



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

The Observer

18.03.2022

MSWG will hold a retail investors webinar titled "Improving the chances of winning in the stock market" and "The MCCG Updates 2021" at 8.00 p.m. on 28 March 2022 (Monday). Please visit <https://bit.ly/3CvqVeR> for registration and more info.

❖ From gender equality in boardrooms to gender equality in equity market

With Malaysia's Top 100 public listed companies (PLCs) inching closer to the benchmark 30% figure for women's boardroom representation (currently at 26.5%), the focus is gradually shifting to propelling gender diversity in the equities market.

Recently, Bursa Malaysia revealed that Malaysian women are increasingly engaged in investing activities, accounting for 36% of new Central Depository System (CDS) accounts opened year-to-date, up from 34% in 2021 and 32% in 2020.

In addition, female investors made up close to 30% of the total traded value in 2021 with a 178.4% increase in total traded value and a 194.1% increase in total traded volume between 2018 and 2021.

Notwithstanding the encouraging findings, Bursa Malaysia Berhad chief executive officer Datuk Muhamad Umar Swift said there is still much work to be done to improve financial awareness and participation in investing activities among women.

The bourse would continue to advance the gender equality practices to closing the gender investing gap. This includes providing both men and women equal access to investment opportunities available in the equities market.

Women investors' have been increasing its representation, influence, and capability



*Based on CDS accounts held by women investors in Malaysia

Source: Bursa Malaysia

Better investment return among female investors

Numerous studies have found that women investors tend to deliver better investment returns as compared to men.

For instance, the Fidelity Investments' 2021 Women and Investing Study found that despite their lacking confidence, women's investment portfolios tend to outperform their male counterparts.

On average, female investors achieved positive returns and surpassed men by 40 basis points or 0.4%, an analysis of annual performance across 5.2 million accounts from January 2011 to December 2020 shows.

This study is also aligned with Fidelity's past research showing women may outshine men with a buy-and-hold investing strategy versus frequent trading, which tends to stunt investment performance.

Women have also made strides beyond retirement accounts with two-thirds now investing extra savings outside of emergency funds, a 50% increase since 2018, the findings show.

In another survey dated March 2021 by ET Money, women investors were found to have generated better returns than men every year from 2017 to 2020. In fact, during the pandemic in 2020, they recorded 14% returns while men generated only 11%.

Another study by Warwick Business School in 2018 found that among 2,800 investors in its study, not only did the female investors outperform the FTSE 100 over the last three years but they also outshone their male counterparts.

While annual returns on investments for men were on average a marginal 0.14% above the performance of the FTSE 100, annual returns on the investment portfolios held by women were 1.94% above it. This means returns for women investing outperformed men by 1.8%.

In another classic research entitled "Boys Will Be Boys: Gender, Overconfidence and Common Stock Investment" which was published in 2001, men's tendency to be more psychologically overconfident regarding investments compared to women has put them at a disadvantage.

The theory suggests that over-confidence in financial acumen leads to more trading and changing of investments which in turn leads to lower returns.

Studies also revealed that female investors focus on longer-term as well as non-monetary goals by keeping the "bigger picture" in mind.

Instead of simply viewing money as a mean to purchase something, women view money as a representation of something more, i.e., independence and financial security. Additionally, they are more likely to ask for guidance and direction, thus enabling a more educated and balanced approach to investing.

Inherent investing abilities

In fact, specific behavioural and psychological traits have given women an outperformance edge over men in the realm of investing. Compared to their male counterparts, women are more risk-averse, trade less often, research more diligently, are more disciplined and less over-confident.

The repercussions are also lesser as they tread with caution, investing more in mutual funds rather than stocks; remain invested for the long term without frequent trades and switches; and are disciplined about their asset allocations without any impulsive decisions or knee-jerk reactions.

That women not only have an outcome-based approach to investing but also take a longer-term view doubles their chances of making it to the finish line with the fruits of their investment tightly secured.

Unlike men, women are more focused on the financial goal and not on the mere thrill of investing – they invest in a manner that helps them achieve goals in the given time.

The bottom line is that financial empowerment is one of the most important reasons why women should start investing. Financial literacy and awareness not only help secure their financial futures but also that of their family without having to feel lost due to their ignorance or be forced to depend on others for financial guidance when disaster strikes.

Devanesan Evanson
Chief Executive Officer

MSWG AGM/EGM Weekly Watch 21 - 25 March 2022

For this week, the following are the AGMs/EGMs of companies which are 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
21.03.22 (Mon) 10.00 am	Metronic Global Berhad (EGM)	MGB will seek shareholders' approval for its proposal to diversify business activities to solar leasing, consolidate shares and issue rights shares with warrants to raise fund for the new activities.
21.03.22 (Mon) 03.00 pm	Lotus KFM Berhad (AGM)	Lotus KFM's net profit declined significantly from RM9.9 million in FY2020 to RM2.7 million in FY2021 due to global shortage of wheat and surging shipping costs. The Company's foray into the forest plantation business could be a catalyst for better earnings as demand for wood-based products is on the rise during the pandemic.
21.03.22 (Mon) 04.00 pm	Lotus KFM Berhad (EGM)	Lotus KFM's proposed diversification into the forest plantation business may augur well as its traditional business of flour milling had taken a hit due to shortage of wheat globally and spiraling shipping cost.
24.03.22 (Thur) 10.00 am	Asdion Berhad (AGM)	Asdion recorded a revenue of RM4.33 million (FY2020: RM3.79 million) and a net loss of RM2.21 million (FY2020: - RM4.02 million) in FY2021. The higher revenue was mainly due to the increase in global shipping and logistics services prices in the third quarter of 2021. The decrease in net loss was due to the significant decrease of the administrative expenses of RM4.80 million.
24.03.22 (Thur) 10.00 am	Wong Engineering Corporation Berhad (EGM)	The Company is proposing a bonus issue of up to 131.8 million free warrants on the basis of 1

		warrant for every 2 existing shares held. This bonus issue is to reward shareholders and will have a dilutive effect on the shareholding once the warrants are converted.
24.03.22 (Thur) 11.30 am	Wong Engineering Corporation Berhad (AGM)	For FY 2021, the Group achieved record high revenue of RM83.85 million, an increase of 18.4% over RM70.85 million in FY 2020, attributed by higher sales from its Manufacturing segment and the Construction & PD segment. The Board is cautiously optimistic that the Group's prospect and financial performance shall remain positive and favourable.
24.03.22 (Thur) 10.30 am	CAB Cakaran Corporation Berhad (AGM)	For FY2021, CAB's revenue increased by 2.28% y-o-y to RM1.72 billion (FY2020: RM1.68 billion) mainly due to higher average selling price of broiler to RM4.67/kg (FY2020: RM4.21/kg). Nevertheless, the increase in feeds cost due to the worldwide increase in the price of raw materials had eroded its profit margin significantly. As a result, it recorded higher loss of RM36.27 million (FY2020: loss RM11.13 million).
24.03.22 (Thur) 11.00 am	CAB Cakaran Corporation Berhad (EGM)	The EGM is to seek shareholders' approval for CAB's proposed business diversification into the provision of drone related services for agriculture industry. The new undertaking will be carried out via a JV agreement whereby CAB's maximum capital contribution would amount to RM8 million for 51% interest in the JV company, while the JV partner shall subscribe its agreed portion of 49% interest via non-cash term with a non-cash value of RM7.69 million.
24.03.22 (Thur) 10.30 am	Eco World International Berhad (AGM)	Sales of EWI amounted to RM1.4 billion in FY2021 which was mainly driven by handover of units in Yarra One and Wardian

		projects. Its net gearing ratio had improved to 0.20 times as at October 2021 as the Group pared down its borrowings with the cash generated from handovers. The Group also declared a total of 6 sen per share dividend during FY2021.
--	--	---

One of the points of interest to be raised:

Company	Points/Issues to Be Raised
Metronic Global Berhad (EGM)	<p>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.</p> <p>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).</p> <p>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.</p> <p>In addition, En. Mohd Dzamirhafiz Dzul kifli, 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.</p> <p>(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?</p> <p>(b) Being the sole financier of the new venture, what are the key performance indicators imposed by MGB on the key personnel?</p> <p>(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).</p>

	<p>How would the new solar business make any difference to eventually turn around MGB's financial performance?</p> <p>(d) What is the internal rate of return for MGB's investment in Sinaran PPA?</p> <p>(e) How long would it take for the JV to contribute 25% or more of MGB's net asset (NA) and/or net profit?</p>
Lotus KFM Berhad (AGM)	<p>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)</p> <p>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?</p>
Asdion Berhad (AGM)	<p>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)</p> <p>(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?</p> <p>(b) What will drive revenue growth, going forward and bring the Group back to profitability?</p>
Wong Engineering Corporation Berhad (AGM)	<p>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)</p> <p>(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?</p> <p>(b) What is the nature of the project at Kuchai Lama, status of sales, progress and expected completion date?</p>

<p>CAB Cakaran Corporation Berhad (AGM)</p>	<p>The gross profit of the Group decreased significantly to RM86.25 million (2020: RM113.79 million). The increase in the cost of feed, which accounted for almost 65% of the total cost of production of chicken since October 2020, by approximately 40% has resulted in the Group's profit margin being eroded significantly. (page 16 of AR2021)</p> <p>(a) With the recently announced Government's subsidies to the poultry industry, is the Company a beneficiary of such subsidies? To what extent will it help to cushion the impact of escalating price of raw materials for poultry feed?</p> <p>(b) Should the price of corn and soybean meal continue to spike, does the Group have alternative plans to control its cost of production?</p>
<p>CAB Cakaran Corporation Berhad (EGM)</p>	<p>In conjunction with the joint venture agreement dated 26 January 2022 entered into between CAB and MATA Aerotech Sdn Bhd ("MATA") for the Drone Business ("JVA"), the Company proposes to diversify the existing principal activities of CAB Group to include the provision of drone related services for the agriculture industry (page iv of the Circular dated 7 March 2022 ("Circular")). At the invitation of MATA, CAB is desirous in jointly undertaking the Drone Business (page 2 of Circular).</p> <p>(a) How was the Company introduced to MATA?</p> <p>(b) What was the level of due diligence carried out by the Board on MATA and in the new Drone Business venture?</p> <p>(c) To what extent has the Company conducted research or feasibility study on the Drone Business venture?</p>
<p>Eco World International Berhad (AGM)</p>	<p>The Group's Administrative and General Expenses increased by RM16.6 million or 42.2 % from RM39.3 million in FY 2020 to RM55.9 million in FY 2021.</p> <p>However, the Group's revenue decreased by RM100 million or 14.9% from RM673 million in FY 2020 to RM 573 million in FY 2021. (Page 70 of AR)</p> <p>(a) Please explain the high Administrative and General Expenses in FY 2021 as it does not commensurate with the reduction in the Group's revenue in FY 2021?</p> <p>(b) Please name the expenses that recorded a higher increase in FY 2021 as compared to FY 2020.</p>

MSWG TEAM

Devanesan Evanson, Chief Executive Officer, (devanesan@mswg.org.my)

Rita Foo, Head, Corporate Monitoring, (rita.foo@mswg.org.my)

Norhisam Sidek, Manager, Corporate Monitoring, (norhisam@mswg.org.my)

Lee Chee Meng, Manager, Corporate Monitoring, (chee.meng@mswg.org.my)

Elaine Choo Yi Ling, Manager, Corporate Monitoring, (elaine.choo@mswg.org.my)

Lim Cian Yai, Manager, Corporate Monitoring, (cianyai@mswg.org.my)

Ranjit Singh, Manager, Corporate Monitoring, (ranjit.singh@mswg.org.my)

Ooi Beng Hooi, Manager, Corporate Monitoring, (ooi.benghooi@mswg.org.my)

DISCLOSURE OF INTERESTS

•With regard to the companies mentioned, MSWG holds a minimum number of shares in all these companies covered in this newsletter.

DISCLAIMER

This newsletter and the contents thereof and all rights relating thereto including all copyright is owned by the Badan Pengawas Pemegang Saham Minoriti Berhad, also known as the Minority Shareholders Watch Group (MSWG).

The contents and the opinions expressed in this newsletter are based on information in the public domain and are intended to provide the user with general information and for reference only. Best efforts have been made to ensure that the information contained in this newsletter is accurate and current as at the date of publication. However, MSWG makes no express or implied warranty as to the accuracy or completeness of any such information and opinions contained in this newsletter. No information in this newsletter is intended to be or should be construed as a recommendation to buy or sell or an invitation to subscribe for any, of the subject securities, related investments or other financial instruments thereof.

MSWG must be acknowledged for any part of this newsletter which is reproduced.

MSWG bears no responsibility or liability for any reliance on any information or comments appearing herein or for reproduction of the same by third parties. All readers or investors are advised to obtain legal or other professional advice before taking any action based on this newsletter.