MINORITY SHAREHOLDER WATCHDOG GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD (Incorporated in Malaysia - Company No. 200001022382(524989-M)

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Graft allegations reflect individuals' ethics, not governance standards

The allegations referring to the cases are not a reflection of the corporate governance standards that we have in place, says MSWG CEO

by ALIFAH ZAINUDDIN

RECENT allegations of bribery and malpractices involving several Malaysian public listed companies reflect the individual companies' and individuals' ethics rather than the country's corporate governance standards, Minority Shareholder Malaysian Reserve in an email reply. Watch Group (MSWG) CEO Devanesan Evanson said.

AirAsia Group Bhd and its long-Malaysia in the graft spotlight, panies over the allegations. with Britain's Serious Fraud Office US\$50 million (RM205.7 million) to any securities laws are breached. "two executives" to secure airplane airline group.

Separately, the chairman of Heng Huat Resources Group Bhd and Atta Global Group Bhd Ooi Chieng Sim has been charged with trafficking 4,980g of methamphetamine at a warehouse near Atta Global's premises in Penang, raising further concerns on Malaysia's corporate governance standards.

"Our standards are world class. The allegations referring to the cases are not a reflection of the corporate governance standards that we have in place.

"It is a reflection of the moral and ethical fibres of the personnel involved and the level of diligence exercised by the respective boards of directors," Devanesan told The

Both anti-graft body Malaysian Anti-Corruption Commission Investigations on budget carrier (MACC) and the Securities Commission Malaysia (SC) have since haul arm AirAsia X Bhd have put initiated inquiries on the two com-

The SC said it will review all claiming Airbus SE paid a bribe of available evidence to determine if

Shares of AirAsia Group plunged orders from Asia's largest low-cost 10.5% or 15 sen yesterday to close at RM1.28, the lowest since May 2016, while AirAsia X fell 7.7% or one sen to an all-time low of 12 sen.

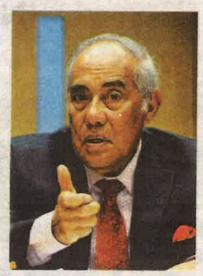
Investment research firm TA



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Securities Holdings Bhd had earlier downgraded the AirAsia Group stock to 'Sell' from 'Buy'.

"We choose the 'sell first, ask questions later' approach to avoid the uncertainty in association with the corruption investigation by MACC, where the impact on Air-Asia Group could be significant in terms of corporate governance," it



but in the implementation of corporate pledges, says Megat Najmuddin

Devanesan does not expect inflows from foreign investors to be impacted unless corruption becomes pervasive and endemic.

"What foreign funds would like to see is timely impartial action on wrongdoers without fear or favour. They also consider sovereign risk things like separation of powers between the legislature, executive and judiciary — and a general feel

as to where a country is heading," he said.

Federation of Public Listed Companies Bhd president Tan Sri Megat Najmuddin Megat Khas said the problem does not lie in standards, but in the implementation of corporate pledges.

"It is about the sincerity of the people implementing corporate governance in their organisation whether it is a corporate or government entity," he said.

Megat Najmuddin formerly served as president of the Malaysian Institute of Corporate Governance.

He said the government should play an exemplary role and lead the way in conducting good governance practices as the bulk of corporate scandals in Malaysia involved state-owned entities such as 1Malaysia Development Bhd, the Federal Land Development Agency and Lembaga Tabung

"If good governance among government-linked companies is poor, it will have a spillover effect on others, including local and state governments," Megat Najmuddin