

MINORITY SHAREHOLDERS WATCH GROUP
BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia – Registration No.: 200001022382 (524989-M))

New Straits Times, Business Times – Monday, 24 February, 2025 (Part 1)

MSWG AGM/EGM WEEKLY WATCH

24 - 28 FEBRUARY 2025

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 24 - 28 February 2025.

The extraction of the question raised in the letter is highlighted here. For the details of other questions, please login to MSWG website at www.mswg.org.my.

One of the points of interest to be raised:

Company	Points/Issues to Be Raised
EITA Resources Berhad (AGM)	<p>"The decline in profit was primarily due to increased project costs in the High Voltage System segment." (Page 16 of Annual Report 2024)</p> <p>During the FYE 2023, High Voltage System segment also recorded a loss of RM7.68 million, attributable to, among others, high project costs.</p> <ol style="list-style-type: none"> 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)	<ol style="list-style-type: none"> 1. 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) <ol style="list-style-type: none"> 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) (Note 33.31, page 141 of AR2024). How much of the said trade receivables have been collected to date?
JCY International Berhad (AGM)	<p>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)</p> <ol style="list-style-type: none"> 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)	<ol style="list-style-type: none"> 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) <p>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)</p> <p>"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)</p> <ol style="list-style-type: none"> 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? <ol style="list-style-type: none"> 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)	<p>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/)</p> <ol style="list-style-type: none"> 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)	<p>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)</p> <ol style="list-style-type: none"> 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?

MINORITY SHAREHOLDERS WATCH GROUP
BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia – Registration No.: 200001022382 (524989-M))

New Straits Times, Business Times – Monday, 24 February, 2025 (Part 2)

MSWG AGM/EGM WEEKLY WATCH

24 - 28 FEBRUARY 2025

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 24 - 28 February 2025.

The extraction of the question raised in the letter is highlighted here. For the details of other questions, please login to MSWG website at www.mswg.org.my.

One of the points of interest to be raised:

Company	Points/Issues to Be Raised
Hextar Capital Berhad (AGM)	<p>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.</p> <p>The Company further completed the acquisition of a 6.75% stake in Binamat Communications Bhd (Binacom), raising its stake in Binacom to 24.78% on 12 January 2024, for a total consideration of RM53.88 million.</p> <p>Transgrid's and Binacom's contributions to the Group's overall performance remain below expectation at this juncture.</p> <p>a) What is the expected timeline for these acquisitions to yield substantial returns?</p> <p>b) What are the specific strategies in place to enhance their profitability?</p>
Mtouche Technology Berhad (AGM)	<p>During the FYE 2024, the Company drew down a term loan of RM10.00 million.</p> <p>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.</p> <p>In addition, in May 2024, the Company decided to temporarily halt the renovation of the wellness centre located at Troika KLCC.</p> <p>Given the Company's cash reserves and fixed deposits, what was the rationale for drawing down the term loan?</p>
Computer Forms (Malaysia) Berhad (AGM)	<p>1. 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)</p> <p>a) What strategies are being implemented to reverse the decline in these segments?</p> <p>b) What is the demand outlook for business forms and data print services, and flexible packaging segments over the next few years?</p>
MMAG Holdings Berhad (AGM)	<p>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).</p> <p>a) How does the Board plan to address the abovementioned issues highlighted?</p> <p>b) What are management's priorities and strategies to enhance operating cash flows and working capital in FY2025 and beyond?</p>
Hubline Berhad (AGM)	<p>1. 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).</p> <p>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).</p> <p>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?</p> <p>b) Hubline would have been loss-making in FY2024 without the recognition of other income (RM18.13 million) and deferred tax assets.</p> <p>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?</p> <p>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?</p>
Permaisuri Industries Berhad (AGM)	<p>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.</p> <p>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).</p> <p>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.</p> <p>a) Please explain the factors contributing to the decrease in overall profitability despite the rise in Ford Ranger sales.</p> <p>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?</p>