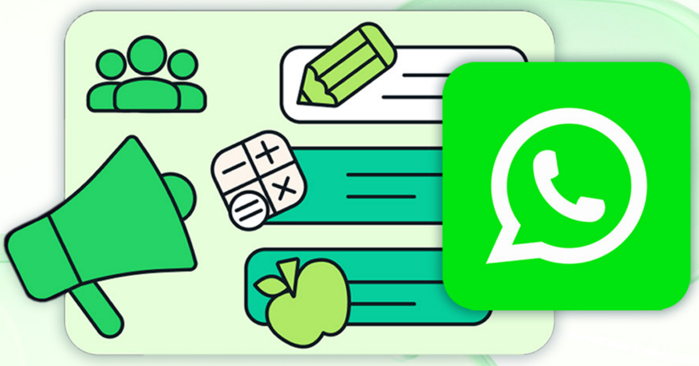

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MSWG AGM/EGM WEEKLY WATCH

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
24.02.25 (Mon) 11.00 am	EITA Resources Berhad (AGM)	The Group recorded a revenue of RM394.72 million for the FY2024 (FY2023: RM316.87 million). This growth was driven by a 30%-40% revenue increase across its manufacturing, services and high-voltage system segments. Despite the higher revenue, profit before tax declined to RM10.49 million (FY 2023: RM13.14 million), primarily due to increased project costs and a fair value loss on derivatives.
25.02.25 (Tue) 10.00 am	Aemulus Holdings Berhad (AGM)	The Group's revenue improved by 63% y-o-y to RM40.9 million (FY2023: RM25.1 million), this resulting in an improved net loss of RM22 million in FY2024 compared to a loss of RM54 million in FY2023. Long term outlook such as Artificial Intelligence, Industrial Automation, 5G/6G implementation, autonomous driving and other semiconductor innovation remain intact. However, the expected uptick in the Semiconductor industry demand in 2024 did not materialise and the recovery is now projected to take place in 2025.
25.02.25 (Tue) 10.00 am	JCY International Berhad (AGM)	JCY's revenue increased by 28% to RM606.7 million (FY2023: RM475.4 million), as the HDD market began a gradual recovery in FY2024, and the Group shipped 37% more units of products to its customers compared to FY2023. The Group returned to black in FY2024 with a net profit of RM28.8 million, against a net loss of RM90.3 million in FY2023.

25.02.25 (Tue) 10.00 am	Bintai Kinden Corporation Berhad (EGM)	The Company is undertaking a regularisation plan which includes Proposed Diversification, Proposed Share Capital Reduction, Proposed Placement, Proposed Granting of Option and Proposed ESOS to rationalise the business and strengthen the finances of the Group. Upon recording two consecutive quarters of net profits, the Company will apply to Bursa Securities for an upliftment of its PN17 status.
25.02.25 (Tue) 10.00 am	Melati Ehsan Holdings Berhad (AGM)	MELATI recorded the lowest revenue since it went public in 2007. FY2024's revenue and net profit of RM36.3 million and RM8.2 million represent decreases of 65% and 51%, respectively compared to the previous financial year. Lower revenue was mainly attributed to lower contribution from the construction segment and the development projects are still at the preliminary stage. The Group would be loss-making excluding fair value gain on other receivables of RM9.8 million and net reversal of impairment losses of RM3.3 million.
26.02.25 (Wed) 11.00 am	CEKD Berhad (AGM)	CEKD's revenue rose 11.4% to RM36.25 million in FY2024, mainly driven by a significant 78% increase in export sales. The growth in overseas revenue was due to the focused efforts on engaging both existing and potential international customers. The growth in export sales has also positively contributed to the Group's profitability due to better selling prices in overseas markets. This resulted in an overall increase in its gross profit margin to 51.0% from 47.2% a year ago.
26.02.25 (Wed) 11.00 am	Hextar Capital Berhad (AGM)	The Group recorded a revenue of RM117.65 million for the FY2024, with the telecommunication network infrastructure solutions segment contributing 50.61% of the total. Despite its aggressive investments and acquisitions in the past 2 financial years, the Company reported a net loss of RM3.62 million, following a period of minor profitability between FY2021 to FPE2023. As of 30 September 2024, the Group operates across seven business segments.

26.02.25 (Wed) 02.00 pm	Mtouche Technology Berhad (AGM)	The Group reported a revenue of RM15.18 million for the FY2024 (FY2023: RM14.45 million). The marginal increase was primarily driven by higher revenue from messaging content services and the sale of information technology products. The LBT narrowed to RM15.01 million for FY2024. (FY2023: RM62.58 million). This was mainly attributable to the absence of the impairment loss on intangible assets and lower amortisation expenses in FY2024.
27.02.25 (Thur) 09.30 am	Pestech International Berhad (EGM)	The Company proposes to seek shareholders' mandate for related party transactions of a revenue or trading nature. In addition, the Company proposes to change its name from "PESTECH International Berhad" to "PESTEC International Berhad"
27.02.25 (Thur) 10.00 am	Computer Forms (Malaysia) Berhad (AGM)	CFM's revenue for FY2024 decreased by 1% on an annualised basis, mainly due to lower demand for business forms and data print services as well as flexible packaging. Meanwhile, the Group recorded a net loss of RM5 million for FY2024 compared to a LAT of RM8.1 million on an annualised basis for FY2023. The lower LAT was due to lower other expenses because of the absence of expected credit loss and loss on investment in quoted shares recognised in FY2023.
27.02.25 (Thur) 10.00 am	MMAG Holdings Berhad (AGM)	The Group made RM824.37 million in revenue over 18 months, from 1 April 2023 to 30 September 2024 (FPE 2024), which is nearly double the RM422.10 million from the previous year (FY2023). On a yearly basis, the revenue for FPE 2024 was RM549.58 million, an increase of RM127.48 million or 30.20%. The growth mainly came from the Mobile & Fulfilments and Air Freight segments, which earned RM238.61 million and RM220.09 million respectively. These are increases of RM42.92 million (21.93%) and RM71.04 million (47.66%) compared to the previous year (FY2023).
27.02.25 (Thur) 11.00 am	Hubline Berhad (AGM)	Hubline recorded lower revenue of RM208.58 million and net profit of RM3.585 million in FY2024 (FY2023: RM234.05 million and RM6.07 million respectively). The lower topline performance was mainly due to lower shipping revenue due to subdued freight rates. On the other hand, MSWG raises concerns over Hubline high remuneration for executive directors

		and key senior management (KSM). Total compensation for EDs and KSM amounted to RM7.7 million while net profit was only RM3.585 million during the year.
27.02.25 (Thur) 03.00 pm	Permaju Industries Berhad (AGM)	The Group's revenue decreased from RM47.8 million in FY2023 to RM47.3 million in FPE2024. The main income for the automotive division comes from the Ford dealership, with 220 Ford Rangers sold during the period, up from 214 in FY2023. However, sales were affected by higher diesel prices and lower consumer spending due to global issues. The main reason for the decline in the automotive division was a drop in luxury car sales. On the positive side, leasing electric vehicles (EVs) brought in RM4.73 million, which is 10% of total revenue, a 352% increase compared to RM3.69 million in FY2023.
28.02.25 (Fri) 09.00 am	Kanger International Berhad (AGM)	In FY2024, the Group recorded a total revenue of RM36.79 million. The construction and project management as well as the trading of building materials segment delivered commendable progress and contributed a 100% revenue to the Group. The Group recorded loss before tax of RM15.8mil largely due to non-recurring expenses amounting to RM15.5mil. The non-recurring expenses included: • Loss on disposal of motor vehicles amounting to RM1.1 million • Impairment loss on trade receivables (RM2.9 million), other receivables (RM300,000) and other investments (RM5 million). • Investment properties written off amounting to RM4.8 million Note: There is no direct comparative figure to the preceding year's corresponding period following a change in the Group's financial year end from March to September in FYE 2023.
28.02.25 (Fri) 09.00 am	Revenue Group Berhad (AGM)	The Group recorded a revenue of RM387.42 million in FY2024 compared to RM531.93 million in 15 months financial period ended 30 September 2023 (FP2023). The Group recorded a lower net loss of RM10.28 million in FY2024 compared to net loss of RM89.31 million in FP2023 mainly due to the higher gross profit achieved during the financial year under

		review and coupled with the cost rationalisation and cost containment efforts which had resulted with lower operating and administrative expenses.
28.02.25 (Fri) 10.30 pm	Revenue Group Berhad (EGM)	Revenue proposes to dispose of 717,570 ordinary shares in Innov8tif Holdings Sdn Bhd ("Innov8tif Holdings"), representing its entire 51% equity interest in Innov8tif Holdings, to Datasonic Group Berhad ("Datasonic" or the "Purchaser") for a cash consideration of RM40.00 million.
28.02.25 (Fri) 09.30 am	GIIB Holdings Berhad (EGM)	GIIB is seeking shareholders' approval for the: • Proposed Amendment to the Constitution of the Company, which will provide flexibility to the Board to determine the amount of shares or options to be issued or granted to directors of the Company in accordance with the Proposed Share Issuance Scheme (SIS). • Proposed Capital Reduction of RM127 million of the issued share capital of GIIB. • Proposed Establishment of a SIS of up to 15% of the total number of issued shares. • Proposed Granting of SIS Options to 7 directors of the Company, including the independent non-executive chairman and 3 independent non-executive directors.
28.02.25 (Fri) 10.00 am	AuMAS Resources Berhad (AGM)	AuMAS posted stellar financial performance with higher revenue of RM169.82 million and a record profit of RM32.52 million in FY2024. The higher revenue and profit were primarily driven by higher gold prices
28.02.25 (Fri) 10.00 am	XOX Berhad (AGM)	The Group recorded a revenue of RM250.93 million for FY 2024 (FY 2023: RM273.65 million), reflecting a decline primarily due to a reduction in ARPU and increased product and service costs. Meanwhile, the Group's LBT narrowed to RM14.34 million in FY 2024 (FY 2023: RM67.43 million). The improvement was driven by a one-off gain from the disposal of a subsidiary, though it was not sufficient to fully offset operating losses, investment losses and goodwill impairment.

28.02.25 (Fri) 10.00 am	UMS Holdings Berhad (AGM)	The Group recorded a revenue of RM76.67 million in the FY2024 (FY2023: RM70.88 million), primarily driven by overall market conditions. Meanwhile, profit before tax rose to RM9.88 million, up RM4.32 million or 77.83% from RM5.56 million, mainly due to a gain of RM3.67 million from the disposal of an associated company.
28.02.25 (Fri) 12.00 pm	Kuala Lumpur Kepong Berhad (AGM)	The Group recorded a revenue of RM22.27 billion (FY2023: RM23.65 billion) and pre-tax profit of RM1.18 billion (FY2023: RM1.15 billion). Pre-tax profit was slightly higher contributed by a solid upstream performance. However, the Group's net profit attributable to shareholders was RM591.0 million, decrease from RM843.3 million in FY2023, primarily due to exceptional losses amounting to RM366.5 million, including impairment and equity losses from Synthomer plc, and an inventory write-down from KLK Hardwood Flooring Sdn Bhd. Excluding these losses, the Group's net profit would have been RM957.5 million. The Group's dividend payout of 110.5% (FY2023: 77.5%) was the highest since year 2020.
28.02.25 (Fri) 02.15 pm	Batu Kawan Berhad (AGM)	The Group, which includes the results of its main subsidiary – Kuala Lumpur Kepong Berhad ("KLK"), achieved a Group pre-tax profit of RM1.24 billion against the RM1.28 billion reported last year. Revenues were lower at RM23.06 billion (FY2023: RM24.65 billion). This year, its pre-tax profit included exceptional non-cash losses and an inventory write-down totalling RM366.51 million charged by KLK. Excluding these losses, the Group's pre-tax profit would have been 29% higher. The Group's dividend payout of 78.9% of earnings (FY 2023: 48.1%) was the highest since year 2020.
28.02.25 (Fri) 02.00 pm	AirAsia X Berhad (EGM)	The Company proposes to seek shareholders' mandate for related party transactions of a revenue or trading nature.
28.02.25 (Fri) 03.00 pm	KPJ Healthcare Berhad (EGM)	The Company proposes to establish a long-term incentive plan (LTIP) of up to 3.5% of the total number of issued Shares of the Company for Eligible Persons of the Group by way of transfer of Shares held in treasury. As at the LPD, the Company has 4,526,608,066 Shares (including 162,306,700 Shares held in treasury).

		Under the terms of the By-Laws, the Executive Director of the Company, namely Chin Keat Chyuan is eligible to participate in the LTIP. As at the LPD, the vesting conditions for the Proposed LTIP Allocations have yet to be finalized by the Board. Subject to the LTIP Committee's discretion, the LTIP Award pursuant to the Proposed LTIP Allocations is expected to be granted by the second half of 2025.
28.02.25 (Fri) 03.00 pm	Seal Incorporated Berhad (EGM)	SEAL is seeking shareholders' approval for the: • Proposed Acquisition of 732,464 ordinary shares in MSR Green Energy Sdn Bhd ("MSRGE") from Ong Kah Hui and Qiang, Xiaoyu, representing 10.00% equity interest in MSRGE for a total purchase consideration of RM21.00 million. • Proposed Diversification of the existing principal activities of SEAL and its subsidiaries to include investment in renewable energy and related activities, as the Board expects future contribution from MSRGE Group to the Company's net profits is expected to exceed 25% following the completion of the Proposed Acquisition. The vendors have guaranteed that MSRGE will achieve an Aggregate Guaranteed Profit of at least RM21 million for FY2024 and FY2025, providing downside protection.

POINTS OF INTEREST

Company	Points/Issues to Be Raised
EITA Resources Berhad (AGM)	"The decline in profit was primarily due to increased project costs in the High Voltage System segment." (Page 16 of Annual Report 2024) During the FYE 2023, High Voltage System segment also recorded a loss of RM7.68 million, attributable to, among others, high project costs. a) What were the key factors contributing to the increase in project costs? b) Was there an opportunity to renegotiate project terms? Please provide reasons for your response.

	c) What measures have been implemented to mitigate the risk of cost overruns in future projects?
Aemulus Holdings Berhad (AGM)	The allowance for expected credit loss on trade receivables written off increased significantly to RM5.63 million (FYE2023: RM0.39 million). (Note 10, page 118 of AR2024) a) What was the reason for the significant increase in trade receivables written off and what comprises these trade receivables that have been written off? What were the efforts taken to recover the RM5.63 million prior to them being written off? b) The Group's trade receivables that were past due more than 365 days but not impaired amounted to RM21.81 million (FYE2023: RM9.26 million) (Note33.31, page 141 of AR2024). How much of the said trade receivables have been collected to date?
JCY International Berhad (AGM)	The continued expansion of high-capacity storage solutions for data centres is projected to support a moderate recovery in the overall Hard Disk Drive ("HDD") market. The Group's factory utilisation improved significantly to 52% this year, compared to 35% in the previous year. (Page 7 of AR2024) a) In light of recent U.S. restrictions on AI-related chips, which may in turn slow data centre expansion, what is the Board's view on the potential impact of these developments on the demand for the Group's HDD products? b) Does the Group anticipate higher factory utilisation in the financial year ending 2025?
Bintai Kinden Corporation Berhad (EGM)	1. *"Upon recording two consecutive quarters of net profits, BKCB will apply to Bursa Securities for an upliftment of its PN17 status." (Page 40 of the Circular)* Under the pro forma effects of the regulation plans, the accumulated losses increase from RM2.50 million to RM8.47 million following granting of options to Datuk Tay and full exercise of these options. (Page 87 of the Circular) *"Datuk Tay shall be entitled to exercise the subscription option within the period of 3 years commencing from the completion date (Date of completion of the Proposed Placement or the date of completion of the Proposed Share Capital Reduction, whichever is later)." (Page 21 of the Circular)* a) What are the safeguards in place to ensure that the option grant, which is expected to result in a charge to the profit

	and loss account, does not delay BKCB's progress towards PN17 upliftment? b) What is the theoretical fair value of the options to be granted to Datuk Tay? What are the key parameters used in arriving at such a theoretical fair value? 2. How will the dilution effects from the Proposed Placement, Proposed Granting of Option and Proposed ESOS be mitigated to protect the interests of existing shareholders?
Melati Ehsan Holdings Berhad (AGM)	The Group's logo "ME GROUP Be with ME" is prominently displayed at the Bayu 2Sixty sales gallery and sales brochures, potentially giving the false impression that the project is developed by the Group, when in fact, it is undertaken by Bayu Prospektif Sdn Bhd, a related party outside of the Group. Additionally, the TNB mixed development project in Bangsar remains listed on the Group's website, despite management clarifying during the last AGM that it is a private investment of the Company's Executive Chairman, Tan Sri Dato' Yap Suan Chee's family, and not part of the Group. Furthermore, the website contains inaccurate information stating that TNB's partner, Bayu Mantap Sdn Bhd, is a subsidiary of the Group. (Source: https://melatiehsan.com.my/projects/tnb-mixed-development-bangsar/) a) Who owns the "ME GROUP Be with ME" logo? Could the Board clarify why the Group shares its trademark with related parties? What is the Board's stance on the potential misrepresentation? b) Why does the TNB mixed development project in Bangsar remain listed on the Group's website despite the Group's non-involvement? Will the Board take corrective action to amend or remove misleading information to prevent confusion among stakeholders?
CEKD Berhad (AGM)	CEKD's revenue rose 11.4% to RM36.25 million in FY2024, mainly driven by a significant 78% increase in export sales. The growth in overseas revenue was a result of the Group's focused efforts on engaging both existing and potential international customers. (page 15 of AR 2024) a) Which export markets contributed the most to the growth in export sales? b) What specific actions were taken to strengthen relationships with both existing and potential international customers? c) How does the Group plan to sustain this level of growth in export sales moving forward?

Hextar Capital Berhad (AGM)	The Company has completed the acquisition of a 49% stake in Transgrid Ventures Sdn Bhd (Transgrid) at a purchase consideration of up to RM98.00 million on 10 January 2024. The Company further completed the acquisition of a 6.75% stake in Binasat Communications Bhd (Binacom), raising its stake in Binacom to 24.78% on 12 January 2024, for a total consideration of RM53.88 million. Transgrid's and Binacom's contributions to the Group's overall performance remain below expectation at this juncture. a) What is the expected timeline for these acquisitions to yield substantial returns? b) What are the specific strategies in place to enhance their profitability?
Mtouche Technology Berhad (AGM)	During the FYE 2024, the Company drew down a term loan of RM10.00 million. As at 30 September 2024, the Company held fixed deposits amounting to RM17.23 million, along with cash and cash equivalents totalling RM33.01 million. Notably, the Company recorded a revenue of only RM15.18 million for the FYE 2024. In addition, in May 2024, the Company decided to temporarily halt the renovation of the wellness centre located at Troika KLCC. Given the Company's cash reserves and fixed deposits, what was the rationale for drawing down the term loan?
Computer Forms (Malaysia) Berhad (AGM)	The Group's revenue for FY2024 decreased by 1% on an annualised basis. The slight decrease was mainly due to lower demand for business forms and data print services as well as flexible packaging. (page 5 of AR 2024) a) What strategies are being implemented to reverse the decline in these segments? b) What is the demand outlook for business forms and data print services, and flexible packaging segments over the next few years?
MMAG Holdings Berhad (AGM)	The Group incurred a net loss of RM105.1 million and generated a negative operating cash flow of RM38.37 million during the financial period from 1 April 2023 to 30 September 2024. These events or conditions indicate material uncertainty that may cast doubt on the Group's ability to continue as a going concern. The Directors are of the opinion that the ability of the Group to continue as a going concern will be dependent on the continued successful operation of the mobile and fulfilment, courier and

	logistics as well as air freight services in line with management expectations. If these are not forthcoming, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. (Source: Page 87 of Annual Report (AR) 2024). a) How does the Board plan to address the abovementioned issues highlighted? b) What are management's priorities and strategies to enhance operating cash flows and working capital in FY2025 and beyond?
Hubline Berhad (AGM)	Hubline recorded lower revenue of RM208.58 million and net profit of RM3.585 million in FY2024 (FY2023: RM234.05 million and RM6.07 million respectively). a) Shipping revenue decreased by RM5.66 million to RM136.3 million from RM141.96 million in the previous year due to subdued freight rates during FY2024. Nevertheless, the Company expects a rebound in freight rates in FY2025 (page 6 of Annual Report 2024). What was the average decline in freight rates in FY2024 compared to FY2023? How have freight rates performed thus far in the first five months of FY2025? b) Hubline would have been loss-making in FY2024 without the recognition of other income (RM18.13 million) and deferred tax assets. How will the Company perform financially in the absence of such a one-off gain in FY2025? To what extent will the rebound in freight rates help to improve Hubline's financial performance? What are the other catalysts for improved performance in FY2025? c) The Shipping division recorded an almost full fleet utilisation rate for most of the year with vigorous forward and return cargoes (page 7 of AR2024). Does the Company expect the full utilisation rate to persist in FY2025? In addition, is it timely for the Company to expand its fleet size?
Permaju Industries Berhad (AGM)	The Group's revenue decreased from RM47.8 million in FYE 2023 to RM47.3 million in FPE 2024. The main income for the automotive division comes from the Ford dealership, with 220 Ford Rangers sold during the period, up from 214 in FYE 2023. However, sales were affected by higher diesel prices and lower consumer spending due to global issues. The main reason for the decline in the automotive division was a drop in luxury car sales. On the positive side, leasing electric

	vehicles (EVs) brought in RM4.73 million, which is 10% of total revenue, a 352% increase compared to RM3.69 million in FYE 2023. (Source: Page 9 of Annual Report (AR) 2024). Despite the increase in Ford Ranger sales (220 units in FPE 2024 vs 214 units in FYE 2023), the Group is still experiencing a revenue decrease. a) Please explain the factors contributing to the decrease in overall profitability despite the rise in Ford Ranger sales. b) The leasing of EVs contributed RM4.73 million, representing 10% of total revenue. How does the Group plan to expand the EV leasing segment, and what is its long-term growth potential in this segment?
Kanger International Berhad (AGM)	In FYE 2024, the Group recorded a loss before tax of RM15.8 million, largely due to non-recurring expenses amounting to RM15.5 million recorded during the financial period under review, more than half of which came from investment properties written off, amounting to RM4.8 million, and impairment loss on other investments, amounting to RM5 million (Page 16 of the Annual Report (AR) 2024). a) Regarding the investment properties in construction (Page 144 of AR 2024), which were written off in FYE 2024, what are these properties and what is the prospect of reversing the amount of RM4.8 million? b) Does Kanger expect to write off any further investment properties in FYE 2025? If so, what is the expected amount? c) What factors led to the impairment loss on other investments, i.e. disposal of 5% equity stake in Ebric (Malaysia) Sdn Bhd for a total revised consideration of RM1.00 (initial cash consideration was RM5.0 million) (Page 130 and 135 of AR 2024)? What level of due diligence was undertaken prior to committing to this investment? How will the Board and management be more vigilant regarding any investments made in unquoted shares in future?
GIIB Holdings Berhad (AGM)	Under Ordinary Resolutions 2, 5, 6, & 7, shareholders' approval is being sought for the proposed allocation of share issuance scheme ("SIS") options to Dato' Sri Hj Wan Adnan Bin Wan Mamat, Mr. H'ng Boon Keng, Datuk Firmansyah Aang Bin Muhamad and Ms. Jung Hee Won, being the Independent Non-Executive Director ("INED") of the Company. MSWG discourages the participation of independent directors in any form of share options due to their non-executive management

	roles and responsibilities in overseeing the allocation of share options to executive directors and employees. The granting of SIS options to independent directors raises concerns regarding potential conflicts of interest, dilution of independence and impaired objectivity. These risks arise from the possibility that independent directors may be influenced by personal financial interests aligned with share price performance, compromising their objectivity in oversight duties and decision-making processes. Considering that independent directors do not have executive responsibilities and are already adequately compensated through directors' fees and other benefits, please justify granting SIS options to the independent directors.
Aumas Resources Berhad (AGM)	1. On 22 October 2024, AuMAS' wholly-owned subsidiary, Wullersdorf Resources Sdn Bhd (WRSB), entered into an Exclusive Prospecting and Contract of Works Agreement with Aurelius Borneo Mining Sdn Bhd (Aurelius) for the appointment of WRSB as the contractor for prospecting, exploration and gold mining at Mt. Andrassy in Tawau, Sabah, for approximately 18,000 hectares. a) Has the Group started the exploration works at Mt Andrassy? How long would it take for the Group to fully explore the entire area? What are the responsibilities of Aurelius in the collaboration? Will Aurelius be funding the cost of exploration? Please update shareholders on the progress and the estimated cost of exploration. b) WRSB holds a 33-year lease for 317.7ha of Southsea Gold Sdn Bhd's concession area- of 948 ha. The previous gold resources disclosed were based on the exploration of 28ha of land in the sublease area. Has the Group fully explored the 317.7 hectares lease area? If yes, what is the estimated amount of gold resources identified? 2. Referring to Note 31 – Material Litigation, currently there is a pending application by WRSB to amend its Statement of Claim to claim for the value of 41 missing gold dores with an estimated value of RM67.09 million during Datuk Lo Fui Ming's tenure as a director of AuMAS and WRSB (page 105 of AR2024). a) This matter did not come to shareholders' attention previously with no related disclosure in AuMAS' AR2023. When and how did AuMAS find out about the missing gold dores?

	b) The hearing for the amendment application is fixed on 5 February 2025. What was the outcome of the hearing?
XOX Berhad (AGM)	"*MySISWA is the perfect mobile plan for students on a budget, offering three awesome options: Postpaid, Prepaid, and Family plans." (Page 24 of Annual Report 2024)* *"ONEfamily is a family-friendly mobile plan designed to provide excellent value and convenience for households. The main line costs only RM39, while supplementary lines are available for just RM10 each." (Page 24 of Annual Report 2024)* How has the market responded to the MySISWA and ONEFamily plans launched in 2024? What percentage of total revenue is contributed by these plans?
UMS Holdings Berhad (AGM)	"During the year, there is no formal hedging policy with respect to foreign exchange risk exposure. The Group monitors its foreign exchange risk exposure on an ongoing basis and endeavours to keep the net exposure at an acceptable level." a) What is considered an acceptable level of exposure? b) Without a formal hedging policy, how does the Company ensure that sudden foreign currency movements do not erode its profit margins? c) In the event of unfavorable currency movements, how promptly can the Company adjust its selling prices, and what is the typical lag period before these adjustments take effect?