

## MINORITY SHAREHOLDER WATCHDOG GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated in Malaysia – Company No. 524989-M)

The Star – StarBiz – 22 November, 2012 ( C )

# Biz

**Corporate governance is a journey and the destination is always moving**

MSWG CHIEF EXECUTIVE RITA BENYO BUSHON >7



MARKET MOVEMENTS	
FBM KLCI	1,622.97 -1.23
Nikkei-225	9,222.52 +79.88
Hang Seng	21,524.36 +296.08
Dow Jones (20/11)	12,788.51 -7.45
FTSE 100 (20/11)	5,748.10 +10.44

DAILY TOP ACTIVE		
BURSA MALAYSIA		
Counter	Close	Vol('00)
Kbunai	0.155	1235497
KNM-WA	0.115	672256
KNM	0.50	378966
YTL Land-LA	0.435	297010
Tiger-WA	0.175	195248
Tiger	0.33	188743

# Critical investment factor

## Aberdeen: Corporate governance 'extremely important'

**KUALA LUMPUR:** Corporate governance is an 'extremely important' criteria when evaluating potential companies to invest in or current investment portfolios, said Aberdeen Asset Management Asia Ltd's head of corporate governance David Smith.

"It's really about the quality of (any company's) management, quality in terms of the way they are going to treat minority shareholders who has invested in their company.

"The first question which is fundamental is whether we are going to trust the company's management and whether we think they are going to be acting in our interest as minority shareholders," Smith said.

"If we don't pass this hurdle then we just don't invest. So really it's not adjunct to a (investment) process but it is the very core part of it," Smith added.

Speaking to journalists at the sidelines of the Minority Shareholders

Watchdog Group's (MSWG's) seminar titled *Asean Corporate Governance Scorecard*, Smith said that this meant that potential or current investments were really evaluated by the integrity a company's management including their major shareholders.

"Ultimately we are investing with management but we are co-investing with substantial shareholders, so it's how much we trust them and whether we're going to trust the management.

"We look at both parties as well - if they have been unkind to minorities in the past there is a high chance that they will be that way in the future," he said.

Smith said that Malaysia's market has come quite far in terms of corporate governance particularly in the past three years due mainly to the Securities Commission as a regulator which has "played a very strong role" on this matter.

He also said that he had noticed

that many of the medium sized to large sized companies around the world have today begun to show greater understanding of what corporate governance is and really means.

"They are having more informed dialogues with their shareholders about what are going to do. It's not just about the rules and regulations but it's about the companies as well that are starting to evolve. Is the world there yet? no not in any market," he added.

Meanwhile MSWG's chief executive Rita Benyo Bushon said that she was comfortable with the level of corporate governance in Malaysia which has improved and evolved over the years.

"However, there are so many more things that can be done and can be improved further as corporate governance is a journey and the destination is always moving," she added.



**Smith:** 'The first question which is fundamental is whether we are going to trust the company's management.'