

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

New Straits Times, Business Times – 28 May 2024 Part 4

MSWG AGM/EGM WEEKLY WATCH

27 - 31 MAY 2024

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 27 - 31 May 2024.

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																
Malaysia Smelting Corporation Berhad (AGM)	<p>Total energy consumption has increased over the years, but renewable energy consumption has declined significantly. (page 36 of AR 2023)</p> <table border="1"> <thead> <tr> <th></th> <th>FY2021</th> <th>FY2022</th> <th>FY2023</th> </tr> </thead> <tbody> <tr> <td colspan="4">Energy Consumption (million kWh)</td> </tr> <tr> <td>Total energy consumption</td> <td>34.0</td> <td>43.3</td> <td>43.5</td> </tr> <tr> <td>Renewable energy consumption</td> <td>4.5</td> <td>1.3</td> <td>0.3</td> </tr> </tbody> </table> <p>Why did the Group discontinue its hydro power generation at its mining site in FY2023? What are the management's targets in terms of renewable energy consumption over the next three years or longer term?</p>		FY2021	FY2022	FY2023	Energy Consumption (million kWh)				Total energy consumption	34.0	43.3	43.5	Renewable energy consumption	4.5	1.3	0.3
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Tong Herr Resources Berhad (AGM)	<p>1. The Company departed from applying Practice 7.1 and 7.2 of the Malaysian Code on Corporate Governance (MCCG) as it does not have:</p> <ul style="list-style-type: none"> - Remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. - A remuneration Committee (RC) to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management. <p>Given the absence of an RC and remuneration policy, the Board will decide on the executive and non-executive directors' remuneration packages. The involved directors do not participate in the decision-making process of their remuneration packages.</p> <p>a) Why did Tong Herr not establish an RC to deliberate matters on directors' and senior management remuneration in a focused and targeted manner? What challenges hinder Tong Herr from establishing an RC and remuneration policy? When will the Group establish an RC and a formal remuneration policy?</p> <p>b) MCCG encourages an RC to consist of NEDs, and a majority of them must be independent directors.</p> <p>While the involved director will abstain from deliberation on their remuneration at the board level, how does the Board ensure the discussion remains impartial and objective, as the Board is predominantly led by non-independent directors (six out of nine directors), with five of them having ties of kinship?</p> <p>c) The current board composition of three out of nine directors is independent, which means Tong Herr departed from Practice 5.2 of MCCG that at least half of the board comprises independent directors.</p> <p>Therefore, the need for a majority of independent directors becomes even more imperative to prevent deliberations and decision-making from being dominated by a select group of individuals, such as family members.</p> <p>We urge the Company to apply Practice 5.2 of MCCG to foster greater objectivity and corporate governance in the boardroom.</p>																
Telekom Malaysia Berhad (AGM)	<p>As part of the effort to reduce carbon emissions of its operations, Telekom intensified efforts towards energy efficiency including network modernisation. (Page 41 of IAR 2023)</p> <p>a) What is the anticipated total capex required for the modernisation of the networks?</p> <p>b) What percentage of the networks has been modernised to date?</p> <p>c) How substantial is the enhancement in energy efficiency within the network subsequent to modernisation?</p>																
Axiata Group Berhad (AGM)	<p>Practice 5.9 of the of Malaysian Code on Corporate Governance (MCCG) stipulates that the Board comprises at least 30% women directors.</p> <p>As at 31 December 2022, the women Directors on Axiata Board comprised Dato Dr Nik Ramlah Nik Mahmood and Khoo Gaik Bee, which provided a women representation rate of 22% in a Board size of nine. (Page 39 of Corporate Governance Report 2022 "CG Report 2022")</p> <p>As at 31 December 2023, the women Directors on Axiata Board comprised Dato Dr Nik Ramlah Nik Mahmood, Khoo Gaik Bee and Maya Hari which provided a women representation rate of 27.27% in a Board size of eleven. (Page 40 of Corporate Governance Report 2023 "CG Report 2023")</p> <p>a) The Company has an additional female director on the Board as of 31 December 2023. What benefits has the Board experienced from increased gender diversity among its members? How has the Board's performance been impacted by these benefits?</p> <p>b) The Company has provided a similar timeframe in the CG Report 2022 and the CG Report 2023 regarding the appointment of additional female director: By 2025 or as soon as possible with the identification of suitable candidates that possess the necessary qualification and experience that meet the requirements set for a position on the Board.</p> <p>What challenges does the Company face in appointing a female director? How does the Company intend to overcome these challenges?</p>																

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Veleso Energy Berhad (AGM)	<p>Daily Charter Rates ("DCR") should remain or increase as marketed rig supply continues to decline even as demand ramps up. In addition, oil and gas companies are tendering for longer-term drilling contracts, signifying strong confidence in the expected increase of oil and gas consumption going forward. [Page 18 of IAR 2023]</p> <p>a) What were the main reasons for the rig supply to decline? How acute is the mismatch between supply and demand?</p> <p>b) Does the Management foresee the positive outlook to continue from FY 2024 into FY 2025?</p>															
Bumi Armada Berhad (AGM)	<table border="1"> <thead> <tr> <th></th> <th>Group 2023</th> <th>2022</th> </tr> <tr> <th></th> <th>RM'000</th> <th>RM'000</th> </tr> </thead> <tbody> <tr> <td>Administrative expenses</td> <td>(138,792)</td> <td>(84,826)</td> </tr> <tr> <td>[Impairment]/Reversal of impairment</td> <td></td> <td></td> </tr> <tr> <td>- Property, plant and equipment</td> <td>(514,351)</td> <td>-</td> </tr> </tbody> </table> <p>[Page 138 of AR 2023]</p> <p>1. Despite lower Group revenue, why was there such a substantial increase in administrative expenses in FY 2023? Moving forward, would there be a significant optimisation of the expenses?</p> <p>2. What were the reasons for a substantial impairment of RM514.3 million on property, plant and equipment in FY 2023? What is the probability of further impairment or reversal in FY 2024?</p>		Group 2023	2022		RM'000	RM'000	Administrative expenses	(138,792)	(84,826)	[Impairment]/Reversal of impairment			- Property, plant and equipment	(514,351)	-
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