



MINORITY SHAREHOLDER WATCHDOG GROUP
Shareholder Activism and Protection of Minority Interest
BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia • Company No : 524989-M)

Welcome Address
by
Tan Sri Dato' Sri Dr. Sulaiman Mahbob
Chairman of MSWG
MSWG-ASEAN Corporate Governance
Transparency Index, Findings
and Recognition 2015
Sime Darby Convention Centre, Kuala Lumpur
On 10 December 2015 (Thursday)

Tan Sri-Tan Sri, Dato-Dato,

Members of the Media

Distinguished guests,

Ladies and gentlemen.

Assalamualaikum Warahmatullahi Wabarakatuh,

Salam Sejahtera and *Good Evening*

1. On behalf of MSWG, welcome once again to the Annual **MSWG-ASEAN Corporate Governance Transparency Index, Findings, Recognition and Awards Ceremony 2015**.
2. I am glad to see more than 600 guests at our event comprising representatives from the capital market, corporates, institutional investors, professional bodies, academia and members of the media.
3. We greatly appreciate your strong and on-going support and your recognition of our efforts to uphold and further the highest standards of corporate governance among Malaysia's public listed companies.
4. Tonight's theme is '**Excellence**', '**Growth**' and '**Sustainability**'. We have named it as such because we believe that excellence is not a one-off affair, but something to be sustained through continuous growth and rigorous effort over a great period of time.
5. Excellence can only be achieved when the proper framework are put in place, and when companies and their leaders adhere to the rigid levels of integrity and transparency expected of them.

6. As in previous years, today, on this stage we honour the public listed companies and individuals that have shown exemplary Corporate Governance disclosures and practices. The winners were selected based on the assessment using the ASEAN CG Scorecard, an assessment tool that MSWG has been using to great effect these past four years.
7. As good corporate governance would also be ultimately reflected in financial performance, the criteria of Return on Equity and Total Shareholder Return are also included in the performance assessment.

Ladies and Gentlemen,

8. Globally, there has been continuous efforts to enhance corporate governance and the Organisation for Economic Co-operation and Development, OECD this year published a revised set of its Principles of Corporate Governance in September whereby the 2015 version addresses developments in corporate governance and the rapidly changing corporate and financial landscape. A significant change was the addition of a new chapter on the governance of *“Institutional investors, stock markets and other intermediaries”* which signifies the increased importance of the role of institutional investors in the CG landscape.

9. Meanwhile, the Institutional Corporate Governance Network (ICGN) has issued the ICGN Global Stewardship Code for consultation in November 2015. The ICGN Global Stewardship Code is intended to complement—and not supersede-- other stewardship codes that are in place in different markets around the world. A commonly recognised global stewardship code could help investors to efficiently communicate fundamental stewardship standards in a global context.
10. Moving on to the local front, the Securities Commission Malaysia announced the coming into force of the Capital Markets and Services (Amendment) Act 2015 (CMSA). The amendments to securities laws were made to facilitate innovative fundraising structures, enhance investor protection, clarify responsibilities of issuers and advisers, and expand the scope of SC's supervisory powers.
11. Minority shareholder protection in relation to takeovers and mergers transactions was also strengthened where SC is now empowered to appoint an Independent Adviser where the offeree fails to do so. The SC is also in the process of charting Malaysia's CG Priorities for the next 5 years, which will be announced next year.

12. Bursa Malaysia early this year announced various amendments to the Listing Requirements which among others included strengthening of investor protection and promoting greater transparency through various enhancements to the foreign listing requirements.

Ladies and Gentlemen,

13. We have always prided ourselves as one of the countries in this region that places the highest priority on corporate governance. Earlier this year, the KPMG and ACCA, conducted a survey which found that Malaysia ranked top among 15 developing countries in terms of corporate governance. Within ASEAN, Malaysia was ranked second behind Singapore.
14. One of our strongest areas, according to the survey, was the diversity of our boards. This is true in so far as the fact that many of our PLCs have put in place a formal policy to ensure the inclusion of women at board level, as well as broader policy measures to achieve such gender diversity targets.
15. As many of you may recall, board diversity was a priority under the Securities Commission's Corporate Governance Blueprint in 2011. Today, the effort to achieve greater board diversity is evident, with many women leading public companies, whether in their capacity as board members or CEOs.
16. That being said, there remains a long way to go before the Country's target of a third of all PLC boards comprising women is achieved. As such, this is an area that will continue to command our attention.

17. Following the launch of the Malaysian Code for Institutional Investors last year, the Institutional Investor Council Malaysia was set up in July 2015 as a platform to promote effective adoption of the Code by influencing and shaping a wider sphere of corporate governance culture among investee companies. The Council comprises 14 members from amongst the institutional investors fraternity and is chaired by Kumpulan Wang Persaraan (Diperbadankan). The Council advocates institutional investors to become signatories of the Code, as a reflection of their commitment towards becoming responsible investors.
18. On that note, we are pleased that KWAP has set the leading example this year by becoming the first asset owner in Malaysia to become a signatory to the Code. It is also heartening to mention that ValueCap has recently become the second asset owner to be a signatory to the Code. Altogether we now have 8 asset managers and asset owners as our signatories, including Hermes Fund Managers, Aberdeen Asset Management, Legal & General Investment, BNP Paribas Investment, KWAP and ValueCap, together with asset under management of about RM5 trillion.
19. We believe that other asset owners and asset managers will follow suit in pushing forth the responsible ownership agenda among other institutional investors. Indeed, institutional investors as custodian of other people's funds should also demonstrate transparency in their own affairs, and the Code sets out the universal framework of such best-practice principles.

20. In addition, the Code advocates constant dialogue between such institutional investors and investee companies on corporate governance issues as well as putting in solid governance and sustainability considerations into the decision-making process. This, when combined with the not-inconsiderable efforts of retail minority shareholders, can become a major force for change, and in influencing top-notch performance and accountability at boards.

Ladies and gentlemen,

21. I wish to take this opportunity to congratulate the six Malaysian companies that had made to the list of the top 50 ASEAN companies and received the awards at the ASEAN CG Awards Ceremony held in Manila on 14 November 2015. Not forgetting the two companies that were awarded for their outstanding achievements in corporate governance. MSWG will continue to be the force in promoting good CG disclosures and practices among the PLCs. With Malaysia hosting the 2nd ASEAN CG Awards in 2017, we hope to see more Malaysian companies in the top 50 ASEAN list.
22. Before I take my leave I would like to thank all of you once again for joining us tonight – your presence has, truly, been a pleasure and an honour for all of us present tonight.
23. I would also like to take this opportunity to thank the Members of the Adjudication Committee for their effort in determining tonight's winners. Among them, include the representatives of the asset management industry, stockbroking industry, institutional investors, ACCA and individuals who have assisted MSWG. The members have provided valuable input in ensuring that the Top 100 companies deserves their place.

24. Our appreciation also goes to the CMDF, regulators and institutions that have supported MSWG over the years, the media, investors fraternity both the institutional and retail, as well as those who share our commitment towards raising the level of CG in this country.
25. I would also like to thank Puan Rita Benoy, CEO of MSWG and her team for their yearly diligence in carrying out the MSWG's challenging tasks, ensuring that it remains at the forefront of championing good corporate governance in our country.
26. Last but not least, congratulations to all our award winners tonight for their achievements. It is our hope that you will continue to uphold corporate governance excellence and be the shining examples that others will aspire to emulate.
27. Thank you all and have a pleasant evening ahead.

Wabillahitaufikwalhidayah, wassalamualaikum w.b.t.