

## MINORITY SHAREHOLDERS WATCH GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated in Malaysia – Registration No.: 200001022382 (524989-M))

New Straits Times, Business Times – Tuesday, 26 October 2022 (A)

### MSWG AGM/EGM WEEKLY WATCH 24 - 28 OCTOBER 2022

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 24 - 28 October 2022.

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

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

#### Company

#### Points/Issues to Be Raised

##### TAS Offshore Berhad (AGM)

The group's fixed deposits, cash and bank balances and other investments in unit trust funds stood at RM29,967m and RM30,912m respectively as at 31 May 2022. After deducting non-current borrowings of RM3,054m and current borrowings of RM3,621m on the other side of the balance sheet, the group was in a net cash position of RM54,204m as at end-FY2022.

a) Why is the company seeking shareholders' approval for renewal of authority for the company to purchase its own shares when the company has suspended payment of cash dividend since 2014, except for the payment of one treasury share for every forty existing ordinary shares held earlier this year? Why does the company not prioritise the payment of cash dividend to shareholders over share buy-back?

b) In view of the current depressing global economic condition, there is no plan to incur new capital expenditure as the Group maintains its current operating capacity" (page 12 of Annual Report 2022). Furthermore, given the strong net cash position relative to the group's annual revenue for the past 5 years which fluctuated between RM16,182m and RM57,499m, why is the group still seeking shareholders' approval for authority to issue and allot shares pursuant to Section 76 of the Companies Act, 2016.

c) Does the company intend to resume dividend payments in the foreseeable future?

##### Hong Leong Bank Berhad (AGM)

HLB is committed to ceasing the financing of any greenfield coal-fired power plants and financing of coal-fired power plants effective 1 July 2026. The commitment includes purchasing bonds/sukuk to finance any greenfield coal-fired power plants (page 108 of AR2022).

a) What is the size of HLB's existing obligations to finance coal-fired power plants in domestic and foreign markets?

b) In FY2022, 20% of HLB's business loan and financing portfolios were internally classified as high environmental & social (E&S) risk, representing a 2% increase compared to 18% in FY2021 (page 75, Sustainability Report 2022).

Why is there an increase in HLB's financing exposure to high E&S sectors? What is the targeted limit of the Bank's financing exposure to these E&S sensitive sectors?

c) Has the Bank observed any evident increase in the credit risk of these high E&S risk loans ever since the Bank incorporated the ESG Policy and Assessment Framework in its credit policy with effect from January 2021?

##### Ancom Logistics Berhad (AGM)

The Heads of Agreement was supplemented by the Supplemental HOA1 with S7 Holdings Sdn Bhd, Merrition Assets Limited, MY E.S. Capital Sdn Bhd, and Avocat Sdn Bhd relating to the acquisition of new business and disposal of the existing core business of the Company to Mylex (Malaysia) Berhad as part of the group restructuring had expired and lapsed on 15 April 2022.

a) Has the company received the refundable deposit of RM10m from S7 Holdings Sdn Bhd?

b) At the 54th AGM of the company, it was clarified that the RM10m was funded by repayment of RM2.5m by Ancom Berhad plus a further advance by Ancom Berhad to ANCOMLB of RM7.5m. Was the amount owing to the holding company an interest-bearing advance? If yes, what was the interest rate?

##### Ancom Nylax Berhad (AGM)

The company has not paid any cash dividend since the last cash dividend paid on 23 January 2015. When a question about the possibility of dividend payment was raised at the 52nd AGM last year, the company replied that the group saw the opportunities to strengthen its financial performance, going forward, the group would maintain its focus on cost reduction and conserve cash flow for capital investments for future business growth in the next 2 years. Why did the company spend RM15,898m in net purchase of treasury shares of the company in FY2022 and why is the company seeking shareholders' approval for the proposed renewal of authority for share buy-back mandate at this AGM when if the group's net gearing ratio jumped from 0.56x as at 31 May 2021 to 0.75x as at 31 May 2022, if no cash dividend has been declared since the previous payment on 23 January 2015, and till the group would maintain its focus on conserving cash flow for capital investments for future business growth?

##### ES Ceramics Technology Bhd (AGM)

The cost incurred in maintaining the outsourced internal audit function for the financial year ended 31 May 2022 is RM18,590. (Page 37 of AR 2022).

MSWG had commented on the rather small internal audit costs for the last two financial years. Given that the fee is rather small (approximately RM1,500 per month), how does the audit committee assure itself that there would be adequate coverage and an effective audit function?

How many audit reports were issued during the financial year? What were the areas of audit coverage during the year?