

## SHIPPING

## SET looking into TTA shares as dissident group presses case

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The Stock Exchange of Thailand has begun an investigation into a group of 75 shareholders of Thoresen Thai Agencies (TTA) to determine whether insider trading or share manipulation have taken place in the shipping company.

In the latest move by disaffected minor investors, Atlas Holding Ltd filed a letter to the SET yesterday, saying that as a representative of 75 shareholders holding 10.199% of the company, it was calling for an extraordinary general meeting (EGM) to push for changes in the company's board, management and business model.

The letter was sent to TTA management on Friday. The company told the exchange yesterday that it was still trying to verify recent changes in shareholding.

SET president Charamporn Jotikasthira said the SET would ask the shareholder group to clarify when they acquired TTA shares. It would also try to determine if anyone was acting on inside information or attempting to manipulate the TTA price.

Also, the Securities and Exchange Commission and the SET have warned investors to be cautious in assigning proxies, and to continue monitoring the information about TTA closely.

"[The group] may have used proxies of shareholders for the wrong purpose," Mr Charamporn told reporters yesterday.

The SET also warned brokers that were actively trading TTA in the past to be cautious in advising their clients to assign proxies.

TTA has a free float of 99.59%, with a total of 25,553 shareholders, and no single group holds more than 3.59%.

According to Atlas, the group denied statements made last week by Thoresen Thai's CEO that the company could be the target of a hostile takeover attempt,

saying he had "misrepresented" the current situation. "Discussions were focused on shareholder dissatisfaction with current management and the poor performance of the company with ideas to improve both," it said.

The dispute became public last Thursday after TTA management held a press conference and said that a group of investors including Securities and Exchange Commission chairman Vijit Supinit was attempting a hostile takeover.

Also said to be spearheading the group were Bee Taechaubol, a former president of Country Group Securities, and Weera Manakongtreecheep, a former president of the defunct Sitca Finance and Securities.

While Mr Bee said he attended the meeting with TTA management, there was no talk of a takeover but rather on a change in management due to poor performance of current management.

Mr Bee denied his connection with Atlas Holding yesterday. "No, I have no connection with them, Atlas Holding is actually a shipping company," he said.

The letter from Atlas said it had significant experience in the shipping and shipping-related industries and was expressing its rights as a shareholder, not, "as incorrectly portrayed, a hostile takeover bid. In fact, no hostile takeover".

According to the group statement "[The EGM was requested] to highlight our position and effect the changes we feel necessary. Given the disparate shareholding structure of Thoresen Thai, (Atlas) as a shareholder is acting merely as a spokesperson for other minority shareholders."

Mr Charamporn said minor shareholders had a right by law to complain about management, misbehaviour or fraud if they have evidence, but there had been no specific complaints about TTA.

He declined to comment on the reported involvement of Mr Vijit, saying

the SEC had its internal corporate governance unit as a guideline for a code of conduct. Mr Vijit has not been available to comment on the reports.

Thitima Rungkwansiroj, TTA's executive vice-president for finance and accounting, confirmed the company had received the letter from Atlas asking for an EGM, and would conduct its own investigation to verify the accuracy of the shareholders' claims. TTA closed its shareholders' register yesterday.

"So far we cannot prove that these 75 shareholders are the same group of retail investors who have repeatedly claimed that they control over 30% of our shares," she told the *Bangkok Post*.

Ms Thitima also described as incorrect a claim by the group that TTA had a retained loss of 15 billion baht over the past six years of operations. She said it had an accumulated net profit of 25.8 billion baht over the period with earnings before interest, taxes, depreciation and amortisation of 43 billion baht.

She also said that during the past 26 quarters, it had lost money only twice: in the first quarter of fiscal 2010 (ending Dec 31, 2009) and the most recent quarter to March 2011, with losses of 65 million and 115 million baht, respectively. For all of fiscal 2010, net profit was 795 million.

"I've no idea why this group of investors cited this inaccurate loss number," she said. "Shareholders should be careful and look cautiously at performance."

Management yesterday spent an hour meeting with about 30 investors at Asia Plus Securities, at which most of the questions were about TTA's share price, which has been well below its book value of 36 baht. TTA replied that shipping companies' performances were declining across the world, not only in Thailand.

TTA shares closed unchanged at 22 baht yesterday in trade worth 279 million.