

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

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MSWG AGM/EGM WEEKLY WATCH

13 -17 MAY 2024

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The extraction of the question raised in the letter is highlighted here. For the details of other questions, please login to MSWG website at www.mswg.org.my.

One of the points of interest to be raised:

Company	Points/Issues to Be Raised
Apex Healthcare Berhad (AGM)	<ol style="list-style-type: none"> Practice 1.3 of the Malaysian Code on Corporate Governance 2021 advocates a separation of the positions of the chairman and Chief Executive Officer (CEO) in order to promote accountability and facilitate the division of responsibilities between them. A chairman leads the board in overseeing the management team, including deciding on the appointment, compensation and replacement of CEO, while the CEO focuses on the business and day-to-day management of the company. As such, a separation of the roles of the chairman and the CEO increases the board's independence from management and thus leads to better monitoring and oversight. On page 7 of the Corporate Governance Report 2023, the Company states that it has departed from Practice 1.3 and the functions of Chairman and CEO are currently combined. What measures have been put in place to ensure the independence of the board in overseeing the management team especially since the chairman who leads the board is also the CEO of the Company? In the Sustainability Statement, actual data are provided for each sustainability pillar (i.e., economic, environment, social, and governance), but specific key performance indicators (KPIs) and targets for sustainability matters are not included. The inclusion of KPIs, and targets will enhance the message and facilitate a better understanding of the Group's approach in sustainability matters. What are the key targets and the performance indicators for each sustainability matter?
Tex Cycle Technology (M) Berhad (AGM)	<ol style="list-style-type: none"> Tex Cycle Sdn. Bhd. ("TCSB"), the subsidiary of Tex Cycle has entered into a joint venture agreement with Culzean Generation Ltd. and formed a joint venture company, named Culzean W2E Ltd. ("Culzean"). TCSB has 50% control over Culzean, a UK incorporated company with the principal activity of electricity production. However, Culzean has yet to commence its operation at the end of the financial year. (page 88 of AR2023) <ol style="list-style-type: none"> Why in 2023, Culzean disposed of two of its subsidiaries, Barbican Power Ltd. and Holborn Energy Ltd., to a third party (page 88 of AR2023)? How will it affect TCSB's joint venture investment in Culzean going forward? Please update shareholders on the status of Culzean's commencement of operations. The Company's investment in quoted shares, unit trusts and Perpetual Medium-Term Notes issued by Chin Hin Group Berhad totals approximately RM60 million, which is 34% of Tex Cycle's total assets. Why is the Company using 34% of its cash for non-core business? Mr. Lee, the Executive Director of Tex Cycle is also the non-independent non-executive director of Solarvest Holdings Berhad. While Datuk Low Chin Koon, the Independent Non- Executive Director of Tex Cycle ("Datuk Low") is also the independent non-executive director of Mestron Holdings Berhad. (pages 4 & 5 of AR2024) Another venture by the Group would be to diversify its renewable energy portfolio by targeting the Solar Energy sector, of which the Group had established a joint venture company named EFS MYSolar Sdn. Bhd., 70% owned by Tex Cycle and 30% held by its joint venture partner (page 21 of AR2023). Further, the Group's latest venture is to construct and operate a biogas-to-energy plant. (page 22 of AR2023) Given that Solarvest Holdings Berhad is in the solar energy industry and Mestron Holdings Berhad has a renewable energy segment that is involved in solar and biogas renewable energy projects, please comment on the perceived conflict of interest for Mr. Lee and Datuk Low, who are also directors of Tex Cycle. How does the Board manage such perceived conflict of interest?
Zhulian Corporation Berhad (AGM)	<ol style="list-style-type: none"> Over the last five financial years, there has been a declining trend in both gross revenue and profit after taxation from continuing operations. (Page 2 of Annual Report "AR 2023") What were the reasons for the deteriorating financial performance? What measures has the Management taken to address the declining trend? What is the outlook for FY 2024? ZHULIAN's operations in the Cambodia market, overseen by its Thai associate, made a significant contribution of 6% to the Group's overall revenue in 2023. Notably, the distributors in Cambodia exhibited continued enthusiasm for its business model, as evidenced by the astonishing turnout of nearly 2,000 participants at the Zhulian Global International Convention held during the year. (Page 25 of AR 2023) Will ZHULIAN's operations in the Cambodia market be a very significant contributor similar to the Thai market in the near future? What is the outlook for the Cambodian market in FY 2024?

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Heineken Malaysia Berhad (AGM)	<ol style="list-style-type: none"> The Group recorded a profit after tax ("PAT") of RM386.80 million in FY 2023, representing a decrease of 6.30% compared to a PAT of RM412.82 million in FY 2022 with dividend payout ratio for the year of approximately 100%. Capital expenditure for FY2023 decreased by 28% to RM143 million, mainly due to lower spending incurred. (Page 21 of Annual Report 2023 "AR2023") With a decline in net profit recorded for FY2023, how does the Company plan to balance dividend payouts with the need for capital expenditure to support future growth, especially considering the decreased capital expenditure in FY 2023? The remuneration of the Managing Director, Roland Bala, has increased from RM6.06 million in FY 2022 to RM6.93 million in FY 2023. What performance metrics or achievements justified the increase in the Managing Director's remuneration from RM6.06 million in FY 2022 to RM6.93 million in the financial year 2023?
Bank Islam Malaysia Berhad (AGM)	<p>Operational & Financial Matters</p> <ol style="list-style-type: none"> Under the five-year LEAP25 (2021 – 2025) strategic blueprint, BIMB sets its eyes on several profitability targets such as: <ul style="list-style-type: none"> - Sustain superior industry ROE >15% - Increase non-fund-based income (NFBI) contribution - Reduce cost-to-income ratio (CIR) to <50% <ol style="list-style-type: none"> The targets above seem stretched based on BIMB's FY2023 ROE and CIR of 7.8% and 60.9%, respectively. Is the Group on track to achieve these targets? Please explain the basis of setting these targets then and how the operating environment has evolved since then. In FY2023, the Group's net income rose 7.2% to RM2.5 billion, up from RM2.3 billion the previous year. This increase was significantly propelled by a 76% (or RM175.5 million) surge in non-fund-based income (NFBI) to RM406.6 million (FY2022: RM231.1 million) (page 62 of IAR2023). <ol style="list-style-type: none"> However, NFBI is inherently volatile as it is mainly driven by fees and commissions, gains and losses from trading activities and foreign exchange transactions. How does BIMB plan to grow the NFBI? BIMB's NFBI ratio of 9% as of FY2023 was lower than the low double digits recorded by industry peers of similar size. What is the optimal contribution ratio BIMB is looking at? After posting two consecutive years of decline in NIM, are we going to see a recovery in margin this year? What are the factors that will drive margin growth? The combination of lower NIM and higher operating costs in FY2023 has led to a slight deterioration in CIR to 60.9% (FY2022: 59.8%). What will it take to achieve the 50% CIR target? The Bank has outlined a three-year cost management initiative, CORE, to further manage costs and expenses. What does the initiative entail? Which areas will likely face cost rationalisation? <p>Sustainability Matters</p> <ol style="list-style-type: none"> The Group's sustainability strategy and roadmap outlined a commitment to mitigate exposure to high sustainability risk sectors by FY2030 (page 100 of IAR2023). <ol style="list-style-type: none"> Has the Bank formalised a framework to perform sustainability and climate-related due diligence during clients' onboarding process? If yes, what criteria does the framework entail? What are the sectors with high sustainability risk identified by the Bank? What is the concentration of financing exposure to these sectors? How is the pipeline and progress of reducing the financing exposure to these high sustainability sectors? Moving forward, please consider disclosing more about your efforts to mitigate the exposure to high sustainability risks sectors to allow stakeholders to better assess your sustainability efforts.