



The Observer

05.05.2023

❖ **Levelling the playing field**

Transparent and timely disclosures by listed companies are critical to facilitating informed investment decisions, enhancing corporate reputations as reliable and trustworthy organizations, promoting market efficiency and fairness, and preventing insider trading.

Paragraphs 9.08 (1) and (2) of the Main Market and Ace Market Listing Requirements oblige listed issuers to release material information to the public in a manner designed to obtain its fullest possible public dissemination.

Listed issuers must ensure that no material information is disclosed individually or selectively to analysts, shareholders, journalists, or other persons unless such information has been fully disclosed and disseminated to the public. If material information is inadvertently disclosed at meetings with analysts, shareholders, journalists, or others, it must be publicly disseminated as promptly as possible.

It is undeniable that institutional investors have certain advantages over retail investors. They are privileged to be invited to factory or site visits and result briefings. They have access to the top level for management updates on company strategies, industry insights, the status of corporate exercises, acquisitions of new customers, launches of new products and et cetera. Collectively, this information is relevant to the future performance of a company.

While such knowledge and information above are not deemed material, the familiarity with the industry and its outlook, business, and management does provide institutional investors with some advantages over the average retail investors.

For instance, during a recent quarterly results briefing conducted during trading hours, mainly for fund managers and analysts, a glove company shared that the average selling price of gloves was returning to its pre-pandemic level. Whether by coincidence or not, the company's trading volume and share price surged during that same trading session, making it the most actively traded stock of the day. The surge was not limited to the glove company, but all of the "Big 4" glove stocks listed with all chalked up significant gains in share prices and were among the top 20 most actively traded stocks of the day.

In a way, the Covid-19 pandemic has led to an increased use of virtual meetings. OM Holdings Limited, the first cross-listing on Bursa Malaysia and the Australia Securities

Exchange, invited all shareholders and interested parties to join its 1H2021 investor presentation update event held virtually on 1 September 2021, soon after it was listed on 22 June 2021.

Mega First Corporation Berhad, is probably the next listed issuer to invite shareholders and interested parties to participate in its 1Q2022 results virtual briefing via a company announcement.

Beginning in 2023, Tune Protect Group Berhad commenced quarterly results briefings for retail investors, with the first session being the 4Q2022 results briefing broadcasted publicly over YouTube on 22 February 2023.

It is commendable that these companies are bridging the gap in information dissemination by providing public access to their results briefings. We hope to see more listed issuers following suit.

Market participation of retail shareholders has a profound impact on the stock market, accounting for 37% and 26% of the total securities value traded in 2021 and 2022 respectively. In light of this, it is imperative for companies to embrace technology advancements to foster fair and equal distribution of information across different market participants.

In conclusion, transparency in disclosing and fair distribution of information to various market participants by listed companies and robust investor relations are essential to attracting domestic and foreign investors. They are among the main components of a thriving stock market.

Ooi Beng Hooi
Manager, Corporate Monitoring

MSWG AGM/EGM Weekly Watch 8 – 12 May 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
10.05.23 (Wed) 10.00 am	Petronas Dagangan Berhad (AGM)	Buoyed by a recovering economy, all core businesses of PetDag performed well in FY2022. For FY2022, its revenue increased by 62% against 2021 to RM36.75 billion. Its Retail-Fuel business recorded its highest sales volume ever, while its other businesses achieved significant y-o-y growth.

		Subsequently, the Group's pre-tax profit surged 53% to RM1.14 billion, and its profit after tax increased by 48% to RM787.8 million, taking into consideration the one-off inclusion of Cukai Makmur.
10.05.23 (Wed) 10.00 am	RHB Bank Berhad (AGM)	RHB Bank achieved a 3.4% increase in net profit to RM2.71 billion for FY2022 while total income grew 6.7% to RM8.31 billion mainly from higher net fund-based income. It posted strong performance in the Retail and SME segments, while the Group Wholesale Business faced a challenging year due to tough market conditions.
10.05.23 (Wed) 04.30 pm	Farm Fresh Berhad (EGM)	The EGM will seek shareholders' approval for the following: - Proposed acquisition of 53% of the enlarged issued The Inside Scoop Sdn Bhd (TISSB) shares after the completion of the proposals, for RM68.4 million, together with the grant of a put option by Farm Fresh Berhad (FFB) in favour of Edmund Tan Jun Hua over the remaining TISSB shares held by him - Proposed subscription by FFB of 12% of the enlarged issued TISSB shares after the completion of the proposals, for RM15.5 million in cash.
11.05.23 (Thur) 10.00 am	Malakoff Corporation Berhad (AGM)	Malakoff ended FY2022 with a 60.2% increase in revenue from RM6.46 billion in 2021 to RM10.36 billion, primarily due to higher energy payments recorded from Tanjung Bin Power Sdn Bhd (TBP) and Tanjung Bin Energy Sdn Bhd (TBE) on the back of the higher applicable coal price. The Group reported a 16.1% y-o-y increase in net profit to RM302.2 million, primarily due to higher contributions from TBP, absence of write-off of Segari Energy Ventures Sdn Bhd's deferred expense, insurance claims and higher contributions from associates and joint ventures.
11.05.23 (Thur) 10.00 am	Petronas Gas Berhad (AGM)	The Group generated a revenue of RM6.16 billion - 9% higher than the revenue reported in 2021, thanks to higher contribution from the Utilities

		<p>segment which benefitted from higher product prices.</p> <p>However, its net profit declined 17% to RM1.76 billion from RM2.11 billion in FY2021 as higher fuel gas and internal gas consumption expenses and unfavourable foreign exchange movement ate into its profit margin.</p>
12.05.23 (Fri) 10.30 am	CAB Cakaran Corporation Berhad (EGM)	The EGM will seek shareholders' approval for the proposed bonus issue of up to 233.96 million free warrants in CAB Cakaran on the basis of 1 Warrant for every 3 existing shares held.

One of the points of interest to be raised:

Company	Points/Issues to Be Raised
Petronas Dagangan Berhad (AGM)	<p>Majority of PETRONAS stations are operated by Rakan Niaga, who are appointed through a stringent selection process and provided with continuous training. RetailFuel Business manages Petronas stations via three categories of dealerships – Company-Owned, Dealer-Operated (CODO); Dealer-Owned, Dealer-Operated (DODO); and the recently launched Company-Owned, Company-Operated (COCO).</p> <p>a) Why was the COCO model not adopted previously?</p> <p>b) What are the advantages of COCO model?</p> <p>c) Does Petronas intend to convert existing stations with CODO model into COCO model?</p>
RHB Bank Berhad (AGM)	<p>A consortium comprising RHB and Boost Holdings (an indirect subsidiary of Axiata Group Berhad) has successfully obtained approval from Bank Negara Malaysia for a digital banking license in April 2022.</p> <p>Subsequently, the parties jointly incorporated Boost Berhad in March 2023 to be the legal entity to carry out the digital banking business. RHB and Boost Holdings hold 40% and 60%, respectively of Boost Berhad.</p> <p>a) It was reported that the digital bank will go live in the second half of 2023 or at the latest by the first quarter of 2024.</p> <p>Is the consortium on track to achieve the timeline? At what stage of progress is the digital bank currently at? Has the digital bank been placed under operational readiness review by BNM?</p> <p>b) What are the parameters agreed upon by both parties regarding the nomination and appointment of directors and senior management positions?</p>

	<p>c) RHB has extensive knowledge of banking services while Boost Holdings boasts strong fintech experience.</p> <p>What are the respective roles and responsibilities of RHB and Boost in the partnership?</p> <p>d) Which segment of the unserved or underserved population is the digital bank targeting to tap into? What type of maiden product (e.g., deposit, lending) does the digital bank plan to offer the public?</p> <p>e) RHB's solid clientele base and broad access to the local population via retail outlets are some of the key strengths of the proposed digital bank compared to other applicants.</p> <p>Can the digital bank legally tap RHB's large customer data/base pool? What are the arrangements when it comes to information and data sharing?</p>
Farm Fresh Berhad (EGM)	<p>"With the support of our Group's capital contribution and distribution network, The Inside Scoop Sdn Bhd ("TISSB") Group is expected to foray into the Consumer Package Goods ("CPG") Ice Cream market by launching its CPG Ice Cream products approximately 1 year from the Completion Date with an aim to capture 5% to 10% market share in the Malaysian CPG Ice Cream market in the medium term, as well as to export the CPG Ice Cream products to neighbouring countries within Southeast Asia." (Page 18 of the circular)</p> <p>a) What is the estimated market size of CPG Ice Cream in Malaysia?</p> <p>b) At which manufacturing facilities will the CPG Ice Cream be manufactured? If it will be at the new factory in Bandar Baru Enstek, will the new factory be ready in time? The acquisition of a plot of freehold industrial land in Bandar Baru Enstek was only completed in January 2023.</p> <p>c) What is the initial production capacity and what is the budgeted capex?</p>
Malakoff Corporation Berhad (AGM)	<p>The Group is eyeing a number of projects and will be part of the Pulau Bunting Integrated gas supply and power plant in Yan, Kedah, which was announced on 1 September 2022. The development will include a combined cycle gas turbine power plant with a capacity of 1,400 MW. (Page 36 of Integrated Report 2022)</p> <p>a) What is Malakoff's effective stake in the proposed project?</p> <p>b) What is the current status of the project?</p> <p>c) Is the progress of the project affected or delayed by the change of the Federal Government following the 14th General Election?</p> <p>d) How will the project be funded?</p>

	e) When is the construction of the project expected to start and complete?
Petronas Gas Berhad (AGM)	<p>Under Regulatory Period 2 or RP2 (2023-2025) for gas transportation and regasification services, new Incentive-based Regulation tariffs have been introduced which are expected to translate into lower revenues for PGB's Gas Transportation and Regasification business segments (page 44 of Integrated Report 2022).</p> <p>a) With the revised tariffs, what is the expected financial impact to PETGAS' profitability for 2023?</p> <p>b) PETGAS's profitability in 2022 was dragged by high fuel costs and unfavourable currency movements. Does P2 take into account factors such as the fuel costs and US Dollar foreign exchange rates as sought by PETGAS?</p>

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•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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