

## MINORITY SHAREHOLDERS WATCH GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

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

New Straits Times, Business Times – Monday, 21 March 2022

### MSWG AGM/EGM WEEKLY WATCH 21 -25 MARCH 2022

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 21 -25 March 2022.

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](http://www.mswg.org.my)

#### One of the points of interest to be raised:

##### Company Points/Issues to Be Raised

**Metronic Global Berhad (EGM)**

On 15 October 2021, MGB had entered into a joint venture (JV) agreement with Earthtech Energy Sdn Bhd (Earthtech) to undertake solar energy business via a 70:30 JV company namely Sinaran PPA Sdn Bhd.

MGB had subscribed the 70% stake in Sinaran PPA for RM1 million, meanwhile Earthtech as the 30% shareholder of Sinaran PPA is not expected to provide any funding for Sinaran PPA (page 2 & 3 of Circular dated 25 February 2022).

The JV will rely on Mr. Chew Keng Yaw, the sole shareholder and director of Earthtech to spearhead the solar energy business. However, Mr. Chew has just two years of experience in the solar energy and renewable business, despite his 25 years of working experience.

In addition, En. Mohd Dzamirhafiz Dzulkipli, who will be the operation and business development manager of Sinaran PPA, also has no direct relevant experience in the solar energy and renewable energy industries.

(a) Since the key personnel have little to no direct experience in the solar and renewable energy industry, should the Company not consider engaging other more experienced personnel to ensure the success of the new venture?

(b) Being the sole financier of the new venture, what are the key performance indicators imposed by MGB on the key personnel?

(c) MGB continued to be loss-making despite multiple new business ventures in recent years e.g. property development, development of smart city solutions, distribution of COVID-19 antibody test kits. These new businesses were funded by millions of proceeds raised from rights issue, private placements and employees share option scheme (ESOS).

How would the new solar business make any difference to eventually turn around MGB's financial performance?

(d) What is the internal rate of return for MGB's investment in Sinaran PPA?

(e) How long would it take for the JV to contribute 25% or more of MGB's net asset (NA) and/or net profit?

**Lotus KFM Berhad (AGM)**

The Company's net profit declined significantly in FYE 2021 to RM2.7 million from RM9.9 million in FYE 2020. It attributed the weaker performance to the global shortage in wheat which caused prices to surge and a sharp spike in shipping costs owing to a container shortage. (Page 5 of AR 2021)

What are the measures taken by the Company to enhance its performance for FYE 2022 given the persistent shortage in wheat and high shipping costs?

**Aadion Berhad (AGM)**

For the financial year ended 30 September 2021, the Group recorded a consolidated revenue of RM4.33 million (2020: RM3.79 million) and a loss after taxation and non-controlling interests ("LATNCI") of RM2.21 million (2020: LATNCI of RM4.02 million). The increase in revenue was mainly due to the increase in the global shipping and logistics services prices in the third quarter of the year 2021. (page 11 of AR2021)

(a) With the significant increase in crude oil prices and the on-going Russian-Ukraine war, how and to what extent will it impact the Group?

(b) What will drive revenue growth, going forward and bring the Group back to profitability?

**Wong Engineering Corporation Berhad (AGM)**

The growth in revenue was driven by higher sales from the Manufacturing segment supported by healthy demands of precision metal fabricated components coming from customers in the electrical and electronics ("E&E") and semiconductor sector aside from the spike in revenue from Construction & PD attributed to steady progress from its project at Kuchai Lama. (page 16 of AR 2021)

(a) What is the current demand for precision metal fabricated components? Is the healthy demand sustainable and what is the outlook for FY 2022 and moving forward?

(b) What is the nature of the project at Kuchai Lama, status of sales, progress and expected completion date?