



The Observer

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❖ Cultivating a Proper Investment Mindset: Navigating the Stock Market with Wisdom

In the ever-changing financial markets, cultivating a proper investment mindset is the key to successful investing. Market fluctuations, sentiment, information overload, speculation, and uncertainties make investing complex and challenging. However, by fostering a proper investment mindset, investors can better navigate market volatility and achieve long-term financial goals.

1. Understanding risk and reward

Investing is not a gamble; it is a rational decision-making process. Understanding the balance between risk and reward is the foundation of establishing a proper investment mindset. Investing involves a close relationship between risk and return. Thus, assets that generate high returns usually come with high risks. Therefore, investors need to manage risk prudently while pursuing returns. Knowing one's risk tolerance and choosing an appropriate stock portfolio based on individual financial goals and timeframes are crucial for rational decision-making.

2. Be patient

Market volatility is inevitable, and profits and losses may occur in the short term. However, markets often show a stable growth trend over the long term. Investors should focus on long-term returns, avoiding being swayed by short-term fluctuations. By staying calm and not acting impulsively (i.e., panic selling or panic buying) due to momentary market changes, investors can better grasp the long-term potential of the market, achieving more robust investment returns.

3. Continuous learning

Financial markets constantly evolve with emerging technologies, new investment tools, and strategies. Investors must stay abreast of the market, continuously learning and updating their investment knowledge. A robust understanding of business and economic subjects such as economic conditions, company performance, and global events would allow investors to make better-informed decisions. On top of this, understanding the supply and demand dynamics and the impact of government policies would assist investors in better analysing the prospects of an industry.

The process of discovering a "hidden gem" often requires effort for self and comprehensive analysis. We should rely on our research in making investment decisions, and hearsay should not be the sole source of investment decisions.

4. Emotional Management

Benjamin Graham once said, ' *The investor's chief problem, even his worst enemy, is likely to be himself.*' He emphasised that one of the biggest challenges an investor faces is their own emotions, behaviors, and psychological biases when making investment decisions.

Emotional fluctuations are inevitable throughout the investing process, but how investors respond to them will determine their ultimate success. Greed and fear are common, and investors must learn to control these emotions, avoiding impulsive decisions in extreme market conditions. For example, Fear of Missing Out (FOMO) is commonly associated with the fear that an investor might miss out on potential gains or lucrative investment opportunities.

Developing a clear investment plan, being disciplined, and not being swayed by short-term emotions help keep a calm mind and better cope with the ups and downs of the market.

A proper investment mindset is crucial for investor success in the uncertain and risk-laden financial markets. Through rational decision-making, patient waiting, continuous learning, and emotional management, investors can better adapt to market changes and achieve their financial goals. Remember, investing is a marathon, not a sprint, and only by maintaining a proper mindset can one go further on the investment journey.

Lam Jun Ket Manager, Corporate Monitoring

MSWG AGM/EGM Weekly Watch 5 - 9 February 2024

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
05.02.24 (Mon) 11.00 am	Crescendo Corporation Berhad (EGM)	The EGM will seek shareholders' approval for its wholly-owned subsidiary Panoramic Industrial Development Sdn Bhd to dispose of two pieces of vacant land in Johor, measuring 2.3 million square feet, for RM315.17 million. The Company has earmarked RM111.8 million or 40.2 % of the net cash proceeds of RM278.27 million for working capital.
06.02.24 (Tue) 10.30 am	APB Resources Berhad (EGM)	APB proposed to acquire 70 million shares in Globetronics Technology Berhad (about 10.41% stake) for RM140.00 million in cash ("Proposed Acquisition").

		<p>Globetronics group is mainly involved in the manufacturing, assembly, testing, and sale of various electronics/ semiconductor components.</p> <p>APB is confident that its investment in Globetronics shares will provide stable dividend income for APB in the future.</p> <p>In conjunction with the Proposed Acquisition, APB will diversify its business activities to include investment in the manufacturing and distribution of semiconductors and semiconductor components business.</p>
06.02.24 (Tue) 11.00 am	AHB Holdings Berhad (EGM)	<p>AHB had proposed a bonus issue of warrants on the basis of one warrant for every two existing ordinary shares in AHB.</p> <p>The bonus issue is expected to be completed by the first quarter of 2024.</p>
07.02.24 (Wed) 10.00 am	Puncak Niaga Holdings Berhad (EGM)	<p>The Group is seeking shareholders' approval to dispose of 3 pieces of land in Ijok, which are currently primarily planted with oil palm trees, for RM306.07 million.</p> <p>The settlement is to be made over 53 months by instalment payments. Of the RM306.07 million proceeds, RM190 million will be utilised for repayment of bank borrowings and RM83.11 million will be used for general working capital to finance the employee benefits and general administrative costs.</p>
08.02.24 (Thur) 10.00 am	Techna-X Berhad (EGM)	<p>The Company proposes the following four resolutions for shareholders to approve its coming EGM.</p> <ul style="list-style-type: none"> - Proposed Capital Reduction - Proposed Debt Settlement - Proposed Share Consolidation - Proposed Rights Issue with Warrants

One of the points of interest to be raised:	
Company	Points/Issues to Be Raised
Crescendo Corporation Berhad (EGM)	<p>The Company has allocated RM111.8 million or 40.2 % of the net cash proceeds of RM278.27 million for working capital. (Page 8 of the Circular)</p> <p>The RM111.8 million allocated for working capital seems to be on the high side as the Group has RM48.3 million cash and bank balances based on the latest quarterly result of the Group as of 31 October 2023.</p>

	<p>The Group has adequate cash and bank balances for its working capital requirement and the Board should consider paying a special dividend to reward shareholders.</p>
<p>APB Resources Berhad (EGM)</p>	<p>1. "APB has obtained financing for up to RM95.00 million from a financial institution to partially fund the Proposed Acquisition. As such, the Purchase Consideration will be funded via a combination of RM95.00 million from bank borrowings and the remaining RM45.00 million from internally generated funds." (Page 8 of the Circular)</p> <p>a) What is the tenure of bank borrowings of RM95.00 million?</p> <p>b) How much is the monthly installment for the bank borrowings secured?</p> <p>c) APB Group's cash and bank balances, deposits and short-term funds amounted to RM80.36 million based on its latest audited consolidated financial statements for 30 September 2022. However, the proposed acquisition of property of RM38.00 million as announced on 11 October 2023 would also be funded via internally generated fund. Together with the Proposed Acquisition, a total of RM83.00 million of internally generated fund will be required.</p> <p>How does the proposed acquisition of property and the Proposed Acquisition using internally generated funds affect the Group's ability to meet its financial obligations?</p> <p>2. How do the Proposed Acquisition and the proposed acquisition of property align with the Group's long-term strategy in view of the substantial amount of investment?</p>
<p>Puncak Niaga Holdings Berhad (EGM)</p>	<p>The Group did not open tender for the disposal of the Lands as there was no certainty that the bid price will be close to or above the market value based on the previous offers received and further, the Group would incur additional costs for the open tender exercise. (Page 11 of Circular dated 22 January 2024)</p> <p>a) What was the highest offer that the Group previously received?</p> <p>b) What is the estimated cost for the open tender exercise?</p>

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DISCLOSURE OF INTERESTS

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

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