

The Star, StarBiz – Monday, 17 August 2009

MSWG AGMs/EGMs weekly watch August 17-21

For this week, the following are the AGMs/EGMs of companies which are in the Minority Shareholder Watchdog Group's (MSWG) list.

The summary of points of interest are 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	Venue
17/08/09	11.00 a.m	Ajinomoto (M) Bhd AGM	Bukit Jalil Golf & Country Resort
18/08/09	2.30 p.m	Unico-Desa Plantations Bhd AGM	Federal Hotel, KL
19/08/09	9.30 a.m	Zelan Bhd AGM	Crown Plaza Mutiara Hotel, KL
20/08/09	11.00 am	MISC Bhd AGM	Nikko Hotel, KL
20/08/09	03.30 p.m	IJM Plantations Bhd AGM	Holiday Villa Hotel & Suites, Subang
21/08/09	10.00 a.m	Eastern & Oriental Bhd EGM	1&2 Equatorial Hotel, KL
21/08/09	3.00 p.m	Proton Holdings Bhd AGM	Proton Centre of Excellence, Shah Alam

The points of interest to be raised

Company	Points/Issues to be raised
Ajinomoto (M) Bhd	Could the board update the shareholders on the capital work-in-progress given no information was disclosed on the said work than a capital commitment amounting to RM19.1mil (2008:RM21.4mil)?
Unico-Desa Plantations Bhd	How would the board achieve rationalisation by initiating fertiliser management as part of the cost reduction exercise to improve the financial performance of plantations division for the year ending March 31, 2010 in the face of the significantly declined fresh fruit bunches yield from 23.32 tonnes to 19.18 tonnes per hectare? Corporate Governance Issue <ul style="list-style-type: none"> ■ Would the board enlighten the shareholders on the rationale for the redesignation of the chairman, from non-executive to executive during the year? ■ Given that the board requires expertise and services of well-experienced independent non-executive directors who had served the board for 18 years, how does the board review the role of such director and see that they can continue to effectively contribute as independent non-executive directors or if not, would it be more appropriate to re-designate them as on-independent non-executive directors instead? If the board balance is tilted, perhaps the board could source additional independent non-executive directors to serve the Company.
Zelan Bhd	The Annual Report states that Article 122 of the Company's Articles of Association stipulates among others that a managing director or executive director shall not, while he continues to hold that office, be subject to retirement by rotation, and he shall not be reckoned as a director for the purpose of determining the rotation or retirement of directors or fixing the number of directors to retire. Hence, the managing director/chief executive officer Raja Azmi Raja Nazuddin appointed on June 5, 2009, will not be subject to retirement by rotation at the forthcoming AGM. <ul style="list-style-type: none"> ■ Given that retirement by rotation is most essential to ensure that members of the Company are given at least an opportunity to exercise their rights to elect a particular director, how would the board view Article 122 from the standpoint of corporate governance best practices? ■ What are the appropriate measures and arrangements taken to maintain good corporate governance practices if provisions in Article 122 are inadvertently construed as against the spirit of the listing requirements of Bursa Malaysia Securities that requires all directors to retire from office at least once in every three (3) years and being eligible, offer themselves for re-election?
MISC Bhd	The integrated liner logistics business segment was loss-making for the FY ending March 31, 2009. How would the board propose to improve its financial performance in a very difficult operating environment with worsening global trade demand, weak freight rates of container shipping, exceptionally high operating costs, higher cargo and port charges? The Group's revenue in the geographical segments achieved all-round improvements except for Europe with a slight decline in revenue in 2009. How would the board address the material drop in gross profit margin on revenue from 25.2% to 17.7% in 2009?
IJM Plantations Bhd	What are the board's target new plantings in Malaysia and Indonesia during the financial year ending March 31, 2010 in terms of the expected hectares and plantation expenditure?
Eastern & Oriental Bhd	Points for EGM 1 <ul style="list-style-type: none"> ■ Could the board provide further clarification on the basis of the allotment and issuance of new stock units to the two executive directors of E & O Group? ■ What are the performance criteria used by the board for motivating, retaining and rewarding eligible employees and executive directors of E & O Group for their contributions and achievement to be granted the employees share option scheme? Points for EGM 2 <ul style="list-style-type: none"> ■ How confident is the board to look beyond minimum subscription level in order to optimally reduce the Group's gearing given the expenses related to this proposal, costing up to RM2.5mil? ■ When is the most appropriate time for the board to suitably decide and determine the issue price of ICULS 2009/2019, which is secured and quoted, carrying a coupon rate of 8% p.a. on its nominal value of RM0.65 each and at a conversion price of RM1 for each E & O stock unit at par value? Points for ICULS Holders' Meeting <ul style="list-style-type: none"> ■ How confident is the board to obtain the support of ICULS holders for the proposals? ■ What are the on-going projects and future development projects as well as strategic mergers, acquisitions and/or expansion which the board would undertake to enhance the E & O Group's prospects and its profitability, currently affected by a large loss from acquisition of E & O Prop to be wholly-owned?
Proton Holdings Bhd	Could the board clarify what are the changes in circumstances that led to the impairment loss on property, plant and equipment of RM257.7mil and capitalised development cost of RM20.8mil? Is there a likely probability that these amounts will be recoverable in the future? What is the reason for the credit terms given to customers to have such huge differences i.e. 14 days and 360 days and what is the credit policy including the credit terms given to customers? What is the reason for the increased allowance of doubtful debts in trade receivables amounting to RM45.6mil?