

MINORITY SHAREHOLDERS WATCH GROUP

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

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Authorities working on Covid-19 guidelines

This follows concerns that companies may proceed with their AGM or EGM

PETALING JAYA: Bursa Malaysia said it is working with the other regulators to address the appropriate measures for listed issuers in view of the progression of the Covid-19 outbreak.

Bursa Malaysia told StarBiz that it will soon issue a statement on this matter in due course. This follows concerns that listed companies might still proceed with their AGM and EGM amid the Covid-19 pandemic outbreak.

The Registrar of Companies (RoS) said yesterday AGMs will be banned until June 30, 2020 following a government directive to put off all gatherings and meetings for the moment.

Minority Shareholders Watch Group (MSWG) CEO Devanesan Evanson told StarBiz that the onus is upon the Companies Commission of Malaysia (CCM) for any decision to differ the AGMs or EGMs of listed companies.

"It should be deferred due to the Covid-19 outbreak which is seeing the number of infections spiraling out of control.

"A postponement of AGMs is necessary until there is a greater visibility on the containment of Covid-19," Devanesan said.

"There does not appear to be a provision in the law now for companies to extend the date to hold their AGM, according to Section 340 of the Companies Act 2016. AGMs must be held within six months of the financial year," he added. He said AGMs and EGMs involve big numbers of people with a minimum of 50 and this could grow to very large number for the bigger companies. "The risks here are exponential," he said.

Meanwhile, president and CEO of the Institute of Corporate Directors Malaysia Michele Kythe Lim told StarBiz that the CCM needs to come out with a clear guidelines or provisions to allow the postponement beyond June like the RoS has done.

"We should all take the matter of Covid-19

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Devanesan Evanson

seriously and play our role in mitigating the spread of the disease. In line with this thinking is to heed the advice of the Health Ministry in limiting public gatherings, where different people will come into contact with each other," she said.

"However, as AGMs and EGMs are mandated by law, the regulators need to provide the necessary provisions to allow companies to either postpone the AGMs to a later date or to meet the requirement in a different manner," she added. Lim cited an example in 2019 where Bursa Malaysia Bhd had allowed for remote shareholders' participation in their 42nd AGM.

She said that technology should be leveraged upon in such a time as this noting that there are definitely ways to identify and verify these persons and to facilitate these remote online events. "It makes sense to postpone these large gatherings as the numbers of infected persons are escalating," she said.