

PRESS RELEASE

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RELEASE OF THE 2ND EDITION ASEAN CORPORATE GOVERNANCE COUNTRY REPORT

The ASEAN Capital Markets Forum (ACMF) today released the 2nd edition of the *ASEAN Corporate Governance Scorecard Country Report and Assessments 2013-2014*. The ASEAN corporate governance initiative is led by Securities Commission Malaysia and supported by the Asian Development Bank (ADB) through its regional technical assistance for ASEAN capital market integration.

"Excellence in corporate governance is an important and strategic component in promoting ASEAN as an asset class and in the overall development of ASEAN capital markets. This corporate governance initiative which complements other initiatives under the ACMF reflects the collective and strong commitment by ASEAN member countries to achieve convergence as an ASEAN Economic Community by 2015," said Datuk Ranjit Ajit Singh, Chairman of the Securities Commission Malaysia.

The corporate governance initiative was introduced in 2011 and participated by Malaysia, Singapore, Thailand, Indonesia, the Philippines, and Vietnam. Its objective is to raise the corporate governance standards and practices of ASEAN publicly listed companies (PLCs) and to give greater international visibility to well-governed ASEAN PLCs. In this third round assessment, a total of 529 PLCs were assessed with a majority of these PLCs boasting market capitalisation of more than USD1 billion. Within the region, PLCs from Thailand scored the highest followed closely by those from Malaysia and Singapore. The results of the assessment carried out in 2013 have been positive as participating countries have shown improvements in their average scores compared to 2012 with Singapore PLCs showing the largest improvement followed by Indonesia PLCs.

The Corporate Governance Scorecard is an asset for ASEAN given its importance and usefulness as a diagnostic tool in identifying gaps and raising the standards of corporate governance amongst listed companies in the region. Despite differences in stages of development, participating countries were able to balance national standards with global corporate governance principles espoused by the Scorecard, to converge towards international best practices to meet the integration objectives of the ACMF.

The country report highlights the areas of strengths and areas for further improvement of each participating country which provided regulators, PLCs, Institute of Directors, and other stakeholders useful data points to guide corporate governance reforms, strategies, and measures in their respective country. According to Shigeko Hattori, Director of the Public Management, Financial Sector and Trade Division of the Southeast Asia

Department, ADB, *"The country report helps regulators and other stakeholders identify CG trends across ASEAN countries, which also serve to highlight ASEAN best practices to the international community."*

The Organisation for Economic Co-operation and Development (OECD) Principles of Corporate Governance were used as the main benchmark for the Scorecard. These cover *Rights of Shareholders, Equitable treatment of Shareholders, Role of Stakeholders, Disclosure and Transparency and Responsibilities of the Board.*

A domestic ranking body (DRB) from each participating country was appointed to conduct the corporate governance assessment on selected PLCs based on publicly available and accessible information such as annual reports, corporate websites, notices, and circulars. In ensuring independence and fair assessment, the results by the DRB were subjected to peer review by a ranking body from another country prior to it being finalised.

The report may be downloaded from ACMF's website at www.acmf.org ADB's website at www.adb.org and the Securities Commission Malaysia's website at www.sc.com.my

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