

# MEDIA RELEASE



## BURSA MALAYSIA ISSUES 2<sup>ND</sup> REPORT ON ANALYSIS OF CORPORATE GOVERNANCE DISCLOSURES IN ANNUAL REPORTS

KUALA LUMPUR, 16 December 2015 - Bursa Malaysia Berhad (“Bursa Malaysia” or “the Exchange”) has continued its efforts in upholding market quality with its 2<sup>nd</sup> report on the analysis of corporate governance disclosures in annual reports of 450 issuers listed on the Main and ACE markets, bringing the total to 750 listed issuers’ annual reports reviewed over 2 years.

This analysis is in furtherance of Bursa Malaysia’s agenda to continuously strengthen the corporate governance culture and the quality of disclosures.

Dato’ Tajuddin Atan, Chief Executive Officer of Bursa Malaysia, said, “This report is yet another testament of our commitment towards creating a sustainable marketplace: through instilling a culture of high corporate governance standards and providing guidance and tools to assist listed issuers advance in this area. Enhanced disclosures will help meet the needs and expectations of investors and other stakeholders and ultimately improve the integrity, quality and competitiveness of our marketplace, which in turn builds resilience and long-term viability.”

The purpose of the review is to assess the level and quality of disclosures by listed issuers in relation to Bursa Malaysia’s relevant listing requirements and the Malaysian Code of Corporate Governance 2012 (“MCCG”), with the objective of elevating corporate transparency and governance practices and disclosure.

The consolidated report is useful to both listed issuers and investors as it provides a comparative analysis of corporate governance practices across a wide segment of companies. Each of the 450 listed issuers reviewed will also receive a detailed report on their performance as well as their scores for each Principle (set out in the MCCG). Collectively both reports will enable the companies to discern their strengths and identify areas for improvement.

Dato’ Tajuddin added, “We have in place a solid foundation which has been built upon over the years and believe we are in a good position to further advance the corporate governance and sustainability agenda. The significance of this report is that we have taken a proactive and nurturing approach to it and with improvements in disclosures, investors and other stakeholders will have better quality corporate governance information to assess listed issuers, and potentially leading towards better ESG (environmental, social and governance) ratings as well as eligibility for sustainability indices such as FTSE4Good Bursa Malaysia Index.

The analysis shows that there was generally a high level of adherence to the listing requirements and MCCG, with some areas of improvement. Boards of listed issuers are commended for the measures taken to strengthen the corporate governance practices to date. As building good corporate governance standards is a journey, Boards are expected to address areas of weaknesses."

The annual reports covered in this review were for listed issuers with financial years ended 31 December 2013 to 30 September 2014 (issued by March 2015). The key highlight of the findings was that overall, quality disclosures were observed across the board amongst listed issuers with large, medium and small market capitalisation achieving average scores of 72%, 66% and 62% respectively. 57% of total listed issuers reviewed achieved average scores of 60% and above. The results are not comparable with those of last year's review given that the listed issuers reviewed differ from 2014 and this year's review involves a variation to the dashboard.

Bursa Malaysia will continue to build a market of quality through further engagements with listed issuers and through high quality advocacy programs for directors and practitioners. Bursa Malaysia will also continue with its review of annual reports in 2016.

The 2015 Report on Analysis of Corporate Governance Disclosures in Annual Reports is available on the Bursa Malaysia website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

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### **About Bursa Malaysia**

Bursa Malaysia is an approved exchange holding company under Section 15 of the Capital Markets and Services Act 2007. A public company limited by shares under the Companies Act 1965, Bursa Malaysia operates a fully-integrated exchange, offering equities, derivatives, offshore, bonds as well as Islamic products, and provides a diverse range of investment choices globally.

For more information on Bursa Malaysia, visit [www.bursamalaysia.com](http://www.bursamalaysia.com).

**For media queries, please contact the following:**

Rizal Lynam Matjeraie  
Strategic Communications  
Strategy & Transformation  
Tel: 603 2034 7437  
Fax: 603 2732 0069  
E-mail: [rizal@bursamalaysia.com](mailto:rizal@bursamalaysia.com)