

# 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 21 - 25 JUNE 2021

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 21 - 25 June 2021.

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
<b>DRB-Hicom Bhd (AGM)</b>	The Group's profit before tax ("PBT") came in at RM540.1 million, with significant contributions from the disposal of property assets (page 103 of AR2020). The disposal – first announced in 2018 as part of the re-structuring of DRB-HICOM's property businesses – saw the Group recognise a gain of RM862.6 million (page 99 of Annual Report 2020 ("AR2020")). Excluding the one-off gain of RM862.6 million, the Group would have incurred an operating loss for financial year ended 31 December 2020. Will the Group be able to remain profitable (without one-off gains), going forward?
<b>LFE Corporation Bhd (AGM)</b>	The ageing analysis of the Group's trade receivables and contract assets – accrued billings shows all categories of past due but not impaired trade receivables and contract assets. The category of more than 1 year past due but not individually impaired increased by 202.6% to RM11.5 million in FY2020 (FY2019: RM3.8 million (Note 22, page 93 of AR 2020)). (a) How much of overdue trade receivables and contract assets of RM11.5 million is related to the Group's major customers? (b) Why weren't any impairments made for these trade receivables and contract assets as they have been long outstanding for more than 1 year? (c) Are there any allowances for impairment losses expected for FY2021?
<b>Media Prima Bhd (AGM)</b>	REV Media recorded a profit after tax ("PAT") of RM10.8 million in FY2020 from RM1.7 million a year ago. Full year revenue for this segment increased by 21% to RM90.1 million from RM74.4 million in FY2019. (Page 15 of Annual Report – AR) (a) What competitive advantages does Rev Media have over its peers? (b) What were the main reasons for Rev Media to record higher double-digit revenue growth rate and significantly higher profit? Is the good performance sustainable in FY2021?
<b>Aeon Credit Service (M) Bhd (AGM)</b>	AEONCR had provided RM151.57 million allowance (FY2020: RM103.95 million) for impairment loss on financing receivables in FY2021. What is the breakdown of the provision made in terms of pre-emptive provision for vulnerable borrowers impacted by COVID-19 pandemic and macroeconomic forecast? Is there a need for AEONCR to increase the size of provision in FY2022?
<b>FGV Holdings Bhd (AGM)</b>	In September 2020, the US Customs and Border Protection ("CBP") issued a Withhold Release Order ("WRO") on palm oil and palm oil products made by FGV, its subsidiaries and joint ventures based on information that reasonably indicates the use of forced labour (page 123 of Annual Report 2020 ("AR2020")). (a) What is the estimated cost and financial impact to the Group in relation to the WRO issued by the US CBP? (b) Based on Bursa announcement dated 31 March 2021, FGV is committed to resolving the matter with the US CBP and will revisit the appointment of an independent firm in June 2021 for a comprehensive external audit on FGV's labour practices, as suggested by the US CBP. Please provide an update in relation to the WRO.
<b>Wang-Zheng Bhd (AGM)</b>	The Company's revenue declined by 11% to RM242.6 million from RM273.5 million a year earlier while net profit reduced nearly by half to RM5.95 million from RM11.3 million from the previous year for financial year ended December 31, 2020. The decline was mainly attributable to the spread of the Covid-19 pandemic. (Page 27 of AR 2020) What are the steps being taken by the Company to mitigate the decline in revenue and profitability for FYE 2021 due to the pandemic? What is the targeted revenue and net profit for FYE 2021?
<b>Boustead Holdings Bhd (AGM)</b>	1. The Company's allowance for expected credit loss on amount due from subsidiaries increased to RM116.6 million in FY2020 (FY2019: RM70.1 million) (Note 23, page 206 of AR 2020) (a) Please name the subsidiary with the allowance for credit loss. (b) What were the reasons for the high allowance for credit loss in FY2020? Is there any potential for the allowance of credit loss to be reversed in the future? 2. The ageing analysis of the Group's trade receivables shows all categories of past due trade receivables. The category of more than 120 days past due increased to RM184.2 million in FY2020 (FY2019: RM132.4 million) (Note 23, page 205 of AR 2020). (a) How much of these overdue trade receivables of RM184.2 million have been recovered to-date? (b) What percentage of these overdue trade receivables of RM184.2 million are expected to be non-recoverable? (c) What actions have been taken to collect the overdue amounts?
<b>Adventia Bhd (AGM)</b>	Based on the Corporate Governance (CG) report of the Company on application of the Practices under the Malaysian Code on Corporate Governance (MCCG), the board will not seek annual shareholders' approval through a two-tier voting process for Directors intending to seek office beyond the 12 year term. Adventia does not adopt a two-tier voting process in the upcoming AGM to seek annual shareholders' approval for the retention of two long-serving independent directors namely Mr. Toh Seng Thong and Mr. Edmond Cheah Swee Leng, who have served the Board since 10 May 2004 and 27 September 2004, respectively. Why has the Company not applied the practice of two-tier voting as advocated by the MCCG? Does the Company intend to apply two-tier voting in the future? If so, by when? The total internal audit fee incurred by the Company for FYE 2020 was RM15,000 or around RM1,250 per month. (Page 26 of AR 2020) a) Given that the fee is rather small, how does the Audit Committee assure itself that there would be adequate coverage and an effective audit function? b) What were the areas covered by the internal audit during FYE 2020? c) How many internal audit reports were issued during FYE 2020?