



MINORITY SHAREHOLDERS WATCH GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated in Malaysia . Registration No. 200001022382 (524989-M))

The Observer

Minority Shareholders Watch Group is now on LinkedIn. The presence at LinkedIn is to create a better social media presence and engage with our stakeholders more effectively. Do follow MSWG's LinkedIn account at <https://www.linkedin.com/company/mswg-malaysia/> and share your thoughts with us from time to time. Do also follow MSWG's Twitter account at @MSWGMalaysia.

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❖ Continuing disclosure obligations

Continuing disclosure of price-sensitive information is the bedrock of a fair, orderly and transparent stock market. It is the basis of informed investment decision-making. It creates a level playing field so that there is parity of information – that there is no preferential knowledge of such information as this may give rise to undue advantage to the person who possesses the preferential knowledge.

Delays in disclosure of price-sensitive information create a vacuum. And where there is a vacuum of information, rumours tend to abound. And when rumours abound, especially in the media, the stock exchange will ask the PLC to confirm, clarify or deny the rumours. It is a listing requirement for PLCs to make the first move to confirm, clarify or deny and price sensitive speculation or rumours without waiting for the stock exchange to query the PLC about the rumours or speculation. To summarise, timely disclosure of information creates a level playing field and discourages speculation and rumours.

Timely public announcements also discourage or rather mitigates the risk of insider trading as the window for people privy to price-sensitive information is that much narrower. The more open the window, meaning the longer the delay, the greater the opportunity for insider trading to take place.

Insider trading is a serious offence under the capital market law, the Capital Market and Services Act 2007. The Securities Commission has been vigilant in this area. Rampant insider trading results again in an unlevel playing field and investors, both local and foreign, will tend to prefer not to play in such an unlevel playing field. That is why any country that wants greater participation in its stock market will try and ensure that insider trading is discouraged with the appropriate sanctions. Unpunished insider trading serves as a black mark on a stock market.

Regulators must guard jealously the continuing obligation of a PLC to disseminate price-sensitive information in a timely manner.

Sometimes, we come across cases where information is delayed, and disclosures happen days later when there seem to be no valid reasons for such delays. Minority

shareholders must take note of PLCs that have a habit of such delayed disclosures as it is not reflective of a good corporate citizen. It is better to stay away from such habitual recalcitrant PLCs and thankfully they are a handful only.

Listed issuers and their directors are expected to uphold the principles of full and fair disclosure pertinent to material information. Chapter 9 of Bursa Malaysia Listing Requirements spells out the continuing disclosure requirements that PLCs must comply with.

A PLC must immediately disclose any information that is expected to have material effects on making investment decisions, affecting the price, value or market activity of the PLC's securities.

Material information may include information that:

- concerns the assets and liabilities, business, financial condition or prospects of the PLC
- relates to dealings with employees, suppliers, customers and others
- relates to any event affecting the present or potential dilution of the rights or interests of the PLC's securities
- relates to any event materially affecting the size of the public holding of its securities.

PLCs are reminded of the need to make timely disclosures of material information so that shareholders can make informed investment decisions. And minority shareholders are reminded to be aware of the habitual late announcers of price-sensitive information when there appear to be no valid reasons for such delays.

Devanesan Evanson
Chief Executive Officer

MSWG AGM/EGM Weekly Watch 30 January – 3 February 2023

For this week, the following are the AGMs/EGMs of companies 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.

Date & Time	Company	Quick-take
30.01.23 (Mon) 02.00 pm	Genetec Technology Berhad (EGM)	The EGM is to seek shareholders' approval for a waiver of the statutory pre-emptive rights over new ordinary shares in the Company under Section 85 of the Companies Act 2016 in conjunction with Clause 63 of the Constitution.
31.01.23 (Tue) 10.30 am	Chin Teck Plantations Berhad (AGM)	Chin Teck's revenue increased by 42.46% to RM260.3 million in FY2022 (2021: RM182.7 million) thanks to higher average selling prices (ASPs) of FFB, CPO and palm kernel.

		<p>Its net profit jumped by 58% to RM107.5 million, compared to RM68.1 million the year before.</p> <p>For FY2023, Chin Teck expects its financial performance to normalise, in line with declining palm oil prices.</p>
03.02.23 (Fri) 10.30 am	SMTRACK Berhad (EGM)	<p>The EGM is to seek shareholders' approval for the proposed diversification into property-related businesses, oil and gas businesses as well as food and beverage businesses. Separately, the Company is also seeking shareholders' approval for the proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature.</p>

One of the points of interest to be raised:

Company	Points/Issues to Be Raised
Chin Teck Plantations Berhad (AGM)	<p>Tight supply of human resources, particularly of migrant labour is an ongoing challenge faced by the Group, made worse this year by the pandemic and the curtailment of international travel for a significant part of FY2022. Relaxation of border controls will only return migrant labour numbers in the company to pre-pandemic levels in FY2023. (page 15 of AR2022)</p> <p>To-date, to what extent has the Group's labour shortage issue normalised? How far off is the Group from addressing its labour needs?</p>

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DISCLOSURE OF INTERESTS

•With regard to the companies mentioned, MSWG holds a minimum number of shares in all the companies covered in this newsletter.

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