



MINORITY SHAREHOLDERS WATCH GROUP
Shareholder Activism and Protection of Minority Interest

MEDIA RELEASE

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MSWG-ASEAN CORPORATE GOVERNANCE AWARDS 2019

2019 marked the eighth year that the Minority Shareholders Watch Group (MSWG) has undertaken the corporate governance assessment project to assess all Malaysian public-listed companies (PLCs), excluding companies listed on the LEAP Market, PN17 and GN3 companies, using the ASEAN CG Scorecard methodology. In total, 866 PLCs were assessed.

The ASEAN CG Scorecard adopts the OECD Principles of Corporate Governance as the main benchmark which covers the five areas below:

- Rights of Shareholders
- Equitable Treatment of Shareholders
- Role of Stakeholders
- Disclosure and Transparency; and
- Responsibilities of the Board

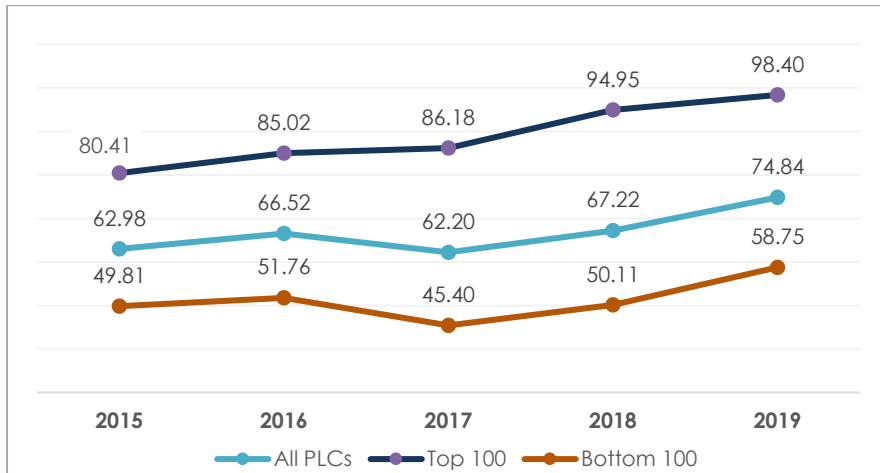
The 2019 CG assessment was conducted based on PLCs' latest annual reports, CG reports and sustainability reports published before 31 July 2019. Other sources of information include corporate websites, public announcements on Bursa Malaysia, as well as other publicly available information such as media and analysts' reports.

For 2019, there are 47 trophies to be awarded to 35 PLCs (please refer to the attached Winners List).

Due to the current COVID-19 pandemic, there will be no physical award presentation ceremony like in previous years. Instead, award winners are provided with the option of holding a simple award ceremony at their premises or having the trophy couriered to them.

It is encouraging to see the Average Score among PLCs have progressed significantly over the years – from 62.98 points in 2015 to 74.84 points in 2019.

Average Score for the top 100-PLCs and bottom 100-PLCs (based on ranking) has also improved from 80.41 points in 2015 to 98.40 points in 2019, and from 49.81 points in 2015 to 58.75 points in 2019, respectively.



The results reflect the commitment of PLCs to improve their CG practices, policies, and disclosures. This results also demonstrate, to some extent, MSWG's resolute advocacy efforts for companies to embrace good CG practices.

The Securities Commission's Malaysian Code on Corporate Governance (MCCG) and the CG Monitor, and Bursa Malaysia's Listing Requirements, have also contributed towards the improved CG ecosystem.

Collectively, the improved CG has increased investor confidence in the Malaysian capital market.

Key findings

Some of the key findings from the 2019 CG assessment are:

- 94% or 818 of the 866 PLCs gave at least 28 days' notice to shareholders for an annual general meeting (AGM). This is one of the recommended practices, in the MCCG to ensure shareholders are provided adequate notice and time.

Paragraph 7.15 of Bursa Securities Listing Requirements (LR) requires PLCs to give at least 21 days' notice to shareholders prior to an AGM.

- On average, PLCs have 15% women directors sit on their Boards. The top-100 PLCs had 25% women directors while the bottom-100 PLCs had 11% women directors.

In line with the Malaysian government's call for improving the gender diversity on corporate Boards, Large Companies are to adopt the MCCG Practice 4.5, which states that the Board must have at least 30% women directors.

- The number of PLCs paying dividend during the 2019 assessment has declined to 460 from 499 in 2018. As the impact of the COVID-19 pandemic continues to unfold, the number of dividend-paying companies is expected to further decline in 2020.
- Only 52 companies out of the 866 PLCs have established a policy which limits the tenure of its independent directors to nine years, which is the Step Up Practice 4.3 in the MCCG.

While independence is a subjective element, there are heightened concerns that long tenure correlates with loss of independence

- 61% of the 866 PLCs outsourced their internal audit function. On average, PLCs spent RM854,000 on internal audit function per annum. There are 146 companies with internal audit cost of less than RM24,000 per year (or less than RM2,000 per month).

Paragraph 15.27 of the LR states a listed issuer must establish an internal audit function which is independent of the activities it audits. The internal audit function should be adequately resourced, and the budget allocated should be proportionate with the envisaged extent and complexity of the audit work, in line with the company's size and circumstances.

MSWG will continue to forge partnerships with various key stakeholders in the capital market, including market regulators, PLCs, and shareholders – in pursuit of its advocacy efforts to improve corporate governance amongst Malaysian PLCs.

The full list of Award Winners, Top 100 Companies for CG Disclosure (by rank) and Top 100 Companies for Overall CG & Performance (by rank) are enclosed in the Appendix.

The detailed findings of the 2019 CG assessment will be published in MSWG's Malaysia-ASEAN Corporate Governance Report 2019, which will be published in the 3rd quarter of October 2020.

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APPENDIX

MSWG-ASEAN CG 2019 AWARD WINNERS

I	EXCELLENCE AWARD FOR OVERALL CG & PERFORMANCE
1	MALAYAN BANKING BHD
2	PETRONAS DAGANGAN BHD
3	BRITISH AMERICAN TOBACCO (MALAYSIA) BHD
4	PETRONAS CHEMICALS GROUP BHD
5	AMMB HOLDINGS BHD

II	EXCELLENCE AWARD FOR CG DISCLOSURE
1	MALAYAN BANKING BHD
2	AMMB HOLDINGS BHD
3	PETRONAS DAGANGAN BHD
4	RHB BANK BHD
5	AXIATA GROUP BHD

III	EXCELLENCE AWARD FOR CG DISCLOSURE (MARKET CAP BELOW RM1 BILLION)
	CATEGORY - MARKET CAP BELOW RM100 MILLION
1	CONNECTCOUNTY HOLDINGS BHD
2	OSK VENTURES INTERNATIONAL BHD
	CATEGORY - MARKET CAP BETWEEN RM100 MILLION TO RM300 MILLION
1	KUB MALAYSIA BHD
2	AWC BHD
	CATEGORY - MARKET CAP BETWEEN RM300 MILLION TO RM1 BILLION
1	TUNE PROTECT GROUP BHD
2	DUOPHARMA BIOTECH BHD

IV	INDUSTRY EXCELLENCE AWARD
(i)	CONSTRUCTION
1	IJM CORPORATION BHD
2	SUNWAY CONSTRUCTION GROUP BHD
(ii)	CONSUMER PRODUCTS & SERVICES
1	PETRONAS DAGANGAN BHD
2	UMW HOLDINGS BHD
3	SIME DARBY BHD
4	BRITISH AMERICAN TOBACCO (MALAYSIA) BHD

(iii)	FINANCIAL SERVICES
1	MALAYAN BANKING BHD
2	AMMB HOLDINGS BHD
3	RHB BANK BHD
4	MALAYSIA BUILDING SOCIETY BHD
5	ALLIANZ MALAYSIA BHD
6	BIMB HOLDINGS BHD
7	ALLIANCE BANK MALAYSIA BHD

(iv)	HEALTH CARE
1	TOP GLOVE CORPORATION BHD

(v)	INDUSTRIAL PRODUCTS & SERVICES
1	PETRONAS CHEMICALS GROUP BHD
2	SUNWAY BHD
3	CAHYA MATA SARAWAK BHD

(vi)	PLANTATION
1	SIME DARBY PLANTATION BHD

(vii)	PROPERTY
1	SIME DARBY PROPERTY BHD
2	S P SETIA BHD

(viii)	TELECOMMUNICATIONS & MEDIA
1	AXIATA GROUP BHD
2	TELEKOM MALAYSIA BHD
3	DIGI.COM BHD

(ix)	UTILITIES
1	TENAGA NASIONAL BHD
2	PETRONAS GAS BHD

V	MERIT AWARD FOR MOST IMPROVED CG DISCLOSURE
1	TUNE PROTECT GROUP BHD
2	JF TECHNOLOGY BHD
3	TMC LIFE SCIENCES BHD

VI	EXCELLENCE AWARD FOR LONG TERM VALUE CREATION
1	DIGI.COM BHD
2	NESTLE (MALAYSIA) BHD
3	C.I. HOLDINGS BHD

LIST OF TOP 100 COMPANIES FOR CG DISCLOSURE (BY RANK)

1	MALAYAN BANKING BHD	51	PARAMOUNT CORPORATION BHD
2	AMMB HOLDINGS BHD	52	UEM EDGENTA BHD
3	PETRONAS DAGANGAN BHD	53	FRASER & NEAVE HOLDINGS BHD
4	RHB BANK BHD	54	GENTING PLANTATIONS BHD
5	AXIATA GROUP BHD	55	MALAYSIA MARINE AND HEAVY ENGINEERING HOLDINGS BHD
6	PETRONAS CHEMICALS GROUP BHD	56	KLCC PROPERTY HOLDINGS BHD
7	TELEKOM MALAYSIA BHD	57	TIME DOTCOM BHD
8	SIME DARBY PLANTATION BHD	58	CHEMICAL COMPANY OF MALAYSIA BHD
9	MALAYSIA BUILDING SOCIETY BHD	59	MSM MALAYSIA HOLDINGS BHD
10	SIME DARBY PROPERTY BHD	60	OSK HOLDINGS BHD
11	TENAGA NASIONAL BHD	61	TMC LIFE SCIENCES BHD
12	UMW HOLDINGS BHD	62	MALAKOFF CORPORATION BHD
13	SIME DARBY BHD	63	GADANG HOLDINGS BHD
14	IJM CORPORATION BHD	64	GAS MALAYSIA BHD
15	PETRONAS GAS BHD	65	MATRIX CONCEPT HOLDINGS BHD
16	ALLIANZ MALAYSIA BHD	66	AFFIN BANK BHD
17	BIMB HOLDINGS BHD	67	MANULIFE HOLDINGS BHD
18	ALLIANCE BANK MALAYSIA BHD	68	HEINEKEN MALAYSIA BHD
19	BRITISH AMERICAN TOBACCO (MALAYSIA) BHD	69	ECO WORLD DEVELOPMENT GROUP BHD
20	SUNWAY BHD	70	CONNECTCOUNTY HOLDINGS BHD
21	S P SETIA BHD	71	DRB-HICOM BHD
22	SUNWAY CONSTRUCTION GROUP BHD	72	MALAYSIA AIRPORTS HOLDINGS BHD
23	DIGI.COM BHD	73	BERMAZ AUTO BHD
24	TOP GLOVE CORPORATION BHD	74	KENANGA INVESTMENT BANK BHD
25	CAHYA MATA SARAWAK BHD	75	SAPURA ENERGY BHD
26	PUBLIC BANK BHD	76	NESTLE (MALAYSIA) BHD
27	ASTRO MALAYSIA HOLDINGS BHD	77	TSH RESOURCES BHD
28	UEM SUNRISE BHD	78	KUALA LUMPUR KEPONG BHD
29	LPI CAPITAL BHD	79	GENTING MALAYSIA BHD
30	KUB MALAYSIA BHD	80	OSK VENTURES INTERNATIONAL BHD
31	TUNE PROTECT GROUP BHD	81	GENTING BHD
32	BUMI ARMADA BHD	82	STAR MEDIA GROUP BHD
33	IJM PLANTATIONS BHD	83	MNRB HOLDINGS BHD
34	YINSON HOLDINGS BHD	84	GAMUDA BHD
35	IHH HEALTHCARE BHD	85	HIBISCUS PETROLEUM BHD
36	VELESTO ENERGY BHD	86	BERJAYA CORPORATION BHD
37	WESTPORTS HOLDINGS BHD	87	QL RESOURCES BHD
38	MALAYSIAN RESOURCES CORPORATION BHD	88	AWC BHD
39	DUOPHARMA BIOTECH BHD	89	UNISEM (M) BHD
40	DELEUM BHD	90	LEON FUAT BHD
41	MISC BHD	91	ECONPILE HOLDINGS BHD
42	ECO WORLD INTERNATIONAL BHD	92	MUDAJAYA GROUP BHD
43	IOI CORPORATION BHD	93	RANHILL UTILITIES BHD (fka RANHILL HOLDINGS BHD)
44	KPJ HEALTHCARE BHD	94	AEON CREDIT SERVICE (M) BHD
45	MAXIS BHD	95	FIMA CORPORATION BHD
46	KUMPULAN PERANGSANG SELANGOR BHD	96	HENGYUAN REFINING COMPANY BHD
47	HONG LEONG BANK BHD	97	CARLSBERG BREWERY MALAYSIA BHD
48	IOI PROPERTIES GROUP BHD	98	RHONE MA HOLDINGS BHD
49	SYARIKAT TAKAFUL MALAYSIA KELUARGA BHD	99	VITROX CORPORATION BHD
50	SUNWAY REAL ESTATE INVESTMENT TRUST	100	MAH SING GROUP BHD

LIST OF TOP 100 COMPANIES FOR OVERALL CG & PERFORMANCE (BY RANK)

1	MALAYAN BANKING BHD	51	CHEMICAL COMPANY OF MALAYSIA BHD
2	PETRONAS DAGANGAN BHD	52	HENGYUAN REFINING COMPANY BHD
3	BRITISH AMERICAN TOBACCO (MALAYSIA) BHD	53	GAS MALAYSIA BHD
4	PETRONAS CHEMICALS GROUP BHD	54	QL RESOURCES BHD
5	AMMB HOLDINGS BHD	55	ECONPILE HOLDINGS BHD
6	DIGI.COM BHD	56	SUNWAY REAL ESTATE INVESTMENT TRUST
7	ALLIANZ MALAYSIA BHD	57	IJM PLANTATIONS BHD
8	SIME DARBY PLANTATION BHD	58	DELEUM BHD
9	RHB BANK BHD	59	GADANG HOLDINGS BHD
10	SUNWAY CONSTRUCTION GROUP BHD	60	MATRIX CONCEPT HOLDINGS BHD
11	SIME DARBY PROPERTY BHD	61	RANHILL UTILITIES BHD (fka RANHILL HOLDINGS BHD)
12	MALAYSIA BUILDING SOCIETY BHD	62	MALAYSIAN RESOURCES CORPORATION BHD
13	BIMB HOLDINGS BHD	63	IHH HEALTHCARE BHD
14	TOP GLOVE CORPORATION BHD	64	GDB HOLDINGS BHD
15	PETRONAS GAS BHD	65	PRESS METAL ALUMINIUM HOLDINGS
16	SIME DARBY BHD	66	MISC BHD
17	ASTRO MALAYSIA HOLDINGS BHD	67	DRB-HICOM BHD
18	TELEKOM MALAYSIA BHD	68	KLCC PROPERTY HOLDINGS BHD
19	TENAGA NASIONAL BHD	69	RCE CAPITAL BHD
20	ALLIANCE BANK MALAYSIA BHD	70	OSK HOLDINGS BHD
21	IJM CORPORATION BHD	71	BUMI ARMADA BHD
22	SUNWAY BHD	72	NOVA WELLNESS GROUP BHD
23	PUBLIC BANK BHD	73	MALAYSIA AIRPORTS HOLDINGS BHD
24	LPI CAPITAL BHD	74	KUB MALAYSIA BHD
25	SYARIKAT TAKAFUL MALAYSIA KELUARGA BHD	75	ECO WORLD INTERNATIONAL BHD
26	UMW HOLDINGS BHD	76	DUFU TECHNOLOGY CORP. BHD
27	AXIATA GROUP BHD	77	AFFIN BANK BHD
28	YINSON HOLDINGS BHD	78	LEON FUAT BHD
29	S P SETIA BHD	79	UCHI TECHNOLOGIES BHD
30	WESTPORTS HOLDINGS BHD	80	7-ELEVEN MALAYSIA HOLDINGS BHD
31	NESTLE (MALAYSIA) BHD	81	INARI AMERTRON BHD
32	HEINEKEN MALAYSIA BHD	82	VELESTO ENERGY BHD
33	CAHYA MATA SARAWAK BHD	83	DATASONIC GROUP BHD
34	MAXIS BHD	84	KUMPULAN PERANGSANG SELANGOR BHD
35	BERMAZ AUTO BHD	85	RHONE MA HOLDINGS BHD
36	PARAMOUNT CORPORATION BHD	86	AWC BHD
37	CARLSBERG BREWERY MALAYSIA BHD	87	LINGKARAN TRANS KOTA HOLDINGS BHD
38	HIBISCUS PETROLEUM BHD	88	IOI PROPERTIES GROUP BHD
39	HONG LEONG BANK BHD	89	HONG LEONG FINANCIAL GROUP BHD
40	DUOPHARMA BIOTECH BHD	90	KUALA LUMPUR KEPONG BHD
41	IOI CORPORATION BHD	91	MYNEWS HOLDINGS BHD
42	VITROX CORPORATION BHD	92	SEG INTERNATIONAL BHD
43	TUNE PROTECT GROUP BHD	93	BERJAYA SPORTS TOTO BHD
44	AEON CREDIT SERVICE (M) BHD	94	DUTCH LADY MILK INDUSTRIES BHD
45	FRASER & NEAVE HOLDINGS BHD	95	APEX HEALTHCARE BHD
46	UEM SUNRISE BHD	96	JF TECHNOLOGY BHD
47	KPJ HEALTHCARE BHD	97	GABUNGAN AQRS BHD
48	HARTALEGA HOLDINGS	98	GENTING PLANTATIONS BHD
49	TIME DOTCOM BHD	99	MI TECHNOVATION BHD
50	UEM EDGENTA BHD	100	KENANGA INVESTMENT BANK BHD