

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 31 MAY - 4 JUNE 2021

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 31 May 2021 – 4 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.

One of the points of interest to be raised:

Company **Points/Issues to Be Raised**

Genting Malaysia Bhd (AGM)

- 1) Practice 4.2 of Malaysian Code on Corporate Governance (MCCG) states that the tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.
- The Company departs from the Practice as there are two independent directors with tenure exceeding nine years where no resolutions were proposed to seek shareholders' approval to retain them as independent directors beyond nine years.
- Further, in respect of two other independent directors with tenure exceeding 12 years proposed for re-election, there was no mention of seeking shareholders' approval through a two-tier voting process. Why does the Group not apply the Practices in the MCCG? Is there any plan to apply these practices?

BIMB Holdings Bhd (AGM)

- 1) The auditors' remuneration for FY2020 for non-audit fee related matters increased by 210% to RM1.84 million from RM592,000 in previous year.
- What was the reason for the substantial increase in non-audit fee? What were the non-audit services provided by the auditors? Does the Bank have a percentage limit for non-audit fees paid to the external auditor compared to the audit fees paid? If so, what is the limit?
- 2) As of 31 December 2020, a total of RM16,000 (2019: RM22,100) was payable to internal audit division (IAD), based on S3 (2019: 107) man-days (BIMB's Corporate Governance Report 2019 and 2020).
- The expenses included the audit works on BIMB and its wholly-owned subsidiaries - Syarikat Al-Ijarah Sdn Bhd and BIMB Securities (Holdings) Sdn Bhd (page 57-58 of BIMB's Corporate Governance Report 2020).
- What was the reason for the lower fee and lower man-days? Does the lower fee and man-days indicate lower coverage in 2020? Is the Board and the Audit Committee satisfied that the fees and man-days expended in 2020 is enough to provide them the necessary assurance?

Malaysia Airport Holdings Bhd (AGM)

The Edge press report dated 10 May 2021 reported that MAHB stands to lose up to RM11.9 billion in future revenue if it loses Subang Airport, the potential financial losses are calculated based on the remainder of the Subang Airport concession until 2069. On 18 May 2021, Focus Malaysia reported despite objections from various quarters, WCT Holdings Bhd's wholly owned unit is still keen to acquire Subang Airport and it has completed a full proposal to be delivered to the Transport Ministry soon.

(a) Is there a possibility of Subang Airport being carved out from the current Operating Agreement with the Government? If so, what will be the loss to MAHB as a result of this carve-out?

(b) What is the latest development on this issue? What actions have been taken by the Company to-date?

Genting Bhd (AGM)

- 1) Practice 4.2 of Malaysian Code on Corporate Governance (MCCG) states that the tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.
- There is an independent director, with tenure exceeding nine years, where no resolution was proposed to seek shareholders' approval to retain him as an independent director beyond nine years.
- The Company departs from the Practice and proposes a timeframe of 9 years to apply the Practice. The timeframe of nine years is unreasonable long and the application of the Practice should be expedited to, say, 3 years or below.
- 2) Practice 4.5 of Malaysian Code on Corporate Governance (MCCG) stipulates that the board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.
- The Company departs from the Practice and proposes a timeframe of 9 years to apply the Practice. The timeframe is unreasonably long and the application of the Practice should be expedited to, say, 3 years or below.

Affin Bank Bhd (the AFFIN Holdings Bhd) (AGM)

Under Affin Bank's Financial Assistance and Instalment Relief (FAIR) programme, the Bank had provided moratoriums, repayment assistances, and granted Rescheduling and Restructuring to RM20.28 billion retail loans in FY2020 (page 64 of Annual Report 2020). Of this, borrowers for RM951.42 million of the loans had missed their payments.

Has the Bank seen improvement in the collection of these missed payments? Is there an increased default risk for these loans? Is there a need for provisions for these loans?