

## MINORITY SHAREHOLDERS WATCH GROUP

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

New Straits Times, Business Times – Tuesday, 21 July 2020

### MSWG AGM/EGM WEEKLY WATCH (22 JULY 2020)

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

The summary of points of interest is highlighted here, while the details of the questions to the companies can be obtained via MSWG's website at [www.mswg.org.my](http://www.mswg.org.my).

#### The AGMs/EGMs for the week:

Date & Time	Company	Venue
22.07.20 (Wed) 09.30 am	Boustead Holdings Bhd (AGM)	Broadcast Venue at Mutiara 5, Ground Floor, Royale Chulan Damansara, Mutiara Damansara
22.07.20 (Wed) 10.00 am	DRB-Hicom Bhd (AGM)	Broadcast Venue at Boardroom, Level 6, Wisma DRB-Hicom, Shah Alam
22.07.20 (Wed) 11.00 am	SWS Capital Bhd (AGM)	3rd Floor, Plot 243A, Bukit Minyak Industrial Park, Seberang Prai Tengah, Perang
22.07.20 (Wed) 11.00 am	Wong Engineering Corporation Bhd (AGM)	Auditorium Room, Level 1, Lot 294, Jin Bukit Belimbing, Lion Industrial Park, Shah Alam
22.07.20 (Wed) 12.00 pm	Wong Engineering Corporation Bhd (EGM)	Auditorium Room, Level 1, Lot 294, Jin Bukit Belimbing, Lion Industrial Park, Shah Alam

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

Company

#### Points/Issues to Be Raised

<b>Boustead Holdings Bhd (AGM)</b>	<p>The Group recorded a loss after taxation ("LAT") of RM116.7 million (2018: LAT of RM108.3 million) and its gearing ratio had increased significantly to 2.6 times (2018: 1.18 times) (page 4 of Annual Report 2019 ("AR2019")).</p> <p>a) The Group has declining revenue for the past 4 years since 2016 and increasing LAT for the past 2 years since 2018. How does the Group plan to address the dismal annual performance?</p> <p>b) The Group's gearing ratio has more than doubled since 2018. What is the Group's optimum gearing ratio? How does the Group intend to achieve its optimum gearing ratio?</p> <p>c) How will the Group prepare itself to meet its debt obligations, especially the settlement of payables, loans and borrowings repayments, on a timely manner?</p>
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**DRB-Hicom Bhd (AGM)**

Resolution 4 - To approve the payment of Directors' fees up to an aggregate amount of RM2,220,000.00 to the Non-Executive Directors from 23 July 2020 until the conclusion of the next Annual General Meeting.

The Group has explained that the rationale for the revision to the Group's Directors' Remuneration Framework is for the Group to formulate Directors' compensation which is comparable with its regional peers, given that it has not been revised since 2012 (page 65 of ARI). Nevertheless, MSWG is of the view that the proposed revised fees for the Board's Chairman and Members of 100% and above from the existing fees are high considering the current pandemic environment where pay-cuts and lay-offs are widespread.

a) Is it reasonable to increase the fees for the Board's Chairman and Members by such a significant amount in such dire times?

b) Will not such significant increase in Directors' fees affect the Group's performance adversely, going forward? (Note: the Group's net loss for the financial period from continuing operations was RM137.0 million (FY2019); Net loss from continuing operations of RM26.8 million) (FY2019). Net loss from continuing operations of RM26.8 million)

c) Given such a challenging economic condition, does the Group have any cost optimisation plans such as staff-related cost cutting measures to be carried out during the financial year ending 2020 e.g. salary reduction, lay-offs?

**SWS Capital Bhd (AGM)**

1. The Group has recorded loss after Tax for two consecutive years; the losses escalated to RM 10,699 mil for the 16-months period ended 31 December 2019 (FY2018: RM0.923mil) (a) (Page15 of AR2019)

a) What are the group's strategies to turnaround the Company especially in relation to sales & marketing, cost control and manufacturing efficiency?

b) When is the Group expected to return to breakeven?

2. A prepayment of RM823,628 is being written off in the 16-month financial period ended 31 December 2020. (Page 127 of the Annual Report).

What is nature of the prepayment that is being written off?

**Wong Engineering Corporation Bhd**

We note on Page 14 of the Annual Report (Chairman's Statement) that the Manufacturing division had invested RM3.7 million during the financial year and a further RM 1.7 million of capital acquisition has been contracted for. These capital investments are focused on enhancing its capacity and capabilities through newer and more efficient machines as well as upgrades to its manufacturing plant and facility as the Group ventures into new market and expand into higher value-added activities in the supply chain.

a) What is the current capacity and the enhanced capacity and when will the enhanced capacity be expected to be onstream?

b) Please brief shareholders on the progress or achievements of the Group's ventures into new markets as well as expansion into higher value-added activities in the supply chain.