



Ground-handler and in-flight caterer Sats restocking a Singapore Airlines plane at Changi Airport in October. The firm was placed first among 100 Singapore publicly listed companies in the 2019 Asean Corporate Governance Scorecard, followed by United Overseas Bank and the Singapore Exchange, with Singtel in fourth place and OCBC Bank in fifth. PHOTO: REUTERS

# Sats tops S'pore firms in Asean corporate governance ranking

**On average, the Republic's firms post highest score to date, with five among top 20 in region**

Ground-handler and in-flight caterer Sats has emerged top among 100 Singapore publicly listed companies in the 2019 Asean Corporate Governance Scorecard (ACGS) – jumping 10 places from its 11th position in 2017.

Held biennially, the 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 included 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, and 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 discussions 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 firm FPT Corporation were among the three top scorers in their respective countries.

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 ranking body for the Asean Corporate Governance Initiative since 2013.

In a joint statement yesterday, CGIO and SID said 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 with 119.7 points were United Overseas Bank and the Singapore Exchange, followed by Singtel in fourth place and OCBC Bank in fifth.

On average, Singapore companies scored 88.3 out of 130 points, the highest score to date.

Mr John Lim, chairman of the corporate governance benchmarks committee at SID, said: "It is most encouraging to note the significant improvement in average scores for Singapore's top 100 companies in the latest assessment, and we commend them on this achievement."

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, while Indonesian companies had 70.8 points and Vietnam firms had 54.6 points.

The ACGS scores cover components such as rights of shareholders, equitable treatment of shareholders, role of shareholders, disclosure and transparency as well as responsibilities of the board.

Companies in Singapore recorded higher scores across all five components in Level 1 compared with 2017, with scores in the role of shareholders rising the most at 2.4 points, while equitable treatment of shareholders rose the least at 0.1 point.

Mr Lim noted that 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 behind some of their Asean counterparts in recent years.

Of the top 20 publicly listed companies across Asean, Malaysian

companies dominated the list, taking a total of seven spots. Singapore companies came in second with five, while Thailand and the Philippines tied with four each.

CGIO director Lawrence Loh of NUS Business School said: "As a member of the Asean market, it is important for Singapore to push the corporate governance standards of Asean as a bloc, so as to increase the attractiveness of Asean to global investors."

THE BUSINESS TIMES