



MINORITY SHAREHOLDER WATCHDOG GROUP
Shareholder Activism and Protection of Minority Interest
BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia • Company No : 524989-M)

FILE NOTE ON THE DIALOGUE WITH THE RETAIL SHAREHOLDERS

1. **Date**

17 April 2008 (Thursday)

2. **Venue**

Conference Room
Bursa Malaysia Berhad
Ground Floor Exchange Square
Bukit Kewangan
KUALA LUMPUR

3. **Time**

11:00 a.m. to 12:30 p.m.

4. **No. of Participants**

95 participants

5. **Objective of the Dialogue**

- To obtain feedbacks from the retail shareholders to enable MSWG to design and develop its range of products & services which are aimed at informing and educating as well as broadening the prospective and the knowledge of investing in PLCs by retail shareholders to become better investors.
- The findings will also be able to guide MSWG to enhance its basic role to improve the credibility of the capital market for all stakeholders.

6. Points Raised at the Dialogue

- (i) **MSWG to consider an integrated approach with the regulations particularly in areas of enforcement to be more effective in monitoring errant PLCs**

MSWG's response:

- MSWG is a watchdog not a bloodhound
- MSWG works closely with regulators and have regular meetings with them to bring to their attention various issues of concerns raised by minority shareholders
- MSWG also brings up issues of concern affecting specific PLCs through direct written correspondence to the regulators for them to look into the matter and take appropriate action
- CEO of MSWG also commented that the enforcement actions taken by the regulators against company directors and PLCs have improved over the years with regards to the timeliness of the action

- (ii) **MSWG to further improve the quality of its survey reports. In particular, the analysis on the subject matter should enable identification of the critical triggering factors to better educate the investing public**

MSWG's response:

- MSWG is committed to continuously improve the quality of its publications and welcomes the feedback from the investing public to further improve publications
- MSWG pointed out however, the surveys conducted are based on publicly available information such as annual report, announcements, press releases etc and as such the degree of analysis is only based on what is being disclosed. Whether what is disclosed is actually practiced by the respective PLCs cannot be ascertained.
- With regards to analysis on company's prospects and performance, particularly the small to mid-cap stocks, investors are advised to also utilise the research reports produced under the Bursa CBRIS scheme

(iii) **MSWG to help minority shareholders to raise their concerns directly to the regulators**

MSWG's response:

- This is currently being practiced by MSWG where if we are of the view that the issues warrants regulators' attention or intervention, the matter will be brought up to the regulators
- MSWG advised shareholders to approach MSWG early in relation to the issues to be raised/ their concerns so that any action to be taken will be more timely and effective

(iv) **MSWG to look into the performance of IPOs where the share prices are trading below the IPO price after one year of being listed**

MSWG's response:

- MSWG informed that there are various factors which may affect the share prices, which includes market sentiments and uncertainty in the local environment
- The regulatory regime has also moved from being merit-based to DBR, thus PLCs now are expected to be more transparent in their reporting and the market reacts to the level and type of information disclosed

(v) **MSWG to look into educating the younger generation to have a better perspective of the capital market in general and to collaborate with the regulators on such activities**

MSWG's response:

- MSWG is aware of its role to educate the younger generation, particularly to create awareness of good corporate governance and shareholder activism
- As part of its Investor Education activities, MSWG is also planning to conduct talks/ briefings to students in the higher institutions of learning to educate them on corporate governance, shareholder activism and the capital market in general

(vi) **MSWG to look into the recent trends where big companies in the local stock market are being taken private**

MSWG's response:

- A recent meeting was held between Bursa Malaysia and MSWG recently to discuss on similar matter, but more specifically on takeovers whereby minority shareholders have complained that the general offers were made at prices below the NTA of the company
- Bursa and MSWG will work together to see how this issue can be addressed taking into consideration the interest of minority shareholders

(vii) **MSWG to look into incidences involving warrants, particularly the lack of direction given by the Board of PLCs as to the plans for the warrants where the expiry dates are approaching soon. An early notification to the warrant holders on the plans for the warrants would greatly help them decide what action to take with respect to their warrants.**

MSWG's response:

- MSWG to study this matter and will raise the issue with the relevant authorities, where relevant
- MSWG to look into the feasibility to conduct a study/survey on warrants

(viii) **Other Matters**

- MSWG to update its website on a weekly basis to ensure information is current and not out-dated
- The general public and retail shareholders are encouraged to join MSWG's Subscriber Services to enjoy the benefits

Dated : 23 April 2008