



MINORITY SHAREHOLDERS WATCH GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated in Malaysia . Registration No. 200001022382 (524989-M))

The Observer

18.08.2023

❖ Perplexing developments at EA Holdings over the restraint to convene EGM

Recently, EA Holdings Berhad (EAH) found itself in the limelight over its announcement of calling an extraordinary general meeting (EGM) convened by a shareholder, Ng Cheng Shin, as 'defective and void.' EAH also urged shareholders to refrain from attending and voting at the EGM scheduled on 22 August 2023.

The calling arose from two Ad Interim Order for Injunction served on the Company in relation to two material litigation. Based on the Ad Interim Order for Injunction (collectively Ad Interim Injunction Orders) dated 1 and 2 August 2023, EAH, who is named defendant in both cases, is prohibited from '*exercising any rights to hold, call and/or requisition for any extraordinary general meeting and/or to pass any resolutions in relation to the Company.*'

On 25 July 2023, EAH announced that it received a Special Notice from Ng, a member of the Company who claimed he holds 10% or more of the issued share capital of EAH, to call for an EGM on 22 August 2023 with the intent to move 11 resolutions for the removal and appointment of directors.

Ng seeks to remove CEO Mohammad Sobri Saad, chairman Datuk Azahar Rasul, and directors Basir Bachik, Abdul Fattah Mohamed Yatim, Choo Seng Choon, and Wong Wan Rou from the board. At the same time, he seeks to appoint himself, Chin Yew Thong, Dr Adrian Foong Heng Nian, and Dr Teh Chee Chong to the board.

Ng's move to call for an EGM is pursuant to Section 310(b) of the Companies Act 2016 (CA2016). The Act states that an EGM may be convened by either the board of directors or any member(s) of the company holding at least 10% of the issued share capital of a company.

Points of contention

The current state of events at EAH may baffle EAH's shareholders. Arguably, this EGM is called by Ng, an independent party who is exercising his rights as a shareholder under CA2016.

Further, under Section 311 of CA2016, shareholders who hold at least 10% of the paid-up capital of a company may require the directors to convene a meeting of members of the company. Pursuant to this, directors shall call for the meeting within 14 days from

the date of the requisition and hold the meeting on a date not more than 28 days after the date of the notice to convene the meeting (refer to Section 312 of CA2016).

In convening a meeting requisitioned by the members, the board of directors of the listed company shall assume the responsibility of issuing and disseminating the notice of the meeting as well as making all the necessary preparations for such meeting.

Stern warning

In an announcement dated 10 August 2023, EAH informed shareholders that '*any intended or purported attempt(s) to hold any extraordinary general meeting(s) in the name of the company is in breach of the said Ad Interim Injunction Orders and any individual(s) attempting such a step may be subject to contempt proceedings.*'

Besides, shareholders were urged not to attend and vote at the EGM and that EAH would treat any resolutions purported to be approved at the said EGM as invalid and void in light of the Ad Interim Injunction Orders served on the Company.

As such, the Company said it would not hesitate to take legal action against any individual(s) who continue to create unnecessary confusion for the members of the Company and the general public.

Conclusion

Only time will tell how the issues pan out during legal proceedings and the implications for minority shareholders who want to call for an EGM.

By MSWG Team

MSWG AGM/EGM Weekly Watch 21 – 25 August 2023

For this week, the following are the AGMs/EGMs of companies in the Minority Shareholders Watch Group's (MSWG) watch list.

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.

Date & Time	Company	Quick-take
21.08.23 (Mon) 10.00 am	Jiankun International Berhad (EGM)	The Company is proposing the following resolutions: - Proposed acquisition of a parcel of leasehold land in Klebang, Melaka measuring 40,469 square metres for RM26.00 million in cash. - Proposed Private Placement of 70 million new shares, representing approximately 19.42% of its total number of issued shares, to Eclipse International Sdn Bhd at an issue price of 20 sen per share.

		<ul style="list-style-type: none"> - Proposed establishment of a Share Issuance Scheme (SIS) of up to 15% of the total number of issued shares for eligible directors and employees of Jiankun and its Subsidiaries. - Proposed Allocation of SIS Options to each member of the Board of Jiankun International Bhd.
22.08.23 (Tue) 03.00 pm	KPJ Healthcare Berhad (EGM)	KPJ Healthcare is seeking shareholders' approval for the renewal of four lease agreements with Al-'Aqar Healthcare REIT. The agreements are for the leasing of KPJ Kajang Specialist Hospital, KPJ Perdana Specialist Hospital, KPJ Sentosa KL Specialist Hospital and Kuantan Care and Wellness Centre.
23.08.23 (Wed) 10.00 am	AMMB Holdings Berhad (AGM)	AMMB saw its FY2023 total income growing by 2.5% to RM4.74 billion with net interest income (NII) grew by 8.1% y-o-y, driven by both NIM expansion and broad-based loan growth. It registered a loan growth of 8.5% in FY2023. Profit-wise, it chalked up 15.47% to RM1.735 billion against RM1.5 billion in the year before, thanks to lower impairment provided during the financial year.
23.08.23 (Wed) 02.30 pm	Oriental Food Industries Holdings Berhad (AGM)	OFI recorded a strong 25% growth in revenue to RM360 million in FY2023 due to higher sales from both local and export markets. Local sales accounted for 43% of total revenue while export sales accounted for the remaining 57%. Meanwhile, pre-tax profit grew 2% to RM24.7 million. The Company will soon introduce new products to consumers under the " ZESS " brand name.
24.08.23 (Thur) 08.00 am	Ageson Berhad (CCM)	<p>Ageson is seeking shareholders' approval for the Proposed Internal Reorganisation which comprises Proposed Share Exchange and Proposed Transfer of Listing Status.</p> <p>Pursuant to the Proposed Share Exchange, shareholders will receive shares of Afton Berhad, and Ageson will become a wholly-owned subsidiary of Afton. Upon completing the Proposed Share Exchange, Afton will become the new holding company of Ageson and assume the listing status of Ageson.</p>

<p>24.08.23 (Thur) 09.00 am</p>	<p>Ageson Berhad (EGM)</p>	<p>Ageson is seeking shareholders' approval for the following resolutions:</p> <ul style="list-style-type: none"> - Proposed Internal Reorganisation comprises Proposed Share Exchange and Proposed Transfer of Listing Status. Pursuant to the Proposed Share Exchange, shareholders will receive shares of Afton Berhad, and Ageson will become a wholly-owned subsidiary of Afton. Upon completing the Proposed Share Exchange, Afton will become the new holding company of Ageson and assume the listing status of Ageson. - Proposed establishment of an employees' share option scheme ("ESOS") of up to 15% of the total number of issued Afton shares for the eligible executive directors and employees of Afton and its subsidiaries. - Proposed allocation of ESOS options to the proposed executive directors of Afton.
<p>24.08.23 (Thur) 10.30 am</p>	<p>Hextar Technologies Solutiuons Berhad (AGM)</p>	<p>The Group achieved robust revenue growth of 42.4% to RM48.4 million in FY 2023, driven by strong performance in the trading of building materials and logistics services.</p> <p>However, its pre-tax profit declined by RM8.0 million to RM3.76 million due to the absence of a one-off gain and reduced rental income.</p> <p>It maintains a healthy financial position, with RM21.5 million in cash and a current ratio of 6.1 times.</p> <p>The Group is proactively cultivating core tech capabilities for FYE 2024. Despite their limited prior experience in the technology field, they aim to exit the warehousing segment upon the completion of the disposal of its Pasir Gudang and Klang properties to fund their technology venture.</p>
<p>24.08.23 (Thur) 11.00 am</p>	<p>EUPE Corporation Berhad (AGM)</p>	<p>EUPE recorded a 19.4% decrease in revenue to RM202 million in FY 2023 compared to RM223 million in FY 2022. With that, its pre-tax profit for FY2023 was lower at RM37.1 million, marginally</p>

		<p>lower than the pre-tax profit of RM39.7 million recorded in the previous financial year.</p> <p>At the same time, its debt position remains low, providing good scope to fund land acquisitions and further expand the Group's project pipeline.</p>
24.08.23 (Thur) 11.00 am	Eastern & Oriental Berhad (AGM)	<p>E&O saw its revenue jump by 126.4% y-o-y to RM318.1 million in FY2023 compared to RM140.5 million recorded in the preceding year.</p> <p>The higher revenue was mainly attributed to the Properties and Hospitality segment, which registered an increase in revenue of RM110.5 million and RM64.8 million, respectively.</p>
24.08.23 (Thur) 11.00 am	YBS International Berhad (AGM)	<p>The Group achieved an 11.8% increase in revenue to RM88.9 million in FY2023. This was mainly due to higher sales achieved by the paper products segment, which more than offset the 21.3% decline in revenue for the precision machining and stamping segment. On the other hand, profit before tax declined 40.2% to RM4.26 million, mainly attributable to the impact of low margin products and the increase in operating costs.</p>
24.08.23 (Thur) 01.00 pm	PNE PCB Berhad (AGM)	<p>The Group continued to record poor financial performance for the last five financial years with revenue stagnating around RM80 million and continued losses. The Group has been constantly on the look out to diversify its business so as not to depend on any single source of revenue. However, for its venture into the glove business, it has yet to begin manufacturing and selling rubber gloves due to the decline in the average selling price of gloves.</p>
25.08.23 (Fri) 09.00 am	HHRG Berhad (AGM)	<p>HHRG's revenue for FY2023 rose by 50% or RM51.77 million to RM155.27 million, mainly driven by new furniture business acquisition and increased sales volume of bio-oil products.</p> <p>The PAT doubled to RM30.01 million due to enhanced sales performance, one-off fire insurance compensation, and higher administrative expenses from non-recurring transactions.</p>

		Moving forward, the Group expects softened demand for its biomass products and furniture exports. At the same time, it also invests in bio-compost production facilities to expand into new markets, attract more customers, and generate additional revenue.
25.08.23 (Fri) 10.00 am	Boilermech Holdings Berhad (AGM)	Boilermech recorded an 18.8% growth in revenue to RM377.7 million in FY2023, thanks to the strong demand for its products and services in all its segments and markets. All three segments achieved record-breaking revenue in FY2023. However, profit before tax fell 18.7% to RM20.9 million, mainly due to higher operating costs from the escalated raw material prices, labour wages and logistics costs, as well as fluctuating foreign exchange rates.
25.08.23 (Fri) 10.00 am	AME Elite Consortium Berhad (AGM)	AME recorded a record high revenue of RM575.9 million (FY2022: RM398.4 million) and a profit before tax (PBT) of RM172.9 million (FY2022: RM68.9 million) in FY2023. The improved PBT recorded in FY2023 was mainly due to the fair value gains on investment properties (other income) amounting to approximately RM116.3 million.

One of the points of interest to be raised:

Company	Points/Issues to Be Raised
Jiankun International Berhad (EGM)	<p>The Group has completed the acquisition of a leasehold land measuring approximately 18,387 square meters situated at Pekan Klebang Sek. II, Daerah Tengah, Melaka (which is located near the Land in relation to the Proposed Land Acquisition) from Cash Support Sdn Bhd for a cash consideration of RM13.0 million on 29 March 2022. The aforesaid land has been earmarked for the development of a hotel and 2 blocks of 20-storey service apartments and is currently in the planning stage.</p> <p>The Group will eventually have two vacant lands in the Klebang area for property development. Will this pose a concentration risk for the Group? Please elaborate.</p>
AMMB Holdings Berhad (AGM)	<p>AMMB has been divesting its non-core assets in the past few years with the latest being the disposal of AmGeneral Insurance Berhad to Liberty Insurance Berhad in July 2022.</p> <p>Currently, the Bank is reportedly in talks with a few potential suitors to divest AmMetLife Insurance. Will the proposed disposal of AmMetLife mark the end of AMMB's asset</p>

	divestiture drive? Which are the other potential assets to be divested moving forwards?
Oriental Food Industries Holdings Berhad (AGM)	<p>The Group recorded a strong 25% growth in revenue to RM360 million in FY2023. However, gross profit margin (GPM) declined from 17.9% in FY2022 to 15.1% in FY2023.</p> <p>a) Which product categories were the top contributors to revenue growth in FY2023?</p> <p>b) Please provide the sales breakdown by product categories for FY2023.</p> <p>c) What were the reasons for the significant decline in GPM?</p> <p>d) Does the Group expect GPM to recover in FY2024? What measures are you taking to improve GPM?</p> <p>e) What is the budgeted capex for FY2023? Please provide the capex breakdown (e.g., plant and machineries, maintenance cost etc).</p>
Hextar Technologies Solutiouns Berhad (AGM)	<p>1. There is an impairment loss on investment in subsidiaries of RM3.2 million in FYE2023 (FYE2022: RM Nil) (page 115 of AR2023).</p> <p>a) To which subsidiaries do the impairment losses relate to? What were the reasons for the high impairment losses in FYE2023?</p> <p>b) What are the measures taken by the Company to ensure that the impairment losses on investment in subsidiaries do not increase further?</p> <p>2. The Company's trade receivables and contract assets that were past due more than 91-120 days have increased to RM2.9 million in FYE2023 from RM0.2 million in FYE2022 (page 130 of AR2023).</p> <p>a) What were the difficulties faced by the Company in the collection of the trade receivables that were past due more than 91-120 days as the outstanding amount increased substantially?</p> <p>b) Who are the customers and who make up this category (past due 91-120 days) of the Company's trade receivables in FYE2023 and what are their profiles?</p>
EUPE Corporation Berhad (AGM)	<p>The Group's revenue recorded a reduction of RM21 million, or 19.4 % in FY 2023 (RM202 million) as compared to RM223 million in FY 2022.</p> <p>However, the Group's administrative expenses increased by RM5.9 million or 36.2% in FY 2023 (RM22.2 million) as compared to RM16.3 million in FY 2022.</p> <p>a) Why did the Group's administrative expenses increase substantially despite a reduction in revenue?</p>

	<p>b) Please name the administrative expenses that recorded significantly higher amounts in FY 2023 as compared to FY 2022.</p> <p>c) How does the Group plan to manage the higher administrative expenses in FY 2024?</p>
Eastern & Oriental Berhad (AGM)	<p>The Group's FY 2023 result was dampened by property development costs written down by RM135.3 million. (Page 123 of AR).</p> <p>The development costs written down were in respect of residential and commercial properties in United Kingdom.</p> <p>a) Please provide the names and values of the residential and commercial properties that were written do-wn.</p> <p>b) What actions have been taken to mitigate the risk of further write down in value of the property development costs of these properties?</p>
YBS International Berhad (AGM)	<p>The increase of RM18.08 million in borrowings was mainly due to renovation and extension of factory building projects. (page 13 of AR 2023)</p> <p>a) What is the total floor space and current utilisation rate for the new manufacturing plant at Penang Science Park?</p> <p>b) What is the total capex for this plant?</p> <p>c) When does the Group expect this plant to run at full capacity? What is the potential revenue at full capacity?</p>
PNE PCB Berhad (AGM)	<p>1. Impairment loss on property, plant and equipment amounted to RM4,880,210 in FY 2023 (FY 2022: Nil). (see page 84 of AR 2023)</p> <p>What was the reason for the impairment loss? What is the probability of further impairment or reversal in FY 2024?</p> <p>2. The total fee incurred for the internal audit function of the Group during the financial year ended 31 March 2023 was RM14,900.00. (page 28 of AR 2023). The low internal audit fees was also raised last year.</p> <p>Considering that the amount is rather small (approximately RM1,200 per month), is the Board and Audit committee satisfied that the internal audit function can provide the required assurance? What are the areas audited during the financial year? How many reports were issued during the financial year?</p>
HHRG Berhad (AGM)	<p>The Group is actively expanding its biomass business segment by investing in downstream bio-compost production facilities. This strategic move aims to tap into new markets, broaden the customer base, and generate extra revenue in the upcoming quarters (page 12 of AR2023).</p> <p>a) Please provide insights into the timeline for the development and operation of the bio-compost</p>

	<p>production facilities. What is the targeted market, and when can we expect to see tangible results and contributions to the Group's revenue stream?</p> <p>b) Given the competitive landscape and potential challenges in the bio-compost market, what strategies has the Group devised to establish a competitive edge and capture a significant share of this market?</p>
Boilermech Holdings Berhad (AGM)	<p>The Solar Energy segment recorded a 44% decline in PBT to RM1.4 million in FY2023 despite registering a 9.9% increase in revenue to RM37.7 million. (page 23 of AR 2023)</p> <p>a) What were the reasons for the significant decline in PBT? What measures are you taking to improve the profit margins for this segment?</p> <p>b) What is the current outstanding orderbook for the Solar Energy segment?</p> <p>c) Is this segment actively tendering for any EPCC projects? If so, what is the current tender book?</p>
AME Elite Consortium Berhad (AGM)	<p><u>Construction and Engineering Services Segments</u></p> <p>The segments' PBT decreased to RM10.3 million from RM17.3 million in FY2022 due to changes in project mix and margins (Page 17 of AR2023).</p> <p>In terms of new contracts, the segments secured a construction contract worth RM10.2 million and engineering contracts worth RM100.9 million during FY2023, a lower amount compared to the previous financial year's total of RM442.6 million (Page 16 of AR2023).</p> <p>a) What is the progress of the segments' current projects?</p> <p>b) What are the reasons for the changes in project mix and margins? What is the outlook for the margins in FY2024?</p> <p>c) As the contract secured in FY2023 was lower than the previous financial year, are the segments facing difficulty in securing new contracts? If so, what are the measures taken to manage the difficulty?</p> <p>d) What is the latest total orderbook and targeted orderbook replenishment for both segments in FY2024?</p>

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