

MINORITY SHAREHOLDER WATCHDOG GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

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

The Malaysian Reserve – Wednesday, 2 March, 2011 (C)

CMP2 to be launched by IH 2011

The goal of CMP2 is to frame Malaysia's strategies for the development of capital market

THE second Capital Market Masterplan (CMP2), which gives further protection to investors, is still being deliberated by the relevant stakeholders and will be launched by the first half of this year.

Securities Commission (SC) chairman Tan Sri Zarinah Anwar said yesterday the CMP2 would be unveiled at the same time as the five-year Corporate Governance Blueprint, which is currently in the final stages of development.

She said work on the Corporate Governance Blueprint and the CMP2 is intended to articulate Malaysia's strategies and agenda for the development

and regulation of the capital market over the next decade.

"We have to undertake consultation and review recommendations. It is a ten-year plan and you cannot push it. You need to get feedback from the relevant stakeholders."

"It has to also be a good and robust plan and is therefore taking a little bit of time," she said when asked about the delay in the CMP2, which was supposed to have been launched this month.

Zarinah told reporters this on the sidelines of the International Corporate Governance Network 2011 Mid-Year Conference yesterday.

Earlier, in her keynote address, she said that over the next decade, the expansion of the capital market needs to be undetermined by an enabling regulatory environment that facilitates intermediaries to meet the varied and sophisticated needs



Bloomberg

According to Zarinah, Malaysia's equity market capitalisation is the third largest in Asia, standing at 165% of GDP

of businesses and investors.

At the same time, it can provide strong oversight, to assure investors that investment activities are conducted in their best interest.

Meanwhile, the Corporate Governance Blueprint, can be

seen as a means to empower market participants to take on the accountability challenge themselves.

"We are also focusing on enhancing the standards of board governance, reviewing ways to further improve shareholders

access, considering mandating poll voting in certain corporate transactions and are committed to addressing the issue of diversity on boards of public listed companies," Zarinah highlighted.

She said over the last decade, Malaysia's capital market had made tremendous strides, with its size expanding from RM717 billion to RM2 trillion, a compounded growth rate of 11% per annum.

She said at present, Malaysia's equity market capitalisation stood at 165% of gross domestic product (GDP) with the bond market at 97% of it.

Zarinah said it was the third largest bond market in Asia and had the largest domestic unit trust industry in Asean, having over the years developed one of the largest and certainly, the most comprehensive Islamic capital market in the world. — *Berrama*