

Keynote Address by
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Chairman, ASEAN Capital Market Forum
At
The ASEAN Corporate Governance Awards Ceremony
21 November 2018
Kuala Lumpur Convention Centre, Kuala Lumpur

Greetings

- Yang Berhormat Dato' Haji Amiruddin bin Haji Hamzah,
Deputy Finance Minister, Ministry of Finance of Malaysia
- Datuk Syed Zaid Albar,
Executive Chairman, Securities Commission of Malaysia
- Emilio B. Aquino,
Chairman, Philippines Securities and Exchange Commission
- Tan Sri Dato' Seri Dr. Sulaiman Mahbob,
Chairman, Minority Shareholders Watch Group

Members of ACMF, Representatives of ASEAN Regulators,
CG Experts, ASEAN Leading Companies

Distinguished Guests, Ladies and Gentlemen,

- On behalf of the ACMF, it is my pleasure to welcome you all to the ASEAN Corporate Governance Awards Ceremony 2018 organized by the Minority Shareholders Watch Group which I am also deeply thankful for their highly contributed work in hosting this event which have raised the profile of ASEAN listed companies and promoting foreign investors' confidence in the ASEAN market.

- Good corporate governance is not only about complying to rules and regulations. It is not simply a case of having a set of procedures and processes, nor is it something that is put in place and then left. In other words, it is about a deeply held belief in a set of principles that would result in the sustainability of an organization.
- Ensuring its effectiveness is an integral part of any organization's overall responsibility. It is truly concerned with holding the balance between the interests of individuals, corporations, shareholders and society.
- In this respect, corporate governance has come a long way for the ASEAN market. Respective securities regulators and member participants have tirelessly followed international standards and good practices and pertaining to disclosures, accounting standards, role of auditors and fiduciary duties of board of directors.
- Nevertheless, rules and regulations alone can never ensure corporate governance in substance. Instead, it needs a combination of regulations, self-discipline and market force. And it is the latter two of these that are the most difficult to nurture and put into practice.
- Self-discipline relies largely on the belief of the practitioners that the rules and regulations are good for their wellbeing, despite the fact that conformity of such rules and regulations can sometimes prove very burdensome. In addition, the resulting benefit is something that cannot be seen or perfected in a short period of time. Indeed, in the area of corporate governance, it is a long and winding journey that may never end.

- This is where market force which is an invisible hand can play a very significant part in creating both the awareness and necessary incentives. They can take many forms such as the role of active investors, stewardship of asset owners and especially events such as the one we are now having in this beautiful city of Kuala Lumpur.
- As we shall shortly see from the results of the ASEAN corporate governance awards 2018 that companies in the ASEAN countries have put a great deal of effort in fighting for the top honors. Indeed, Thailand has been mercilessly knocked out from the crown of having 23 companies out of the top 50 highest rank, and now being replaced by other ASEAN competitors.
- The results of the 2018 scores underline the fact that even though each ASEAN market is very different from each other in terms of sectors of companies, market structures, corporate cultures and investor behaviors, but yet all our ASEAN companies can raise their bars and compete on the ASEAN wide adopted standard which is one of the jewels in the crown of the ACMF streams of work.

Ladies and Gentlemen,

- This award granting ceremony is an outstanding accomplishment both to the recipients whose commitment to the regime is an excellent example for the rest of the sector as well as the ACMF working group chaired by the Philippines Securities and Exchange Commission which has long pursued corporate governance standard as an important pillar in our work and initiatives.

- From a group of corporate governance experts, it has now been turned into a successful public-private collaboration between capital market regulators, domestic ranking bodies and experts to effectively assess the practice for a long-term sustainability and resilience.
- As in the previous years, the process entailed two rounds of assessing listed companies through the use of publicly available information: first, with the domestic ranking bodies, followed by the second round of peer review among other domestic ranking bodies in ASEAN who would be assigned randomly for thorough assessments.
- This year, with sponsorship and support from the ADB, the top 70 companies were validated by KPMG as the 3rd level of the assessment process. The aim of having the external validator evaluating the scores are to raise investors' confidence on the process and to ensure the consistency between the CG disclosed in the Annual Report and those being put into practice.
- To this end, I would also like to extend the ACMF's appreciation to the appointed domestic ranking bodies; The Thai Institute of Directors, The Singapore Institute of Directors, The Center for Governance Institutions and Organizations of the National University of Singapore Business School, Philippines Institute of Corporate Directors, Malaysia Minority Shareholder Watchdog Group, RSM Indonesia, Ho Chi Minh City University of Technology and Vietnam National University of Ho Chi Minh City for performing an important role in promoting and creating greater awareness of the ASEAN scorecard assessment. And also for their ongoing contribution and outstanding efforts in undertaking the annual assessments and ranking exercise. Last but not least, I would also like to give thanks to KPMG and the Asian Development Bank

for ensuring the effectiveness of this remarkable initiative through extensive support and advanced determination in the external validation process.

- To the honorable award recipients tonight, I would like to take this opportunity to congratulate you all once again for your huge successes. Your dedication, enthusiasm and insight are inspiring. This recognition is well deserved and will give you an opportunity to scale new heights as this will be the start of your leading role to pave ways for other companies in the region to keep up with the standards and achievement in governance matter.

Thank you very much for your kind attention