

# The Observer

**10.09.2021**

***The Minority Shareholders Watch Group is now on Twitter. The presence at Twitter is the first step for us to create strong social media presence and engage with our stakeholders more effectively. Do follow MSWG's Twitter account at @MSWGMalaysia and share your thought on our tweets from time to time.***

❖ **Investment scams come in many shapes, sizes & similar sounding names**

On 4 September, the Securities Commission (SC) alerted investors on the existence of Top Gloves Investment – a potential clone of the legitimate public listed Top Glove Corporation Bhd (Top Glove Corp) which is the world's largest glove manufacturer.

Stating that Top Gloves Investment is a possible clone operating an illegal investment scheme, the stock market regulator found that Top Gloves Investment is “carrying on regulated activity of fund management without a licence” and that it misrepresented and misused the SC's name.

Top Gloves Investment further claimed on its website that it operates under Top Glove Sdn Bhd which is seen as a possible clone of legitimate entity Top Glove Corp's operating unit which bears a similar name.

In this regard, Top Gloves Investment claims that potential clone Top Glove Sdn Bhd is licensed by the SC as a digital investment management company.

However, Top Glove Corp claims on its website that its legitimate operating unit Top Glove Sdn Bhd does not have any investment programme or trading platform for investments.

Moreover, Top Glove Corp said its legitimate entity Top Glove Sdn Bhd has not appointed nor authorised any agents or representatives in Malaysia or overseas to attend to new enquiries for the purchase of gloves from the rubber glove manufacturer due to the sudden surge in demand for gloves caused by the COVID-19 pandemic.

“All export sales of our gloves are handled directly by Top Glove (Corp)'s marketing and sales department staff in Malaysia,” added Top Glove Corp in its website.

Earlier in June, Berjaya Corporation Berhad (Berjaya Corp) had also advised the public to be aware of a scam and denied any involvement with an entity falsely bearing the name of Berjaya Investment Bhd which claims to be affiliated to the group.

Berjaya Corp said the scam involved solicitations for business investments or business ventures and that it had reported to the relevant authorities so that appropriate action can be taken.

Towards this end, the group said it is not involved with the "Berjaya Investment" and "bfccap" websites which used the names "Berjaya Financial Corporation", "Tan Sri Chong" and "Keith Hunt".

### **Getting rid of greed**

The above revelation simply points to one stark reality: investors must be wary of falling prey to investment frauds.

In fact, many of today's scams – especially those which are online in nature – are merely modified versions of old schemes that have been used to fleece offline investors for years; only the medium has changed – from physical to virtual.

There are many unscrupulous quarters who are waiting to take advantage of unsuspecting individuals during these difficult times. Scammers tend to capitalise on greed, fear and hardship stemming from a major crisis like COVID-19 outbreaks to entice vulnerable and unsuspecting minority shareholders and members of the public.

Alongside the advent of technology, fraudsters are becoming increasingly more sophisticated with their tactics. Many schemes come disguised as different types of business opportunities such as investment schemes for various types of products or services.

Therefore, the public are encouraged to be more vigilant when making investment decisions, most importantly by not allowing greed to be the motivation for their investment decision.

### **Protecting oneself**

Between 2017 and 20 June this year, police statistics show that Malaysians suffered losses amounting to about RM2.23 billion from cyber-crime frauds while a total of 67,552 cyber-crime cases were reported during the period (New Straits Times, 16 July 2021).

Of the total, e-commerce scams topped the chart with 23,011 cases, followed by illegal loans (21,008 cases) and investment scams (6,273 cases).

To try and put an end to this, the Commercial Crime Investigation Department (CCID) and Facebook Malaysia, in partnership with government agencies, industry players and consumer associations have jointly launched a nationwide #TakNakScam awareness campaign.

To avoid being scammed, the SC urges investors to always exercise extreme caution when offered an investment scheme. Below are some suggested precautionary measures:

- 1) Check SC's investor alert list before investing.
- 2) Always deal with authorised companies/individuals. Check the SC's register of licence holders and list of registered market operators.
- 3) Be cautious of investments offered via social media platforms such as Facebook, Whatsapp, Telegram etc.
- 4) Never deposit your money into personal bank accounts.
- 5) Payments should only be made to official bank accounts of companies authorised by authorities.
- 6) Check the Royal Malaysian Police's "Semak Mule" portal to verify whether the bank accounts and telephone numbers have been reported to the police previously.
- 7) Ask questions and request for important information – scammers rely on the fact that most people do not ask for the right information before they make an investment decision. Ensure you know who you are dealing with, the individuals behind the company and understand its products and services before investing.
- 8) Don't be pressured or rushed into making an investment decision. Give yourself ample time to do research and find out more about the product before parting with your money. FOMO (Fear of Missing Out) can be a motivator premised on greed.
- 9) Be sceptical of any investment opportunity that is not in writing. Request relevant documentations on the product and the company so that you can ascertain the legality of the investment opportunity offered.
- 10) Be sceptical of investments with promised high returns within a short span of time with little or no risks. If it is too good to be true, it probably is.
- 11) Secure your personal information (MyKad number, address, bank details, existing investment details, etc.).
- 12) If an investment has already been made, keeping record of all documents pertaining to the investment, as well as the exchanges with the person and company you dealt with provides a good audit trail if something should go wrong.
- 13) Check the legitimacy of certificates, invoices or receipts issued under the name of authorities such as the SC, Bursa Malaysia, Companies Commission of Malaysia (CCM), Bank Negara Malaysia (BNM), Inland Revenue Board of Malaysia (LHDN) etc.
- 14) Check the legitimacy of the name, logo, website and other credentials of any entities used for the transaction of the investments.
- 15) If in doubt, contact SC at [aduan@seccom.com.my](mailto:aduan@seccom.com.my) or 03-6204 8999.

Scammers motivate people to part with their money based on a concoction of fear and greed. We owe it to ourselves to stay vigilant and protected.

**Devanesan Evanson**  
**Chief Executive Officer**

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**MSWG AGM/EGM Weekly Watch 13 – 17 September 2021**

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

Date & Time	Company	Quick-take
13.09.21 (Mon) 11.00 am	Malaysia Airport Holdings Bhd (AGM)	Malaysia Airports' entire network of airports recorded 43.0 million passenger movements in 2020, a contraction of 70% compared to 2019's record of 141.2 million. On the back of the substantial decrease in passenger numbers, the Group recorded revenue of RM1.86 billion in FY2020, a contraction of 64% compared to FY2019 and posted a loss after tax of RM1.1 billion, a decline of 308% y-o-y.  The relaxation of border controls in Malaysia and other countries will depend on the pace of vaccination of each country.
14.09.21 (Tue) 11.00 am	YLI Holdings Bhd (AGM)	In tandem with the higher group revenue, higher gross profit, higher finance income, lower selling and distribution expenses, and lower administrative expenses, the Group recorded a lower net loss of RM1.126 million in FY2021 (FY2020: net loss of RM10.115 million).
14.09.21 (Tue) 02.00 pm	Sunway Bhd (AGM)	Sunway Group's revenue decline by 20% y-o-y to RM3.8 billion, while PBT declined by 41% y-o-y to RM513 million in FY2020. Most of the business segments recorded lower revenue and profits, particularly Hospitality and Leisure businesses being the hardest hit, the Group's diverse businesses helped cushion the fallout.

		The Group will accelerate the pace of digital adoption in various business divisions to ensure business continuity, engaging with customers and exploring new channels and platforms to stay ahead of competition and market trends.
14.09.21 (Tue) 04.00 pm	Sunway Bhd (EGM)	The EGM is to seek shareholders' approval for proposed investment by Greenwood Capital Pte Ltd, an indirect wholly owned subsidiary of GIC (Ventures) Pte Ltd, in Sunway Healthcare Holdings Sdn Bhd ("SHC") for RM750 million. Shareholder approvals are also sought for proposed provision of financial assistance by Sunway to SHC and its existing and proposed subsidiaries and proposed provision of financial assistance by Sunway Treasury Sukuk Sdn Bhd and Sunway Treasury Sdn Bhd, to Sunway Iskansdar Development Sdn Bhd.
15.09.21 (Wed) 10.00 am	Datasonic Group Bhd (AGM)	The Group's revenue of RM138.4 million (2020:RM247.5 million) was 44.1 % lower than the previous year mainly due to lower supply of passports which were affected by the COVID-19 pandemic and international travel restrictions. In line with the top-line performance, net profit decreased to RM7.3 million (2020: RM60.4 million) as it continued to incur fixed operating costs and financing costs while its operations were halted, which further impacted its financial performance. Nevertheless, the Group has an outstanding order book of RM411 million as at FY2021 which would last for the next three to five years.
15.09.21 (Wed) 10.00 am	Land & General Bhd (AGM)	Year-on-year, L&G Group posted a marginally lower revenue of RM134.89 million for FY2021 from RM139.72 million in the previous year but its net profit increased to

		<p>RM33.13 million, from RM20.63 million previously.</p> <p>The Board is pleased to recommend a single tier final dividend payment of 0.5 sen per share for FY2021.</p> <p>Although the current economic environment is challenging, the Group remains cautiously optimistic in the outlook.</p>
15.09.21 (Wed) 11.00 am	MSM Malaysia Holdings Bhd (EGM)	The EGM is to seek shareholders' approval for the proposed disposal of the entire equity interest in MSM Perlis Sdn Bhd, 100% owned subsidiary of MSM Malaysia Holdings Berhad to FGV Integrated Farming Holdings Sdn Bhd for RM175.0 million, subject to adjustment for net working capital and net debt at completion.
15.09.21 (Wed) 12.00 pm	Cypark Resources Bhd (EGM)	This EGM is to seek shareholders' approval for the appointment of Messrs. Baker Tilly Monteiro Heng PLT as the auditor of the Company for FYE 31 October 2021.

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

Company	Points/Issues to Be Raised
Malaysia Airport Holdings Bhd (AGM)	<p>The Edge press report dated 10 May 2021 reported that MAHB stands to lose up to RM11.9 billion in future revenue if it loses Subang Airport, the potential financial losses are calculated based on the remainder of the Subang Airport concession until 2069. On 18 May 2021, Focus Malaysia reported despite objections from various quarters, WCT Holdings Bhd's wholly owned unit is still keen to acquire Subang Airport and it has completed a full proposal to be delivered to the Transport Ministry soon.</p> <p>(a) Is there a possibility of Subang Airport being carved out from the current Operating Agreement with the Government? If so, what will be the loss to MAHB as a result of this carve-out?</p> <p>(b) What is the latest development on this issue? What actions have been taken by the Company to-date?</p>
YLI Holdings Bhd (AGM)	<p><u>Construction and Project Management Segment</u></p> <p>During the financial year under review, the segment recorded a loss of RM2,076,000 (FY2020: Loss of RM1,843,000) (Page 111 of the Annual Report 2021).</p>

	<p>The segment has incurred higher project cost in FY2021, as reported on page 17 of the Annual Report 2021.</p> <p>(a) How does the segment plan to address the deteriorating financial performance of the segment? What is the outlook for the segment's performance in FY2022?</p> <p>(b) Which cost has contributed to the higher project cost? What are the steps taken by the segment to contain such cost?</p>
Sunway Bhd (AGM)	<p>The Group's allowance for impairment loss on amounts due from joint ventures increased to RM52.0 million in FY2020 (FY2019: RM46.4 million) (Note 34, page 293 of IAR 2020)</p> <p>(a) Please name the joint venture company with the impairment. What was the reason for the higher impairment in FY2020?</p> <p>(b) What is the likelihood of further impairment in the near term?</p> <p>(c) Is there any potential for the impairment to be reversed in the future?</p>
Datasonic Group Bhd (AGM)	<p>During the financial year, the Company purchased 16,740,500 of its issued ordinary shares from the open market at an average price of RM0.68 per share and total consideration paid was approximately RM11.4 million including transaction costs. As at 31 March 2021, the Company held as treasury shares a total of 77,195,000 out of its 2,700,000,000 issued and fully paid-up ordinary shares at a carrying amount of approximately RM37.6 million (page 92 of AR2021).</p> <p>(a) What was the rationale for the share buyback during the financial year, given that the Group's excess cash can be used towards re-investing in the business itself to facilitate growth, repayment of borrowings or to distribute cash dividends to shareholders instead of acquiring the Company's shares in the open market?</p> <p>(b) What is the Company's plan for the 77,195,000 treasury shares held?</p>
Land & General Bhd (AGM)	<p>The Group's inventory of completed development units has increased substantially from RM30.8 million in FY 2020 to RM142 million in FY2021, an increase of RM111.2 million or 361%. (Page 134 of AR)</p>

	<p>(a) What was the reason for the substantially high inventory of completed development units that remained unsold?</p> <p>(b) Where are the locations and the respective values of completed development units that remain unsold as at FY 2021?</p> <p>(c) What are the measures taken to clear the high inventory of completed development units for sale?</p> <p>(d) How much of the completed development units, in units and value have been sold after FY2021 to-date?</p>
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### **MSWG TEAM**

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### **DISCLOSURE OF INTERESTS**

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