

Deferment of Holding of Annual General Meetings (“AGMs”) and Related Issues Amidst COVID-19 Outbreak

Due to the World Health Organization’s announcement on 11 March 2020, which categorised the COVID-19 outbreak as pandemic and the implementation of the Movement Control Order (“Order”) that is taking effect from 18 March 2020 to 31 March 2020 announced by Malaysia Government on 16 March 2020; Companies Commission Malaysia (“SSM”), Securities Commission Malaysia (“SC”) and Bursa Malaysia Securities Berhad (“the Exchange”), had on 16 March 2020 and 17 March 2020 respectively announced on the followings:

Deferment of AGM

A. Extension of time to hold AGMs for Main Market Listed Corporations and ACE Market Listed Corporation

Section 340 of the Companies Act 2016 (“CA 2016”) required a public company to hold an AGM within 6 months from company’s financial year end and not more than 15 months after its last preceding AGM. Under the said section, a company may also apply to the SSM to extend the period to hold the AGM (“AGM EOT Application”).

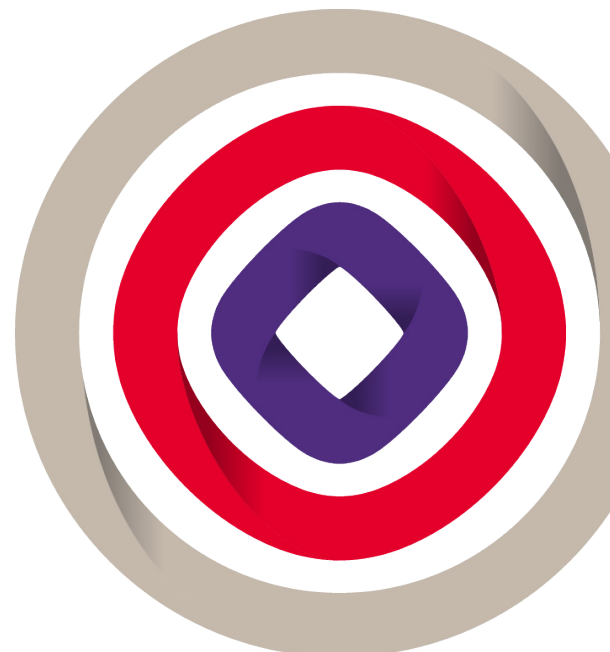
In this regard, SSM has announced that companies may apply an extension of time to extend the period to hold its annual general meeting to a time period longer than six months from its financial year end on the following basis:

- (a) The need to comply with the advisory note of the Ministry of Health;
- (b) Lack of quorum due to the outbreak of Covid-19; or
- (c) The company needs to take appropriate preventive measures as a result of the outbreak of Covid-19.

B. Extension of time to hold AGMs for listed real estate investment trusts (“REITs”)

In relation to listed REITs, paragraph 13.18(a) of the SC’s Guidelines on Listed Real Estate Investment Trusts requires a REIT’s management company to hold an AGM within 4 months of the REIT’s financial year end and not more than 15 months after the holding of the last preceding AGM.

SC has granted management companies of listed REITs with a financial year end of 31 December 2019 an extension of time of 2 months (i.e. till 30 June 2020) to hold the AGMs.





C. Application of Rule 9.22, 9.23 and 9.25 92 of Main Listing Requirements (“Main LR”) and ACE Listing Requirements (“ACE LR”)

During the effective period of the Order and other Government advisories, directives, announcements or guidelines issued in connection with managing COVID-19, the Exchange clarifies and accord the following flexibilities to the listed issuers/corporations:

- (a) In relation to a listed issuer/corporation which has issued its annual report that includes its annual audited financial statements and the auditor’s and directors’ reports (“AR”) together with its notice of annual general meeting (“AGM notice”) before the circular of the Exchange on 17 March 2020, the listed issuer/corporation must issue the AGM notice again if the AGM is adjourned for 30 days or more, in the same manner as in the case of the original AGM.
- (b) In relation to a listed issuer/corporation which has not issued the AGM notice, it may issue the AGM notice separately from the AR. In such situation, the listed issuer/corporation must ensure that the information contained in its AR is made up to a date not earlier than 6 weeks from the date of issuance of the AR instead. The Exchange also clarifies that as long as a listed issuer/corporation announces its AR to the Exchange within 4 months from the close of its financial year via Bursa LINK, it would have complied with the requirement as set out under Rule 9.23 of the Main LR/ACE LR in relation to issuance AR to the Exchange and its shareholders.

- (c) Where the AGM notice or adjourned AGM notice is sent to the shareholders after the issuance of the AR in the circumstances set out in subparagraphs (a) and (b) above, a listed issuer/corporation will not be required to update the prescribed information as set out in the AR in accordance with Rule 9.25(2) of the Main LR/ACE LR.

A listed issuer/corporation may apply to the Exchange for an extension of time if it is unable to submit its quarterly report within the timeline prescribed under Rule 9.22 of the Main LR/ACE LR or its AR within the timeline prescribed under Rule 9.23 of the Main LR/ACE LR. In exercising its discretion, the Exchange will consider the application on the following basis:

- (a) Whether the preparation of the listed issuers’/corporation’s financial statements is affected due to the Order or other measures imposed by the authorities in response to COVID-19 outbreak; or
- (b) Whether the operations of the listed issuers’/corporation are significantly affected by the COVID-19 outbreak.

The Exchange will continue to monitor the situation and will determine if any further measures are required.

The announcement/circulars can be accessed from the links below:

SSM Statement

https://www.ssm.com.my/Documents/FAQ_AGMs_Filing_Doc_during_Movement_Control_Order.pdf

Securities Commission Malaysia’s announcement

<https://www.sc.com.my/resources/media-releases-and-announcements/capital-market-regulators-grant-flexibility-for-listed-issuers-on-agms-and-issuance-of-periodic-reports>

Circular to the Main Market Listed Issuers

https://www.bursamalaysia.com/sites/5bb54be15f36ca0af339077a/content_entry5ce3b50239fba2627b2864be/5e70b50a39fba21f3032b53e/files/MainCircular-Covid19-v2.pdf?1584494155

Circular to the ACE Market Listed Corporations

https://www.bursamalaysia.com/sites/5bb54be15f36ca0af339077a/content_entry5ce3b50239fba2627b2864be/5e70bd8a5b711a2402f6b3e6/files/ACECircular-Covid19-v2.pdf?1584494227

Contact Us

Should you have questions about this publication, please do not hesitate to contact our respective offices.



© 2020 Grant Thornton Malaysia PLT. All rights reserved.
Grant Thornton Malaysia PLT (201906003682 & AF 0737) is a Limited Liability Partnership and is a member firm of Grant Thornton International Ltd (GTIL), a company limited by guarantee, incorporated in England and Wales. Please visit www.granthornton.com.my for more details.