

# Legal opinion option for SCBuild board appointments

*The Board has the power to fill casual vacancies at the Board and to appoint additional directors to the Board, says MSWG CEO*

by **NUR HANANI AZMAN**

SC ESTATE Builder Bhd's (SCBuild) shareholders could obtain legal opinion on whether they can contest the immediate reappointment of the directors who were not voted-in at the AGM by a majority of the voting shareholders.

Minority Shareholders Watch Group (MSWG) CEO Devanesan Evanson said the company's shareholders can call for the convening of an EGM to propose resolutions to appoint additional directors to the Board and/or to remove existing directors from the Board.

"The Board has the power to fill casual vacancies at the Board and to appoint additional directors to the Board.

"Such appointed directors hold office until the next AGM where they will have to retire and, if they so desire, seek

re-election," he told *The Malaysian Reserve*.

SCBuild's shareholders, holding some 54% of the voted shares, voted out all the eight directors who had offered themselves for re-election at an AGM last Friday.

A majority of the construction company's shareholders voted against the reappointment of Loh Boon Ginn, Kuay Jeaneve, Kuay Jen Nie, Chee Jun Ann, Josipinna Pudun, Loo Tze Ming, Chan Wei Xi and Soo Ting Ho, according to the company's exchange filing last Friday.

Two of the construction company's directors — Loh Shy Tyug and Loh Shy Ming — who were not up for re-election, convened a special meeting of the board of directors after the AGM to reappoint the eight directors who were voted out at the AGM.

SCBuild shareholders also voted against the resolutions to approve directors' fees RM200,000 for the financial year ending July 2022, to the non-executive of the company and the resolution to approve RM198,000 as benefits to the director of the company from Jan 1,

2022, after the 17th to the 18th AGM of the company in the year 2022 under Section 230(1)(b) of the Companies Act 2016.

The vote outcome happened after the Country Heights Holdings Bhd executive chairman Tan Sri Lee Kim Yew had sought to be nominated to stand as a candidate at the SCBuild AGM.

Lee, in a media release prior to the AGM last week, had accused the SCBuild's board of unlawfully rejecting the written nominations made by two SCBuild shareholders Valuevest Ventures Sdn Bhd and Datuk Eric Tan Chwee Kuang for eight new candidates, which included Lee, to be nominated for election to the company's board at the AGM.

Normally, the request for the convening of an EGM requires a shareholder(s) to hold at least 10% of the shares outstanding. Valuevest and Tan's total holding was about 5% according to the press release last week.

SCBuild shares closed unchanged at 7.5 sen yesterday, valuing it at RM80.56 million.