

Keynote Address
by
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at the
Inaugural Graduation Ceremony of Certificate in Investor Relations (CIR)
Thursday, 5th August 2010
Kuala Lumpur, Malaysia

YBhg Dato Yusli Mohamed Yusoff, CEO of Bursa Malaysia
Ms. Audrey Ho the Chairman of the Malaysian Investor Relations Association (MIRA)
Members of the Board of MIRA
Distinguished Guests
Graduates
Members of the Media
Ladies & Gentlemen
Good afternoon

Ladies and Gentlemen,

Having been here at the launch of MIRA's Certificate in Investor Relations in association with the Investor Relations Society of the United Kingdom last year, it is indeed my pleasure to be at MIRA's inaugural graduation ceremony for this award. I must congratulate MIRA on making available an internationally benchmarked qualification in investor relations to the Malaysian market. This is significant in MIRA fulfilling its role in setting the Industry standard in Investor Relations and enhancing the professional profile of investor relations as a key and increasingly integral component of the capital market. Accreditation programmes with internationally recognised bodies like the United Kingdom's Investor Relations Society, helps raise the profile and enhance the quality of professional skills in the Malaysian capital market.

I would also like to congratulate all of you graduating today, on not just the award of this certificate but for recognizing the importance of investor relations in your work, whatever your capacity, whether it be as the CFO, Executive Director or Corporate Communication Officers of your company.

In the current climate, where investors demand timely and quality information from companies and attach a premium to high standards of corporate governance, good investor relations practices both in substance and form, can no longer be considered optional but rather a necessity in any well run company.

The SC has always held investor relations to be an important factor in facilitating investor protection and a responsible and transparent market environment. This was reflected in our Capital Market Master Plan in the emphasis placed on the need for meaningful and timely disclosure, responsible promotion practices as well as improved communication and engagement with investors, including, the setting up of investor relations units by PLCs to deal with investors and analysts.

Indeed, the SC ourselves have a dedicated department tasked with addressing investor concerns. Its role is to not just look into and where possible address concerns or enquiries raised by investors but also to increase investor awareness of their rights and responsibilities and of the capital market and the products offered. We also receive extremely valuable market intelligence through this channel that feeds into our regulatory function and the development of our policies and regulations.

Similarly, the Investor Relations Officer in any company plays a critical role in ensuring the meaningful engagement of different investor segments and their respective needs and concerns. It allows for a two way flow of information. For investors it allows the communication of information, addressing their concerns and facilitating the ease of their engagement with the company as shareholders. And from the company's perspective, it provides an avenue for invaluable feedback that can then be used to analyse the market, develop effective business strategies and assist companies in making the right decisions particularly during times of crisis. The IR professional, with a holistic grasp of the company's objectives, strategic direction and understanding of its financials, provides the company an effective channel of communication of key corporate developments and information that it needs to convey to investors and the market at large.

Companies often underestimate the positive impact of good investor engagement and transparent disclosure practices on the company's reputation and ultimately its market value. One of the goals of investor relations

and is to create a loyal shareholder base which will in turn enable a company to approach its capital management exercises with confidence. The information received by shareholders might not always be what they want to hear, but what is important is for them to feel that they are being treated fairly and that there is full disclosure on the company's part. Through this process, companies can foster a climate of favourable opinion that would build a body of investor support and confidence and help achieve a fair market valuation for their securities.

It is heartening to see that this imperative has been embraced by MIRA in raising the profile and importance of investor relations as well as setting best practice standards for investor relations professionals and, judging from the long list of companies that are represented here today among the graduates, increasingly by the industry as well.

From CFOs to Executives, all of you will play a crucial role in being the direct link between investors and your respective companies. Investor relations is a vital component of our capital market because it not only has a direct impact on the reputation of PLCs or market intermediaries, but also on the market as a whole. As Malaysia's capital market matures and progresses, investors will be better informed and will hold companies accountable when making their investment decisions.

The investor relations function of a company has evolved and the IRO has become indispensable in safeguarding the company's most critical and intangible asset: its reputation with shareholders and other stakeholders. Indeed, according to a 2010 survey of 144 IROs in Fortune 500 companies, an overwhelming majority -81 percent-report directly to the CEO or CFO of the company, demonstrating the critical value of the role.

Today, in a disclosure based regime, the onus is on investors to evaluate the merits of investments in the capital market. In this regard, it is crucial for corporations and capital market intermediaries to be fully aware of their responsibilities in the provision of full, accurate and timely disclosure of information to investors. Programmes like the Certificate of Investor Relations will clearly help inculcate greater awareness among corporate players, of the bottom line imperative of meeting their obligations to their shareholders and hopefully, concretise the culture of good corporate governance into the DNA of the board and management of PLCs and intermediaries alike.

In conclusion, I once again congratulate all of the graduates and wish you the very best.