

MINORITY SHAREHOLDERS WATCH GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia – Registration No.: 200001022382 (524989-M))

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TIME EXTENSION

MSWG: Avoid regulatory intervention in warrant conversion

KUALA LUMPUR: Regulators should not extend the time for warrant conversion because investors should have been well aware of the terms, including the expiry date, when they purchased the warrants.

Minority Shareholder Watchdog Group (MSWG) chief executive officer Devanesan Evanson said in purchasing the warrants, shareholders have agreed

to the terms.

“The existing time frame should be maintained. There is no basis for regulators to intervene to disrupt the price discovery mechanisms in the market,” he told the *New Straits Times*.

According to Bursa Malaysia, company warrants give the holders the right but not the obligation to subscribe to new ordinary shares at a specified price during

a specified period.

Warrants have a maturity date of up to 10 years, after which they are deemed worthless.

Warrant holders have voiced concerns that business operations of many companies that were halted due to the Movement Control Order (MCO) have impacted earnings and share prices.

The decrease in the mother

share prices have affected warrants, especially those that are expiring this year.

Shareholders have been asking regulators for extension of time for conversion of warrants that have been drastically affected by the MCO.

Evanson said warrants derive their value from the mother share and since there is no intervention in the price of the mother share,

there should not be any regulatory intervention when it comes to warrants.

“When purchasing the mother share, the investor takes on the market risk. Likewise, when purchasing a warrant, there is also market risk. We cannot have regulatory intervention for the warrants when there is no intervention in the mother share, as that would be inequitable,” he added.