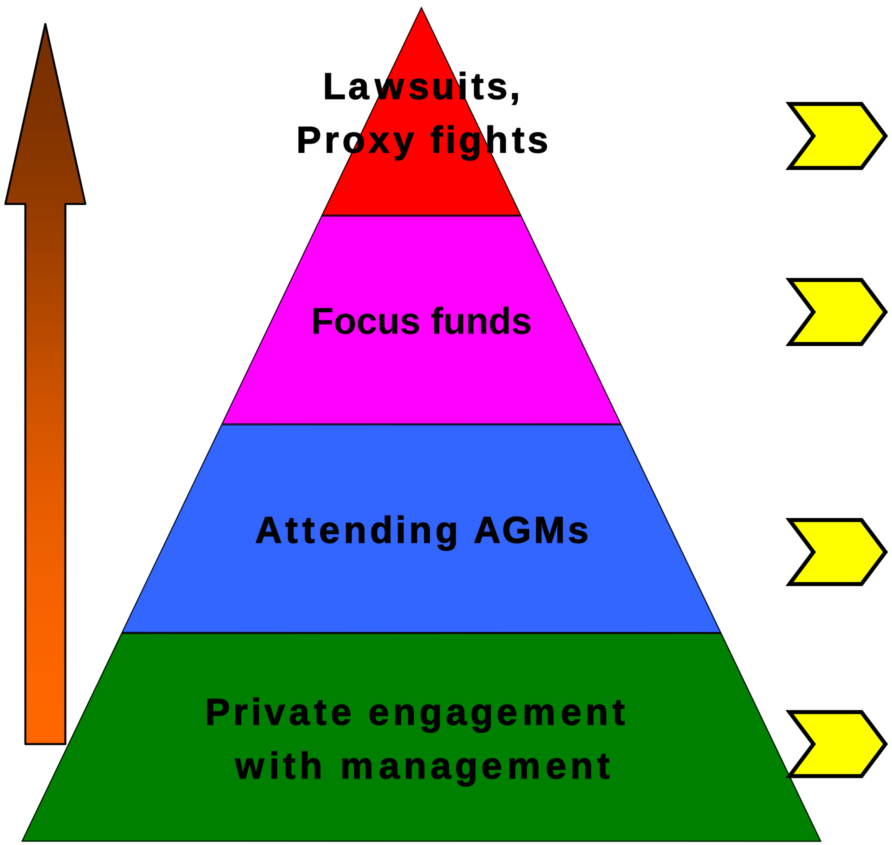
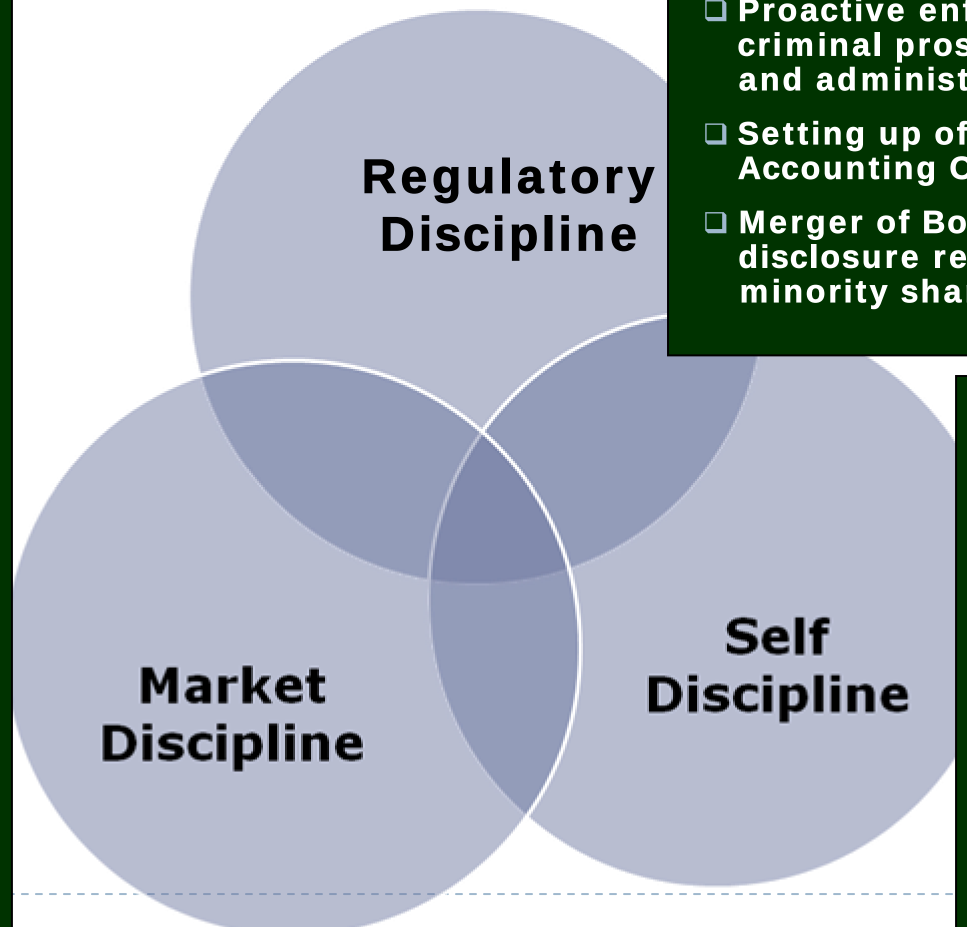
1. State of shareholder activism in Asia



Year 2000	Year 2009
A handful of outspoken activists	Not common and still very limited
Generally no focus funds existed	A few foucus funds established and practice proxy voting. Eg. Korea Corporate Governance Fund, Japan Corporate Governance Fund
Only small number of retail shareholders attending AGMs. Shareholder groups at nascent stage.	Shareholder groups more active. Retail shareholders actively participating on the rise.
Only a few institutional funds or private equity funds engage actively with management	Rising proactive private engagement by institutional investors

2. Three Catalysts for Sound Governance

- Disclosure based regime. Onus on investors to make decisions
- Higher transparency required
- More informed and savvy market players
- Increased level of shareholder activism
- Other market players to play their roles effectively – MSWG, media, auditors, fund managers, inst and retail investors and Independent advisers
- Companies often need external pressure before acting



- Enhanced surveillance
- Proactive enforcement through criminal prosecution, civil action and administrative sanctions
- Setting up of Public Company Accounting Oversight Board
- Merger of Boards and enhanced disclosure requirements for minority shareholders' protection

- BOD -1st line Gatekeeper
- Oversight Role
- Board balance
- Transparent
- Audit Committee members to be financially literate
- Need for substance over form
- Auditors to play their role effectively

3. Raising the Level of Shareholder Activism

Various stakeholders need to be vigilant

Watchdogs & Gatekeepers

- Institutional Shareholders
- Retail Shareholders

Creditor	Professionals	Investors
Boards	Auditors	MSWG
	Media	

Other Efforts

- Civil action
  - Market manipulation & insider trading
  - Enhanced prospectus disclosure obligations on directors, officers and advisers
- Enhancement of audit quality and independence
- Formation of Public Company Accounting Oversight Board

Shifting the paradigm…

- Shareholder-driven moves can unlock shareholders value
- Active shareholders influence the company’s behaviour
- Alleviate boardroom complacency and bring about positive changes towards enhancing shareholders value in a more timely manner

4. MSWG's Initiatives

- Enhanced monitoring services
  - Attending AGMs
  - Producing AGM reports
- Investor awareness programmes
- Dialogues and forums with both retail and institutional investors
- Enhanced website for more interactive communication
- MSWG Policy Statement On Corporate Governance and Shareholder Voting Guidelines
- MSWG pool of independent directors
- Malaysian Corporate Governance Index 2009

MSWG Products & Services

Main products & services:

- Subscriber Services for both retail and corporate, which include:
  - Letters to the Board of PLCs on points to be raised at the AGM
  - Interactive website
  - *MSWG-Tracker* which include corporate actions, directors links, related party transactions (being fine tuned)
- Pre and Post AGM Reports for monitoring services
- Research Publications such as Corporate Governance Survey and Dividend Survey
- Malaysian Corporate Governance Index 2009 (MCG Index 2009)

Interactive website: www.mswg.org.my