

THE BIG GONG THEORY



Behind the headline-grabbing IPOs in Bursa Malaysia, there's an untold story of companies that did not make it. They survived but never truly thrived.

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THE IPO LIE: CLOCKS DON'T FLY

The Part They Whisper in the Dark

There is a version of reality on Bursa Malaysia that doesn't make it into the glossy IPO brochures. Why? Because you can't package "standing still" into a rocket ship. It is not about disruption or conquering a summit. It is not even looking forward. It is just... being.

A lot of these companies? They are not growing. They were never meant to, perhaps. They are just clocks that keep time. Tick-tock, tick-tock. In a private room, that's sanity. But then? They hit the gong. Suddenly, the market expects orbit, but they are still just clocks. It is a dance where the market demands a rhythm the company cannot play.

The "Listed SME" Terrarium

Spend enough time staring at the small-cap screen and the pattern emerges. It is written in the code. Fibon, UMS, RGT; different names, same glass ceiling.

Take Fibon Berhad. It is a classic loop of stagnation—a decade-long flatline where profits hover between RM1.7 million and RM5.0 million. They talk about "strategic initiatives", but it is just moving furniture in a room that never gets bigger. They are not dying; they have just found their natural size. Which is fine, unless you sold the world a "giant's story" in your 2008 prospectus.

Look at the gears: last year, they recorded a humble RM4.4 million profit, but RM1.3 million of that was just interest income—money sitting in the bank doing the work the Company won't. While the business stood still, the executive directors—the family club—gave themselves 11–15% raises, totalling RM4.4 million. It is a private feast held on a public stage; the shareholders are invited to watch the dinner, but only the relatives get a plate. It is not a growth story but a family trust with a ticker symbol.

The Museum of Yesterday's Money

Then there is the mountain—a pile of uncashed tickets worth RM42.8 million. It is sitting there, gathering dust and spiders, representing twice the Company's annual revenue just frozen in time. If there is no plan or "big move", then why are we all standing in this lobby? A measly 1.1 sen dividend (or RM1.1 million in total) is a crumb from a Main Market Company. If the goal is to perform corporate taxidermy behind a velvet curtain, then pull the plug. Take it private. Let the market move on to a future that actually breathes.

You can't survive on yesterday's blueprints forever. By refusing to deploy that cash, you are not building a launchpad; you are just a night watchman guarding a tomb. In the real world, "holding steady" is just a slow-motion decay. While you are busy polishing the brass on a display case that nobody visits, the competition is a wrecking ball at the front door.

Sitting on RM42 million until the currency itself becomes a relic is not a strategy. For a business with no path to the stars, that is not a failure. It is a mercy.

The Cost of the Costume

Being public is a heavy suit of armour. You have got the auditors, the compliance officers, and the regulators—all chanting their requirements. They call it “essential”, but for the little guys, that armour is too heavy. It eats the lunch and drinks the water. The listing stops being a ladder and starts being a leash.

Then there is the mandatory piece—the “Independent Directors”. In a small-cap world, independence is often just a high-priced wig. You pay a premium for a hollow performance, bleeding cash just to keep the label pinned to the suit. If the person in the wig doesn’t read the family’s script, they are a “hindrance”. So, the same friendly faces stay the full 12-year limit as they fit the budget, they know the lines and they never miss a cue.

The Spotlight of Dissected

Once you are listed, the curtains never close. You are performing an eternal autopsy on your own bank account while the audience screams for more. Scrutiny? In this room, it is the price of admission—a public dissection where reasonable question feels like a finger pressing into a fresh bruise. You have traded your privacy for a ticker symbol and now the minority shareholders are poking at the capex with needles.

And the “Investor Relations” circus? That’s just standing in the middle of a hurricane, rehearsing the same tired script about continuing to monitor the market and charting a better path while the engine will soon cough up black smoke. It is a lullaby for a room full of people who have not cracked the spine of the Annual Report in a decade. They are the “Freebie Hunters”, more interested in the quality of the door gifts and how much extra food they can shove into a plastic bag than the actual P&L.

How Stagnation Poisons the Well

This is not just a quirky corporate habit but a slow-motion car crash for the Malaysian equity market. When companies like Fibon decide to become living monuments to “yesterday’s money”, they are not just standing still. They are actively sucking the oxygen out of the room. It institutionalises the “Valuation Discount”, a life sentence in which being “undervalued” is not a bargain; it is a warning that the story will never move.

And for the minority shareholders? The reality is even more twitchy. You are there for decoration, designed to give the illusion of public participation while the real decisions happen in a family room you don’t have the key for. You are trapped in a structurally passive position and watching your capital turn into a fossil.

Most importantly, this flips the entire DNA of the market. It stops being a mechanism for capital allocation and growth and transforms into a glorified container for cash. They are not programming a trajectory for success but making sure the leftovers stay exactly where they left them, neatly sliced, cold and going absolutely nowhere.

The End of the Movie

Listing doesn't invent growth. It is not a magic wand. It doesn't change the core nature. All it does is put you in a spotlight that expects you to dance. For the ones built to sprint, the light is great. For the ones built to sit still, the light just shows every crack, every wrinkle, and the fact that you have not moved an inch in a decade.

So ask the question before the clock runs out: Not "Can we list?" But "Once we are on stage, do we actually want to put on a show?"

[END]

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
15.04.26 (Wed) 11.00 am	Poh Huat Resources Holdings Berhad (AGM)	<p>The Group recorded a lower turnover of RM414.83 million in FY2025 compared to RM475.70 million in the previous financial year.</p> <p>Sales in absolute dollar terms reduced by 8.73% to US\$92.94 million from US\$101.83 million a year earlier.</p> <p>The Malaysian operations recorded a lower revenue of RM239.73 million against RM299.63 million in the previous financial year. The lower turnover was mainly due to lower orders and shipment of office furniture as sentiments amongst U.S. businesses and consumers were affected by a combination the uncertainties arising from the trade tariffs by the Trump Administration and adverse macro-economic conditions. The strengthening of the Ringgit against the US Dollar also contributed to the lower Ringgit sales proceeds.</p>

POINTS OF INTEREST

Company	Points/Issues to Be Raised
Poh Huat Resources Holdings Berhad (AGM)	To what extent has the Iran war impacted management's outlook for FY2026, particularly in terms of cost pressures, logistics disruption, end market demand, and risk assumptions used in budgeting and forecasts?



DISCLOSURE OF INTERESTS

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