MSWG
MINORITY SHAREHOLDERS WATCH GROUP

The Observer

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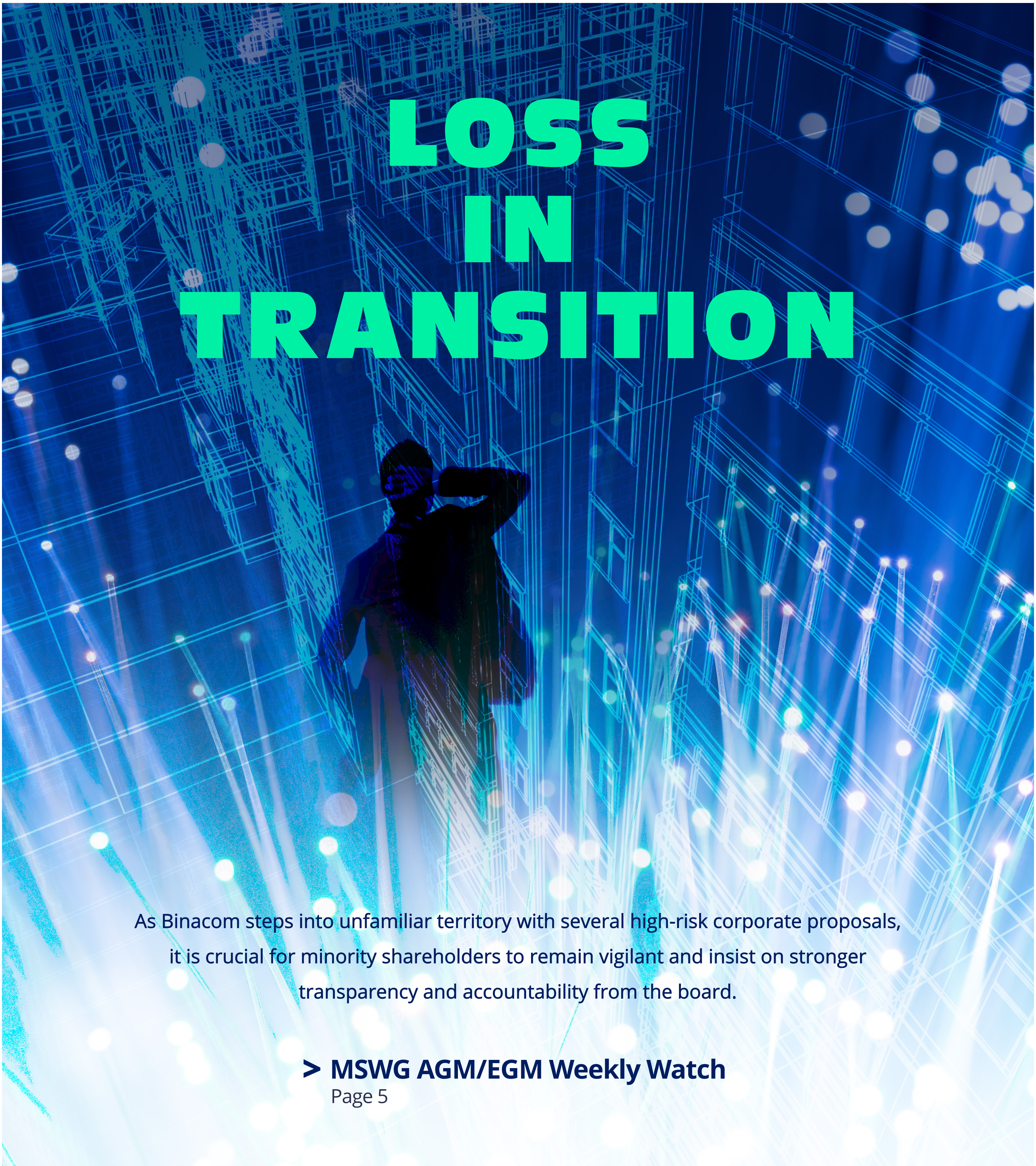

LOSS IN TRANSITION

As Binacom steps into unfamiliar territory with several high-risk corporate proposals, it is crucial for minority shareholders to remain vigilant and insist on stronger transparency and accountability from the board.

> **MSWG AGM/EGM Weekly Watch**
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GREEN LIGHT GIVEN BUT SHAREHOLDERS URGED TO WATCH CLOSELY

Though Binasat Communications Berhad's (Binacom) shareholders approved a slew of corporate exercises in an extraordinary general meeting on Wednesday (23 April 2025), with only MSWG voting against the resolutions, the execution of these plans should be closely watched by all shareholders.

The exercises include acquisitions of properties, diversification into property-related activities, and a private placement of up to 30% of the Company's issued shares to partly finance these acquisitions.

However, for vigilant observers, several aspects of these proposals are a cause for concern.

Maiden Property Venture

Binacom, traditionally known for its expertise in telecommunications infrastructure, namely satellite, mobile, and fibre optic networks, is now venturing into the real estate sector, an area beyond its core competencies.

The Group plans to acquire three shoplots in Sazean Business Park for RM8.34 million and 241 hotel suites in Empire City for RM73.54 million. These represent substantial capital commitments and mark a sharp pivot from Binacom's primary business.

This strategic shift comes at a time when Binacom has just returned to profitability, reporting a net profit of RM1.92 million on revenue of RM111.91 million for the financial year ended 31 December 2024. In contrast, the Company posted a net loss of RM13.39 million for the 18-month financial period prior.

Given its telecommunications track record and the prospects arising from 5G rollout and the Jalinan Digital Negara (JENDELA) initiative, it seems untimely and strategically questionable for Binacom to divert financial and managerial resources into an unfamiliar and capital-intensive property sector.

Questionable Acquisitions

The nature of the proposed acquisitions raises further eyebrows as well. The purchase of Sazean Business Park properties for RM8.34 million involve related parties - namely individuals and entities connected to Binacom's major shareholder Dato' Eddie Ong Choo Meng. Ong is a major shareholder of Binacom via his indirect interest in the Company held through Hextar Capital Berhad. Though the purchase price aligns with the independent valuation, the declining property value trajectory casts doubt on the long-term investment merit.

Even more concerning is the RM73.54 million acquisition of 241 hotel suites in Empire City from Mammoth Empire Holding Sdn Bhd (MEHSB), which represents approximately 61% of Binacom's net assets. This suggests a disproportionately large capital outlay into a non-core yet risky asset class. To those unaware, Empire City's history is fraught with delays, litigation, and financial strain. The ambitious RM5.0 billion Empire City project was launched in 2011 by MEHSB, yet it has failed to take off after 14 years of development.

Compounding the risk, Binacom lacks operational experience nor a competitive advantage in the property or hospitality industries. While the valuation appears to support the purchase price, there is no clear exit strategy or committed operator in place, further exacerbating the risk profile of this new venture.

While the entry of the Exsim Group as a strategic partner in Empire City and the rebranding of Empire City shopping mall under Hextar World (which is owned by Hextar Healthcare Berhad or formerly known as Rubberex Corp (M) Berhad) may rejuvenate some confidence in the beleaguered development, the viability of Binacom's hospitality venture remains highly contingent on external factors beyond its control.

A Highly Dilutive Private Placement

On top of these, Binacom plans to issue up to 128.14 million new shares (or up to 30% of its total issued shares) via a private placement with an assumed issued price of 13 sen per share to raise RM16.66 million to finance these acquisitions. The placement shares are expected to be offered at a discount of up to 20% to the prevailing market price.

This move is highly dilutive to existing shareholders and raises serious concerns about the alignment of interests between major and minority shareholders. If the proposals are truly value-accretive, why are major shareholders not committing their capital? Besides, the use of a private placement instead of a more equitable rights issue denies minority shareholders the chance to maintain their proportional ownership.

As of 22 April 2025, Binacom was traded near a 52-week low of 14.5 sen. The counter has declined by around 25% on a year-to-date basis.

Vigilance and Accountability

As Binacom ventures into uncharted territory with a series of high-stakes corporate proposals, minority shareholders must exercise heightened vigilance and demand greater accountability.

The planned foray into new sectors, questionable acquisitions, and the highly dilutive nature of the private placement raise concerns about the alignment of boardroom decisions with long-term shareholder value.

Given these concerns, it is imperative for minority shareholders to closely monitor the execution of these proposals, question the rationale behind key decisions. The burden of scrutiny cannot rest solely on market forces. It is incumbent upon shareholders—particularly minority stakeholders—to demand clear justifications for these decisions, ensure robust governance standards are upheld, and hold the board accountable for the outcomes of its high-stakes strategic manoeuvres.

At this critical juncture, sustained oversight will be essential to safeguard their interests. What is at stake is more than a business pivot—it is the long-term integrity of shareholder value.

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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
28.04.25 (Mon) 10.30 am	YTL Power International Berhad (EGM)	The Company proposes to undertake a bonus issue of warrants on the basis of 1 Warrant for every 5 shares held in the Company. The exercise price of the Warrants has been fixed at RM2.45 per Warrant.
28.04.25 (Mon) 12.30 pm	YTL Corporation Berhad (EGM)	The Company proposes to undertake a bonus issue of warrants on the basis of 1 Warrant for every 5 shares held in the Company. The exercise price of the Warrants has been fixed at RM1.50 per Warrant.
29.04.25 (Tue) 09.30 am	CIMB Group Holdings Berhad (AGM)	CIMB's operating income grew 6.1% to RM22.30 billion in FY2024 compared to RM21.01 billion in the previous year. This resulted in a 10.7% increase in the Group's net profit to RM7.73 billion in 2024, translating to an earnings per share (EPS) of 72.3 sen and ROE of 11.2%. The Group closed 2024 with a healthy capital position with a CET1 ratio of 14.6%, facilitating the total dividend payment of RM5.04 billion for the year, equivalent to a dividend payout of 55.5%.
29.04.25 (Tue) 09.30 am	Country View Berhad (AGM)	In FY2024, the Group recorded revenue of RM195.4 million (up by 78% from FY2023) and profit before tax (PBT) of RM32.0 million (up by 167% from FY2023). The growth in revenue and PBT were mainly due to a higher number of properties sold during the year. The Group continued to reduce both the inventories

Date & Time	Company	Quick-take
		of completed properties as well as the investment properties in FY2024. Dividends totalled 15 sen per share in FY2024 compared to 7 sen per share a year ago.
29.04.25 (Tue) 09.30 am	British American Tobacco (Malaysia) Berhad (AGM)	BAT Malaysia achieved a marginal increase of 0.2% in revenue to RM2.32 billion (2023: RM2.31 billion) while recording a lower net profit of RM183 million compared to RM195 million in the previous corresponding year. The gross profit margin declined by 1.2% from 24.6% (RM568 million) in 2023 to 23.4% (RM541 million in 2024) largely due to lower margins from vapour products.
29.04.25 (Tue) 10.00 am	LPI Capital Bhd (AGM)	In FY2024, LPI posted an impressive 20.1% growth in its PBT to RM474.1 million from RM394.9 million the previous year. This was primarily driven by the higher profit from the general insurance segment. The Group's commitment to sustainability will remain paramount and proactive steps have been taken to integrate ESG considerations into overall operational strategies and investment decisions. Meanwhile, it will continue to emphasise on competing for new business, particularly for infrastructure projects and new foreign investment, and work on developing more green insurance solutions that are tailored for environmentally friendly and sustainability-focused assets.
29.04.25 (Tue) 11.30 am	LPI Capital Bhd (EGM)	LPI will seek shareholders' mandate for the disposal of shares it held in Public Bank Berhad (PBB) , a mandatory obligation under Section 22(5)(b) of the Companies Act 2016 within 12 months after it became a subsidiary of PBB (i.e., by 3 December 2025). Currently, LPI and its subsidiary hold an aggregate of 220.294 million PBB Shares. Hence, the Proposed Disposal Mandate is undertaken to facilitate the Disposal of PBB Shares by LPI to 3rd party purchaser(s) to be identified and at price(s) to be determined. LPI has not identified any specific purchaser(s) for the Sale Shares. The Board intends to utilise the cash proceeds from the Disposal of Sale Shares for proposed special

Date & Time	Company	Quick-take
		dividend(s) to all shareholders and for future investments.
29.04.25 (Tue) 10.00 am	Malakoff Corporation Berhad (AGM)	Malakoff recorded revenue of RM8.97 billion, (FY 2023: RM9.07 billion), primarily due to lower energy payment contributions from Tanjung Bin Power amid softer coal price. Profit After Tax and Minority Interests surged to RM268.7 million from a loss of RM837.2 million in the prior year. The recovery was driven by improved plant contributions, stabilising coal prices, absence of losses from Al-Hidd (Bahrain), and lower impairment losses on the Al-Hidd investment.
29.04.25 (Tue) 10.30 am	KLCC Property Holdings Berhad (AGM)	KLCCP reported record revenue of RM1.71 billion, up 5.7% YoY. Office (34%) remained the core contributor with stable Triple Net Leases. Retail (32%) grew 6.8% driven by Suria KLCC's full-year consolidation and 99% occupancy. Hotel (14%) rebounded with a 13.7% revenue increase, though occupancy lagged at 58%. Management Services (20%) saw improved car park and facilities income. Highest-ever distribution of 44.50 sen was declared. CFO highlighted refinancing pressure with RM388m hotel debt maturing in 2025 amid focus on maintaining optimal financing cost.
30.04.25 (Wed) 10.00 am	Nestle (Malaysia) Berhad (AGM)	For FY2024, NESTLE's net profit fell 37% to RM415.6 million, the lowest in 14 years since FY2010. Revenue declined 11.7% to RM6.2 billion. This was mainly due to unfavourable sentiment and hesitancy towards international brands triggered by global events, compounded by weak consumer spending power and volatile commodity prices. Despite that, the Group has completed its RM1 billion capital plan in 2024, directing significant resources toward capacity expansion, technological modernisation and sustainability initiatives.

POINTS OF INTEREST

<table>
<tr><th>Company</th><th>Points/Issues to Be Raised</th></tr>
<tr><td>CIMB Group Holdings Berhad
(AGM)</td><td>CIMB Group Chief Executive Officer and Executive Director Muhammad Novan Amirudin noted three key developments that will require a shift in the way banks operate, namely geopolitical tensions, uncertain economic policies, and the rise of GenAI.

a) With the intensifying global tariff war and rising geopolitical tensions, cross-border trade flows, foreign direct investment, and supply chain stability are increasingly under pressure.

Notably, CIMB Group’s gross loan merely grew 2.6% y-o-y in FY2024, with loans in Malaysia and Indonesia growing below the industry averages at 3% and 6.9%, respectively.

What are the key macroeconomic and sectoral challenges CIMB Group anticipates in the near to medium term? Furthermore, how might these developments impact CIMB Group’s overall loan growth and asset quality, particularly considering the already slower loan growth in FY2024 and the diverse regional footprint across ASEAN?

b) Additionally, how will the different business segments, i.e., Consumer Banking, Commercial Banking, and Wholesale Banking perform amid times of uncertainty?</td></tr>
<tr><td>Country View Berhad (AGM)</td><td>On 6 June 2024, Country View Resources Sdn. Bhd. (“CVR”), a wholly owned subsidiary of the Company, entered into a Sale and Purchase Agreement (“SPA”) with a third party to dispose of three parcels of freehold commercial land located in Mukim Pulai, Johor Bahru, for RM47.26 million. (Page 63 of AR 2024)

a) Why did the Company decide to dispose of the land in Mukim Pulai, Johor Bahru, instead of undertaking property development, given that the Company has previously carried out property development projects in this area?

b) The estimated profit from the disposal of Pulai land is RM18.14 million. Why did the Company not consider declaring a special dividend to reward its shareholders? (General Announcement to Bursa Malaysia dated 6/6/2024)</td></tr>
<tr><td>British American Tobacco (Malaysia) Berhad
(AGM)</td><td>1. Could the Board provide an update on the market share performance in 2024 for BAT Malaysia’s key combustible brands—Dunhill, Peter Stuyvesant, Rothmans, and Luckies—within their respective market segments (i.e., premium, aspirational premium, and value-for-money)?
2. In previous annual reports, BAT Malaysia disclosed the market share data for its combustible products. However, such</td></tr>
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<tr><th>Company</th><th>Points/Issues to Be Raised</th></tr>
<tr><td></td><td>information appears to be omitted in the 2024 Annual Report. May the Board kindly clarify the rationale for this change in disclosure practice?</td></tr>
<tr><td>Malakoff Corporation Berhad
(AGM)</td><td>1. Malakoff plans to achieve 15% biomass co-firing at Tanjung Bin Power Plant by 2027. (page 3 of IAR 2024)

What is the estimated annual biomass procurement cost? Are there contractual long-term suppliers, and how does this compare with coal cost per MWh on a levelised basis?

2. The Profit After Tax and Minority Interests surged over 100% to RM268.7 million, marking a sharp turnaround from the previous year's Loss After Tax and Minority Interests of RM837.2 million. This strong recovery was driven by improved contributions from its plants, stabilising global coal prices and the absence of share of loss from a foreign associate, Al-Hidd Independent Water and Power Plant in Bahrain and lower impairment loss on the Group's carrying value of its investment in Al-Hidd. (page 29 of IAR 2024)

a) How did the foreign associate, Al-Hidd, turnaround from a loss to a profit? What is its outlook for FY 2025 and the medium term?

b) Is there a high probability of a significant reversal of the impairment loss on the Group's carrying value of its investment in Al-Hidd in FY 2025 and the short term?</td></tr>
<tr><td>KLCC Property Holdings Berhad
(AGM)</td><td>The average occupancy rate at Mandarin Oriental Kuala Lumpur (MOKUL) remained at just 58% in FY2024, which is significantly below the KLCC 5-star hotel market average of 72% in 9M 2024. (Source: Pages 69 and 70 of the IR 2024)

a) What are the reasons behind this lag in occupancy performance compared to the 5-star hotel market average, despite its prime location and international branding?

b) Renovation of Grand and Diamond ballrooms to reinforce the hotel's status as a premier venue for luxury weddings, corporate events and international conferences, with completion targeted for April 2025 in time for the ASEAN 2025 summit. (Source: Page 110 of the IR 2024)

Given MOKUL's enhanced facilities and reputation as a premier venue, to what extent is MOKUL anticipated to capture Meetings, Incentives, Conferences, and Exhibitions (MICE) event opportunities in connection with the ASEAN 2025 summit?</td></tr>
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Company	Points/Issues to Be Raised
	c) Is the current premium pricing sustainable, or has there been any indication of pricing pressure or softening demand from key customer segments? d) What are the Group's occupancy and revenue per available room (RevPAR) targets for MOKUL in FY2025–2026, post-upgrade?
Nestle (Malaysia) Berhad (AGM)	The defining element of the operating environment in 2024 was the unfavourable sentiment and hesitancy towards international brands triggered by global events. Within this landscape, the Group's revenue dropped 12%, largely due to a 15.7% decline in domestic sales. (page 15 of Annual Review 2024 and page 39 of Corporate Governance & Financial Report 2024) a) What percentage of the 15.7% domestic sales decline was caused by boycotts versus other factors like weak consumer spending and commodity cost volatility? b) Did the RM893 million domestic sales decline in 2024 result in lost market share for key categories like Milo and Maggi? If so, which competitors gained share? c) What specific measures are being implemented to counter the boycotts?