

MINORITY SHAREHOLDERS WATCH GROUP

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

Focus Malaysia – Tuesday, June 23rd 2020 **(A)** – Part 1

Minority shareholders need to step up, says watchdog

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MINORITY shareholders need to be more proactive in ensuring listed companies continue to deliver value as Malaysia enters the Covid-19 recovery phase, said an industry watchdog.

Rather than selling off the shares and throwing in the towel, they should voice their concerns and push for positive change, Minority Shareholders Watch Group (MSWG) CEO Devanesan Evanson said in a June 22 statement.

“Shareholders, as a united force, will have the numbers to urge the relevant authorities to do more,” Devanesan said.

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A good example, he said, was the recent call by British American Tobacco (M) Bhd to its shareholders to be vocal in combating illicit cigarette trade. The rampant illegal trade had been affecting legitimate tobacco companies for years and consequently eroding shareholders' value.

“With seven out of 10 cigarettes sold in Malaysia being illegal, revenue and profit of local tobacco companies, including BAT Malaysia, continue to suffer.

“Their misfortunes were further exacerbated by the unregulated vaping market. As a result, staff were laid off and shareholders see the value of their investment shrink; BAT Malaysia's share price has been battered down from RM70 during its heydays to RM10-RM11 currently,” he said.

Devanesan said that apart from tobacco firms, companies in the sectors involving consumer goods, food and beverage, pharmaceutical products and breweries were also affected by illicit products and counterfeit products.

“The flourishing underground economy results in a loss of tax revenue to the government, while consumers put their health at greater risk by consuming these cheaper contraband or counterfeit products,” he added.

As an industry watchdog protecting the interests of minority shareholders, Devanesan said, MSWG actively promotes good governance among listed companies while advocating the rights of legal businesses to operate on a level-playing field.

“We hope the collective efforts of shareholders, companies and the government will eventually trickle down to better shareholders' value over time,” he added. - June 23, 2020