

# Sats tops Singapore companies in Asean corporate governance

**By Rae Wee**

raewee@sph.com.sg  
@RaeWeeBT

## Singapore

GROUND-HANDLER and in-flight caterer Sats has emerged top out of 100 Singapore listed companies in the 2019 Asean Corporate Governance Scorecard (ACGS) – jumping 10 places from its 11th position in 2017 – in results announced on Monday.

Held biennially, ACGS is part of an initiative under the Asean Capital Markets Forum, a high-level grouping of capital market regulators. Apart from Singapore, countries that participated in the latest assessment include Indonesia, Malaysia, Thailand, the Philippines and Vietnam.

The domestic ranking bodies of each country assessed a list of top 100 publicly-listed companies by market capitalisation in their jurisdictions, whereby the top 35 companies from each country then underwent peer review assessment randomly by the domestic ranking bodies of the other countries.

The final scores of these companies were derived after discussion by the ranking bodies, producing a list of companies in Asean that had achieved a minimum score of 75 per cent out of 130 points, a list of the top 20 companies in Asean, and a list of

the top three companies in each country.

Across the region, banking group AMMB Holdings placed among Malaysia's top three, while Bank CIMB Niaga was one of the front-runners for Indonesia.

Philippine property developer Ayala Land, Thai petroleum and energy conglomerate Bangchak Corporation and Vietnamese information technology company FPT Corporation were among the three highest scorers in their respective countries.

Locally, the National University of Singapore (NUS) Business School's Centre for Governance, Institutions and Organisations (CGIO), as well as the Singapore Institute of Directors (SID), made up the domestic ranking body. The two have been appointed by the Monetary Authority of Singapore as the Republic's domestic ranking body for the Asean Corporate Governance Initiative since 2013.

In a joint statement on Monday, CGIO and SID said that Singapore companies "put in a strong showing" this year, with 26 companies scoring at least 75 per cent of the total attainable 130 points.

Coming in behind Sats' lead with 119.7 points were UOB and the Singapore Exchange, followed by Singtel in fourth place and OCBC in fifth.

On average, Singapore companies

scored 88.3 out of 130 points, the highest score to date. Across Asean, companies in Thailand had the highest average score of 96.6 points, followed by Malaysia with an average of 95 points. Companies in the Philippines scored an average of 77.2 points, along with Indonesia at 70.8 points and Vietnam at 54.6 points.

The ACGS scores on factors such as rights of shareholders, disclosure and transparency, as well as responsibilities of the board. Bonus points are also awarded when, for example, a company has a policy and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives, while penalties are given when companies do not comply with rules governing material related-party transactions in the past three years.

John Lim, chairman of the corporate governance benchmarks committee at SID, noted that Singapore companies "should be able to do even better with greater disclosures of their corporate governance practices", adding that "good disclosure" is an area where local companies have "lagged" some of its Asean counterparts in recent years.

Lawrence Loh, director of CGIO, NUS Business School, said: "As a member of the Asean market, it is important for Singapore to push the corpor-

## Asean Top 20

COMPANY	WHERE IT'S LISTED
AMMB Holdings	Malaysia
Axiata Group	Malaysia
Ayala Land	Philippines
Bangchak Corporation Public Co	Thailand
Bursa Malaysia	Malaysia
China Banking Corporation	Philippines
CIMB Group Holdings	Malaysia
Globe Telecom	Philippines
Maybank	Malaysia
<b>OCBC</b>	<b>Singapore</b>
Petronas Dagangan	Malaysia
PTT Exploration and Production Public Co	Thailand
PTT Public Company	Thailand
RHB Bank	Malaysia
<b>Sats</b>	<b>Singapore</b>
<b>Singapore Exchange</b>	<b>Singapore</b>
<b>Singtel</b>	<b>Singapore</b>
SM Prime Holdings	Philippines
Thai Oil Public Co	Thailand
<b>UOB</b>	<b>Singapore</b>

*Note: Companies are listed in alphabetical order*

Source: ASEAN Capital Markets Forum

ate governance standards of Asean as a bloc, so as to increase the attractiveness of Asean to global investors."

The ACGS was developed by a group of regional corporate governance experts from the domestic ranking bodies, with seed funding from the Asian Development Bank.