

MINORITY SHAREHOLDER WATCHDOG GROUP

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

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TM and Bursa among firms with sound governance

KUALA LUMPUR: Telekom Malaysia Bhd tops the list of companies in Malaysia with good disclosures, followed by stock market regulator Bursa Malaysia Bhd last year, according to a study by the Minority Shareholder Watchdog Group (MSWG).

Both Telekom and Bursa also ranked tops in the list of companies of sound corporate governance with return on equity performance, according to findings of MSWG's Malaysia-Asean Corporate Governance Report 2014, which assessed 873 companies last year.

The other companies that made it to the top 10 companies with good disclosure were CIMB Group Holdings Bhd, Malayan Banking Bhd, Axiata Group Bhd, Malaysia Airport Holdings Bhd, LPI Capital Bhd, UMW Holdings Bhd, Public Bank Bhd and Media Prima Bhd.

The top 100 public listed companies in Malaysia had continued to show improvement in their corporate governance standards last year, MSWG said.

But, the independent research organisation on corporate governance matters said smaller companies would need to make more efforts to improve their disclosures and practices to keep up with the pace of fast-changing global expectations. MSWG pointed out that the average score of the top 100 Malaysian companies had climbed to 76.82 points last year from 75.99 points in 2013.

"This showed that companies continued to improve their corporate governance disclosures and practices in compliance with higher and stricter standards," MSWG said, noting that the average score last year was a marked improvement from 2009 when the corporate governance index scorecard was first used.

MSWG said the overall average score of the

Top 10 companies with good disclosures

- 1) Telekom Malaysia Bhd
- 2) Bursa Malaysia Bhd
- 3) CIMB Group Holdings Bhd
- 4) Malayan Banking Bhd
- 5) Axiata Group Bhd
- 6) Malaysia Airport Holdings Bhd
- 7) LPI Capital Bhd
- 8) UMW Holdings Bhd
- 9) Public Bank Bhd
- 10) Media Prima Bhd

Source: Malaysia-Asean Corporate Governance Report 2014, MSWG

total 873 companies have shown much improvements in their corporate governance practices.

The average base score of all 873 companies assessed last year was 60.23 points, slightly lower than 61.59 points in 2013 when 862 companies were assessed.

"The reasons could be that there were more parameters in the ESG (environmental, social and governance) and Sustainability areas where many small companies did not have such practices, and thus, the average score was reduced," MSWG explained in its report.