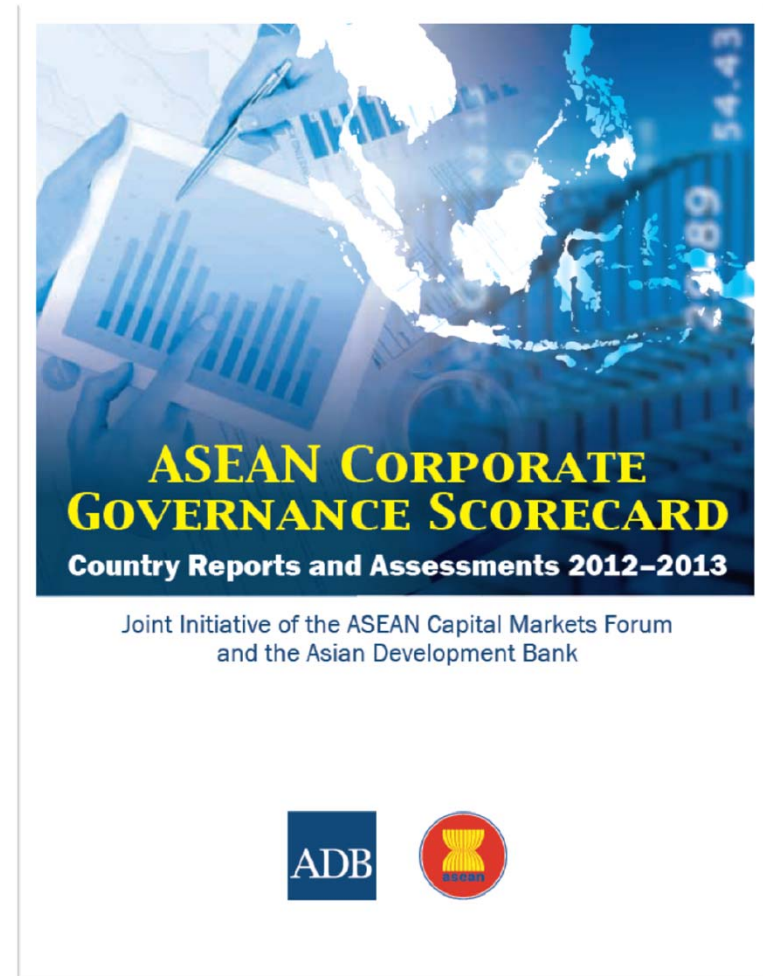


ASEAN Corporate Governance Scorecard

An Overview

Contents

- Outline
 - Background
 - Principles behind the ASEAN Corporate Governance Scorecard
 - Scorecard Methodology
- Scoring Exercise
 - Evaluation Process
 - Sample Profile
 - 2012 and 2013 Results
- Going forward
 - Revision to the Scorecard
 - ASEAN company List



Background:

ASEAN Capital Markets Forum (ACMF) Implementation Plan for the development of an integrated capital market by 2015

Environment for Regional Integration	Creating the Market Infrastructure	Strengthening the Implementation Process
<ul style="list-style-type: none"> • Mutual Recognition Framework 	<ul style="list-style-type: none"> • ASEAN governance framework. • Promoting ASEAN asset class. • Strengthening bond markets. 	<ul style="list-style-type: none"> • Aligning domestic capital market for regional integration • Reinforcing ASEAN working process.

Source: Adapted from
ACMF Implementation
Plan (2009)

Background:

Initiative started in 2011 under ASEAN Capital Markets Forum (ACMF) Implementation Plan

Initial Scorecard and assessment criteria developed by panel of CG experts from the region

Working group led by Securities Commission Malaysia

Includes capital market regulators and regional CG proponents

SID and CGIO appointed as Singapore DRB in 2013

Principles of Scorecard

- Reflects internationally recognized good corporate governance practices
- Encourages PLCs to adopt higher standards
- Identifies gaps in practices and places focus on good practices
- Comprehensive in coverage
- Corresponds to OECD Principles of Corporate Governance



Scorecard Methodology

There are 2 levels to the ASEAN CG Scorecard:

Level 1: Five Major Sections that Correspond to OECD Principle :

Part A (10%): Rights of Shareholders

Part B (15%): Equitable Treatment of

Part C (10%): Role of Stakeholders

Part D (25%): Disclosure and
Transparency

Part E (40%): Responsibilities of the
Board

Level 1 Total: 179 items weighted to
100 points



Level 2: Two additional sections: Bonus and Penalty

Bonus items for companies that go beyond minimum standards;

Penalty items for companies with poor practices

Level 2 Total: Net Bonus and Penalty points

Scorecard Methodology

Level 1	No. of Questions	Weightage	Maximum Attainable Score
Part A: Rights of Shareholders	25	10%	10 points
Part B: Equitable Treatment of Shareholders	17	15%	15 points
Part C: Role of Stakeholders	21	10%	10 points
Part D: Disclosure and Transparency	40	25%	25 points
Part E: Responsibilities of the Board	76	40%	40 points
Level 1 sub- Total:	179	100%	100 points

Level 2	No. of Questions	Weightage	Maximum Attainable Score
Bonus	9	Not Weighted	42 points
Penalty	21	Not Weighted	-53 points
Level 2 sub- Total:	30	Net Score	42 points

Overall Total Score = Weighted Level 1 Score + Net Level 2 Score
 Maximum Attainable Score: 100 + 42 = 142

Evaluation Process

Sample: Top 100 PLC by Market Capitalisation in each Jurisdiction*

Assess: 100 Short Listed PLCs using Scorecard

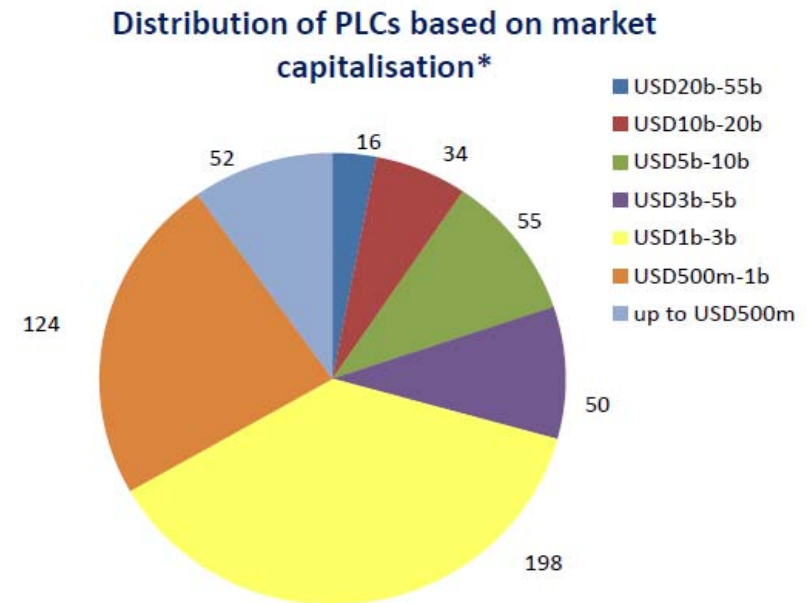
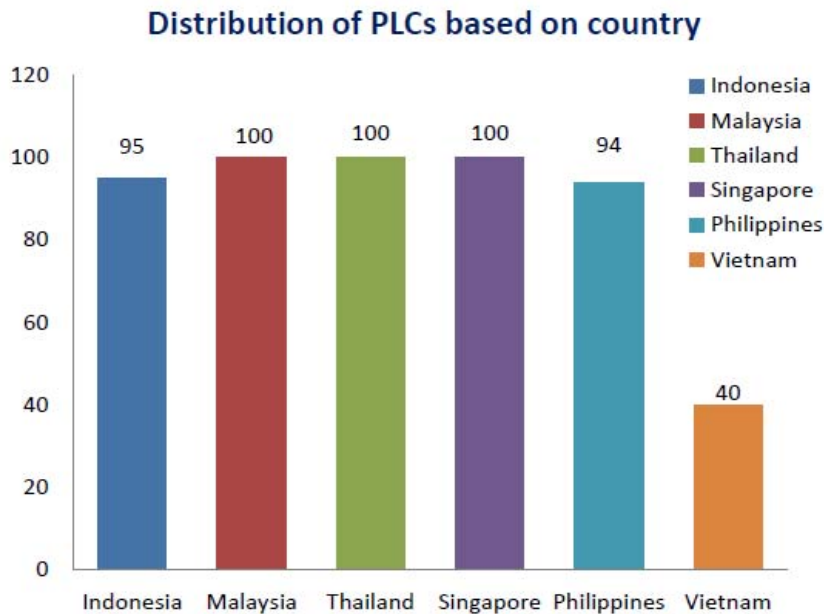
Peer Review: Cross-examination of Scores across Jurisdictions

Publish : top 50 PLCs in Country Report

*(*as of 30th April 2013 across 6 participating Jurisdictions by Domestic Ranking Bodies)*

Scoring Exercise: Sample Profile

**Profile of ASEAN PLCs assessed in the 2013 Scorecard exercise:
529 PLCs in 6 Jurisdictions**

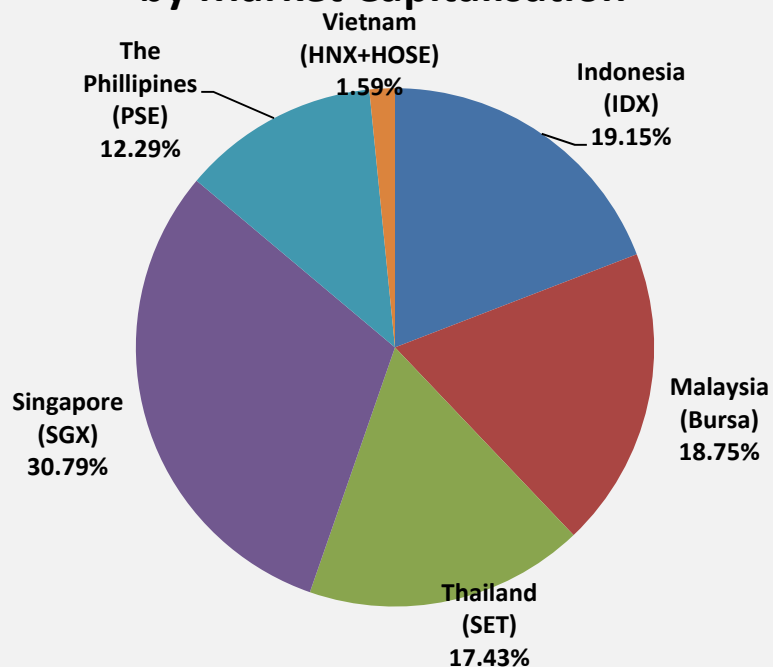


*Market capitalisation and currency exchange rates as at 30 April 2013

Scoring Exercise: Sample Vs Population

Comparison of Market size via Market Capitalisation

Relative ASEAN Exchanges size by Market Capitalisation*



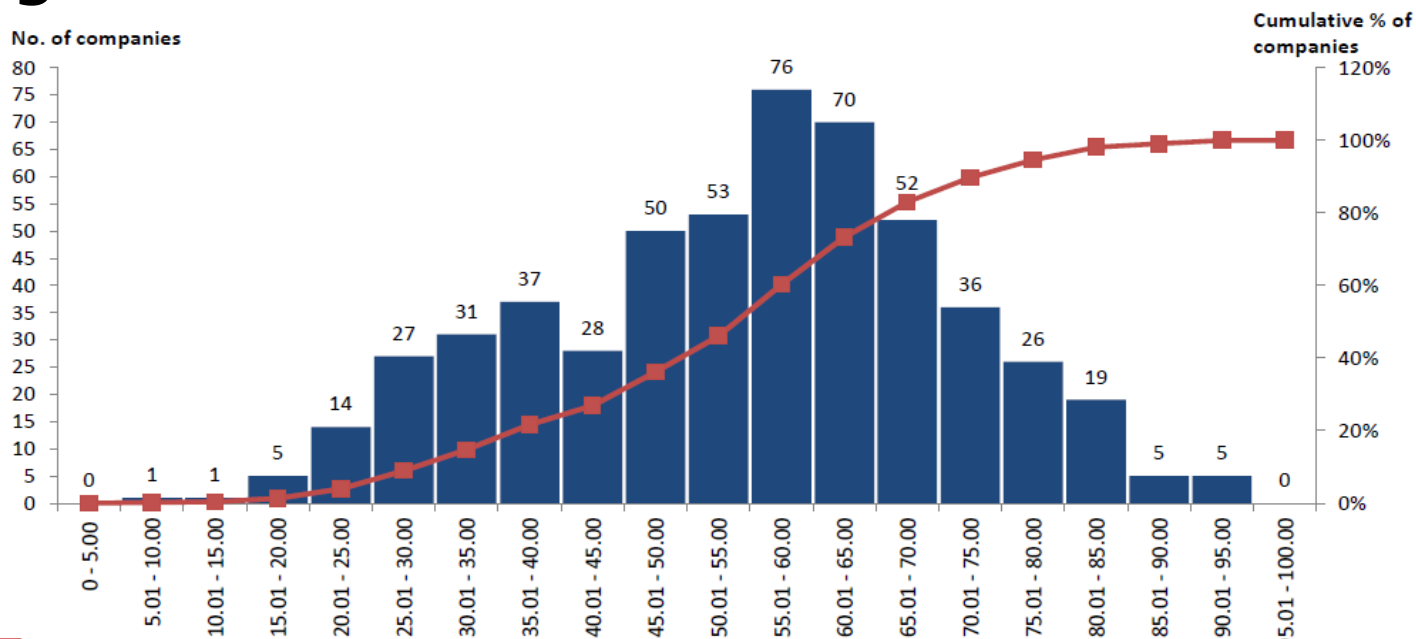
Market Capitalisation of ASEAN Exchanges in USD Billion*



*Listed Companies excluding REITs, Business Trust, ADRs and Debt Securities; Currency converted to USD as of 30th April 13 rates

Scoring Exercise: Results 2012

In total
536 PLCS
assessed
In 2012



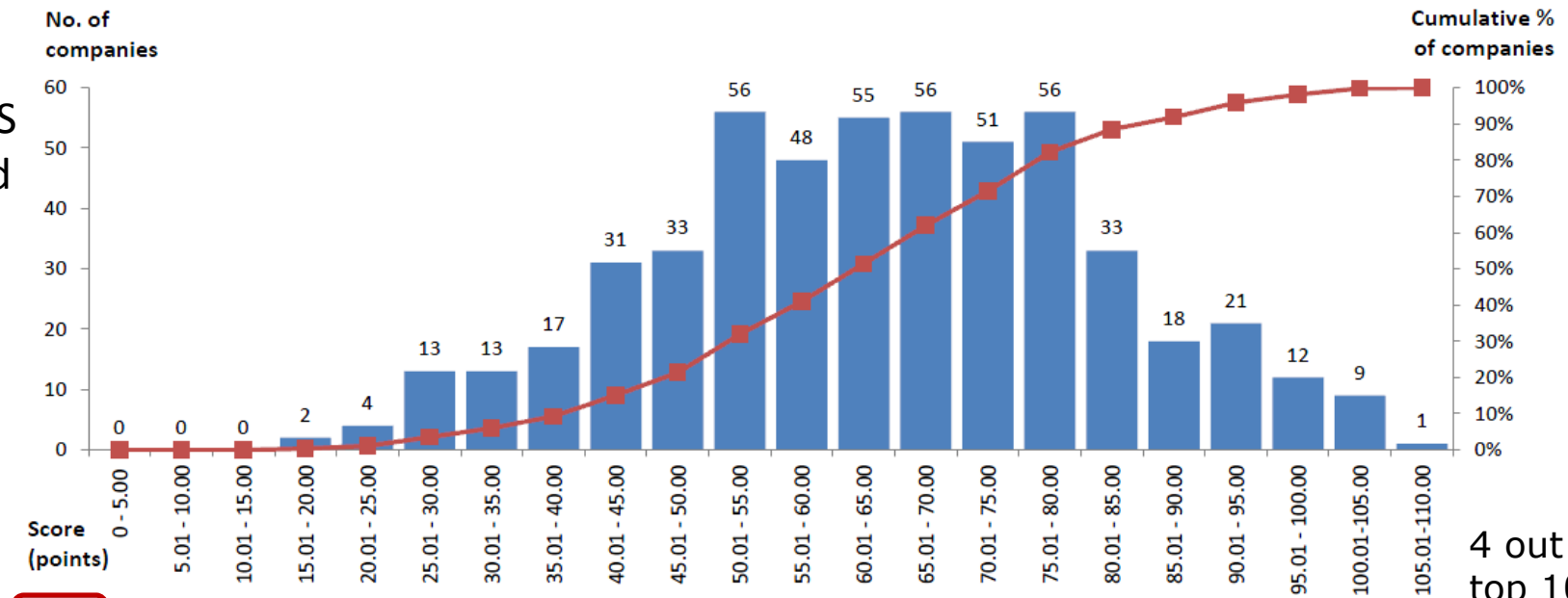
	-	-	-	-	7	9	16	19	6	5	11	8	10	5	-	1	-	-	-	-
	-	-	-	-	-	-	-	-	3	4	13	31	15	15	8	5	4	1	1	-
	-	-	-	-	-	-	-	2	9	22	19	16	13	11	3	4	1	-	-	-
	-	-	-	-	-	-	-	-	1	2	4	12	21	16	21	15	8	-	-	-
	-	-	1	5	6	13	7	5	1	1	-	-	-	-	-	-	-	-	-	-
	-	1	-	-	1	5	8	11	8	16	6	9	11	5	4	1	6	4	4	-

0 out of top 10 PLCS are from Singapore

5 out of top 50 PLCS are from Singapore

Scoring Exercise: Results 2013

In total
529 PLCS
assessed
In 2013

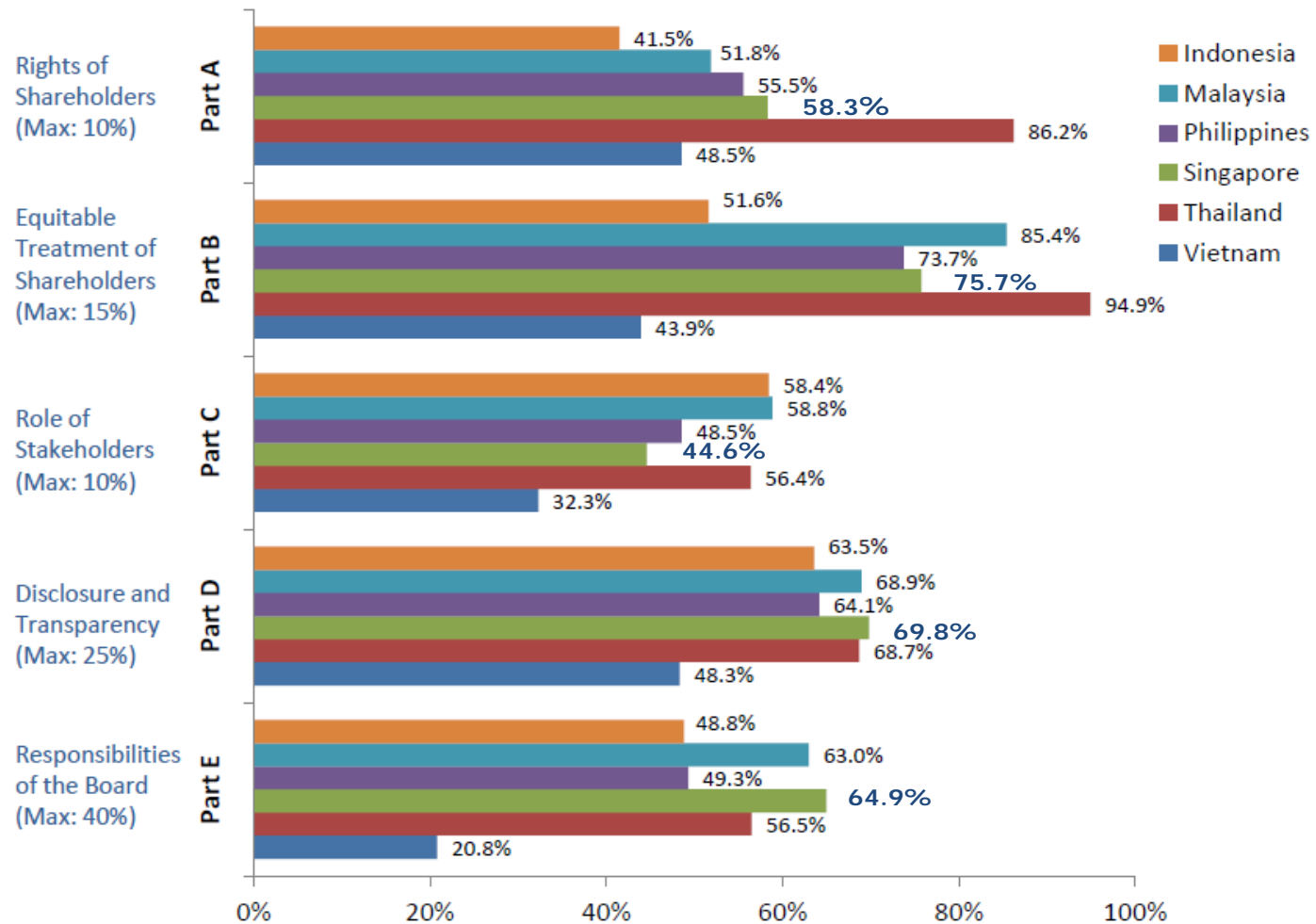


Score (points)	0-5.00	5.01-10.00	10.01-15.00	15.01-20.00	20.01-25.00	25.01-30.00	30.01-35.00	35.01-40.00	40.01-45.00	45.01-50.00	50.01-55.00	55.01-60.00	60.01-65.00	65.01-70.00	70.01-75.00	75.01-80.00	80.01-85.00	85.01-90.00	90.01-95.00	95.01-100.00	100.01-105.00	105.01-110.00
0-5.00	-	-	-	-	-	-	2	8	16	12	23	4	8	8	5	7	2	-	-	-	-	-
5.01-10.00	-	-	-	-	-	-	-	-	-	1	4	19	9	15	15	11	10	5	7	2	2	-
10.01-15.00	-	-	-	-	1	-	5	3	11	11	14	7	11	8	7	10	6	-	-	-	-	-
15.01-20.00	-	-	-	-	-	-	-	-	-	4	7	15	16	9	11	11	5	7	8	3	3	1
20.01-25.00	-	-	-	-	-	-	-	-	2	5	3	11	16	13	17	10	6	6	7	4	-	-
25.01-30.00	-	-	-	2	3	13	6	6	4	3	3	-	-	-	-	-	-	-	-	-	-	-

4 out of
top 10
PLCS are
from
Singapore

19 out of
top 50
PLCS are
from
Singapore

Scoring Exercise: Results 2013



Going Forward:

- Revision of the ASEAN Scorecard Instrument
- ASEAN top company list by end 2015 / early 2016 Assessment
- Based on FY 2015 Annual Reports / AGM notice + minutes / Website information

ASEAN Corporate Governance Scorecard - Results for Singapore

Publicly Listed Companies Assessed in 2013

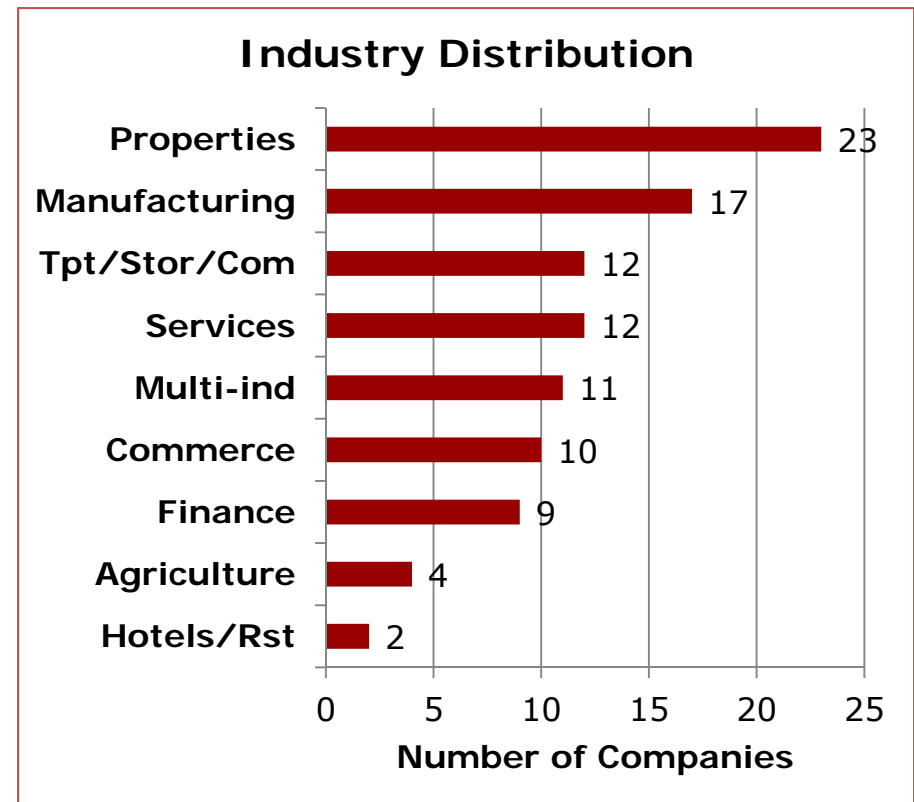
	Total Singapore PLCs	Top 100 Singapore PLCs
Number of Companies	771	100
Market Capitalisation (S\$B)	998.7	552.6

Top 100 Singapore PLCs represent:

- **13.0%** of total number of PLCs
- **55.3%** of total market capitalisation

Profile of Top 100 Singapore PLCs (as at 30 April 2013)

Statistics	Market Capitalisation (S\$B)
Minimum	0.607
Average	5.533
Maximum	62.658



ASEAN Corporate Governance Scorecard 2013: Results for Singapore Top 100 PLCs 2013

Statistics

Results

(Out of maximum score of 142)

Minimum

46.8

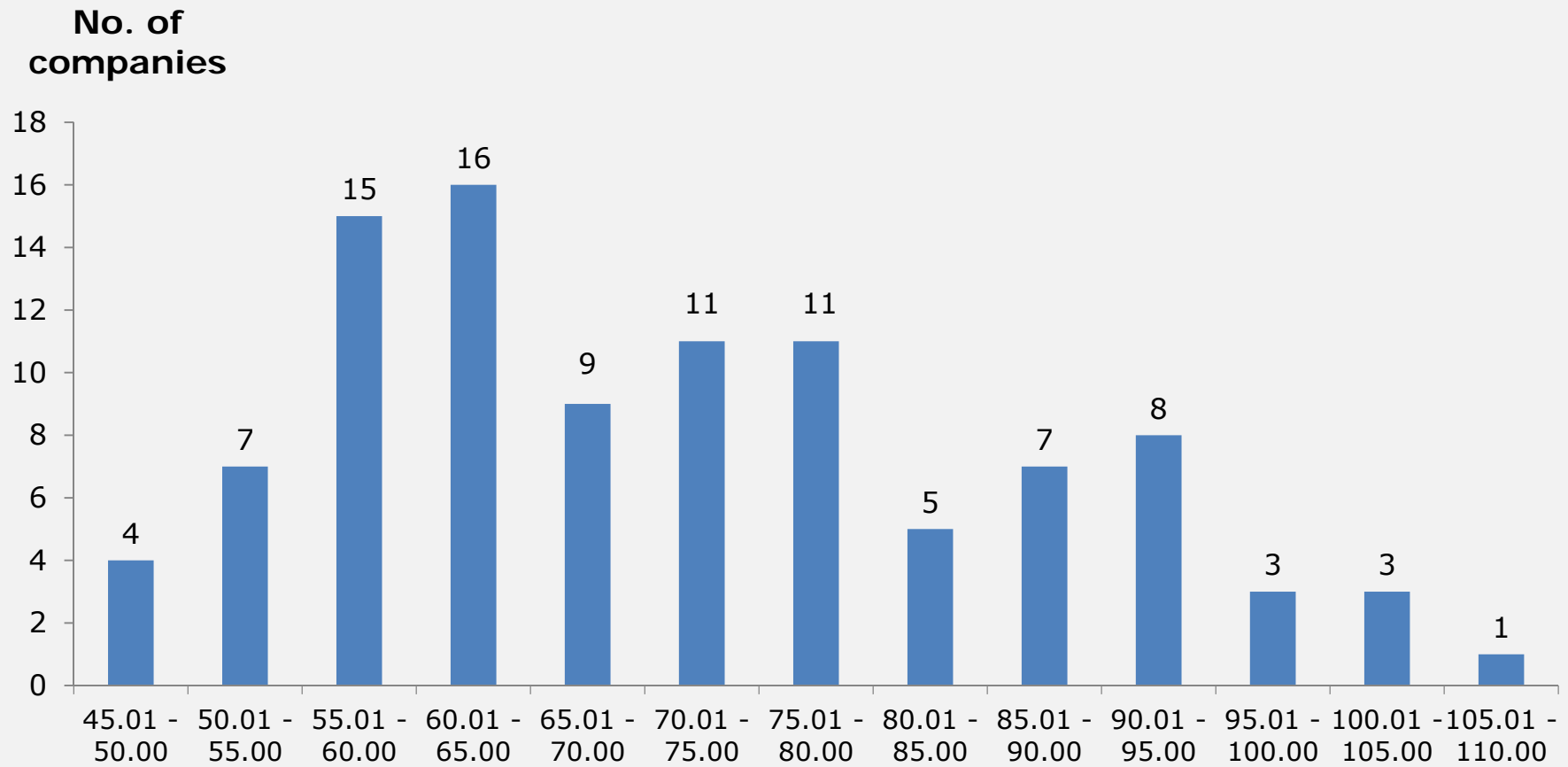
Average

71.7

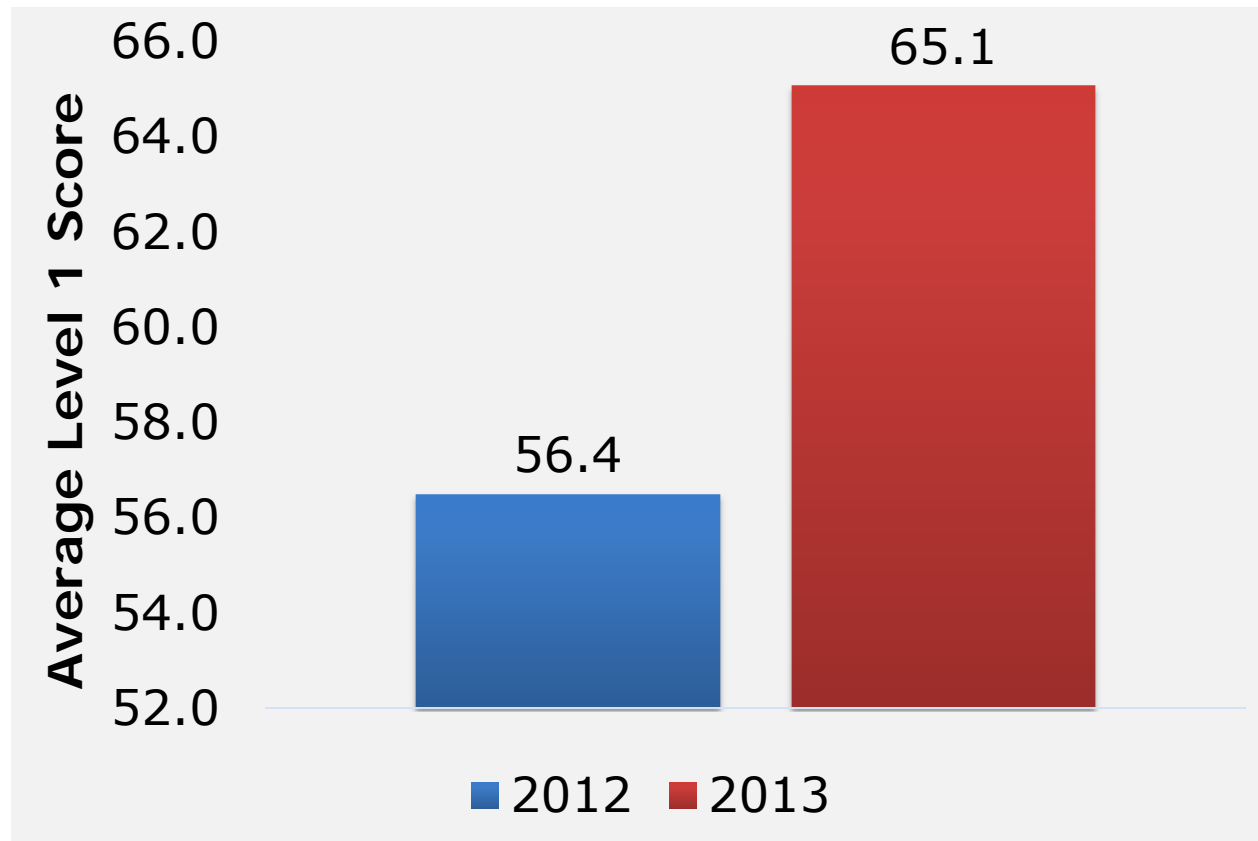
Maximum

105.0

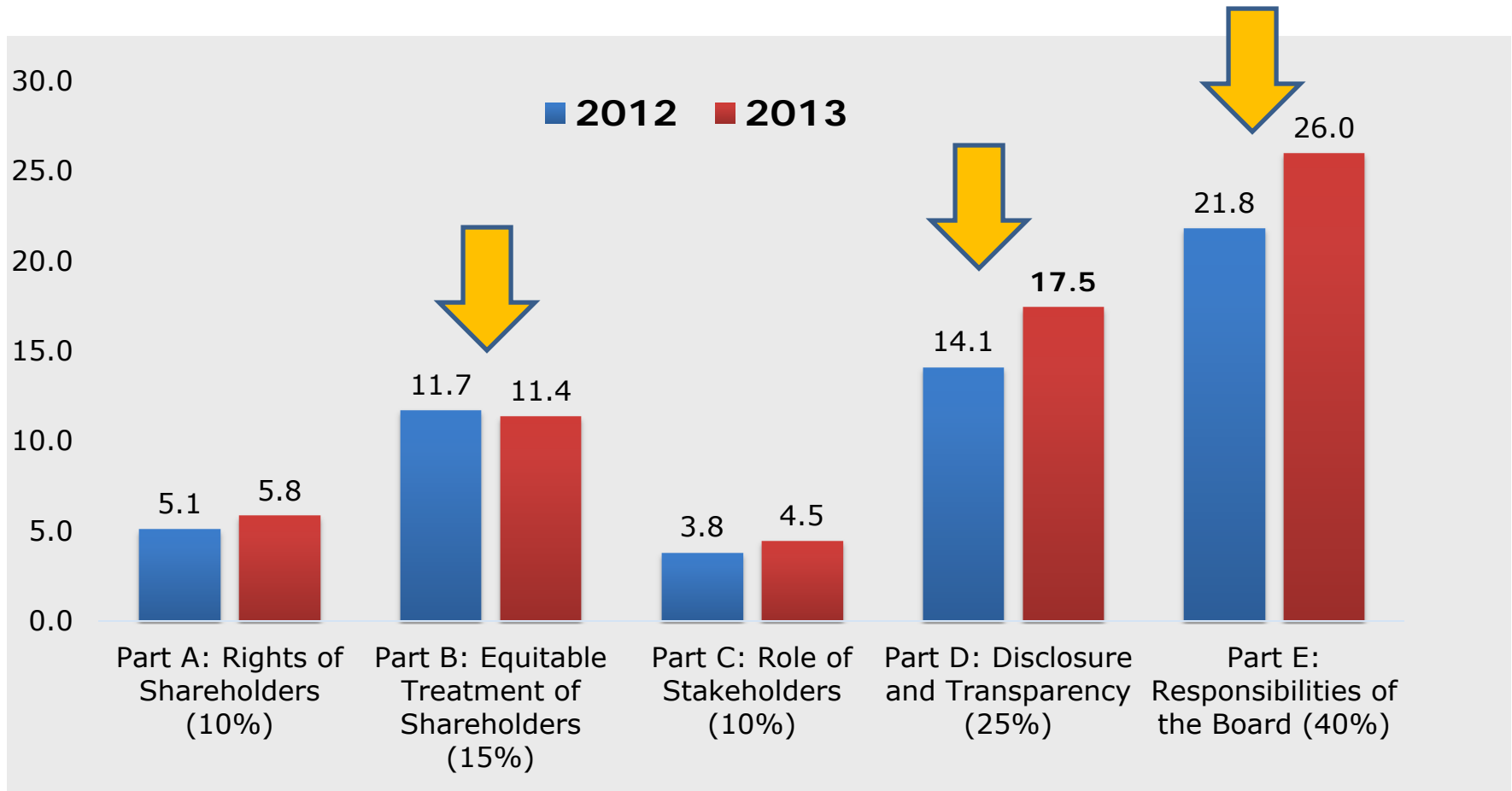
Distribution of Top 100 Singapore PLCs



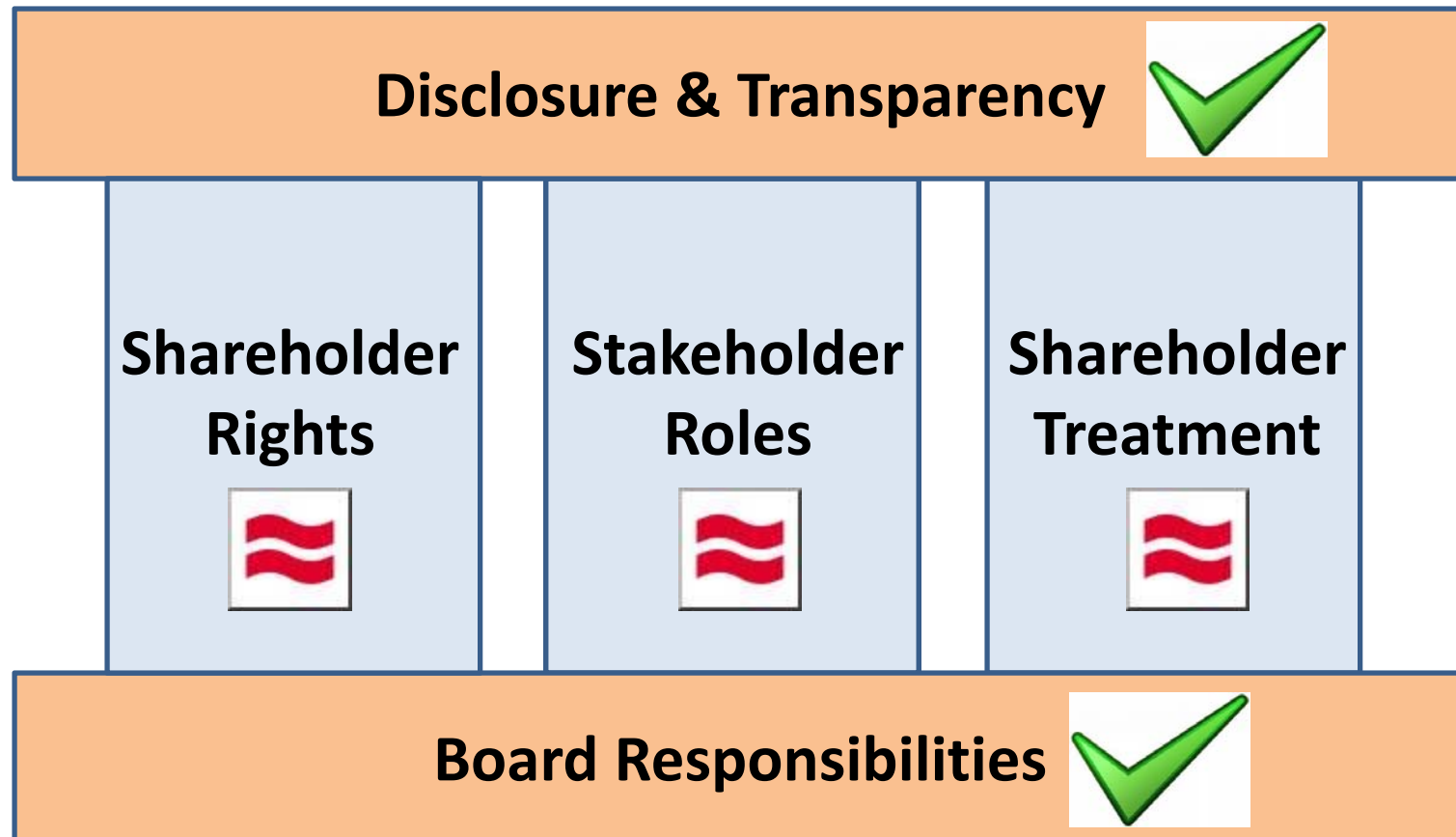
Base Score of Top 100 Singapore PLCs (Out of 100 points)



Average Scores by Component



Singapore's Corporate Governance: The Building Blocks



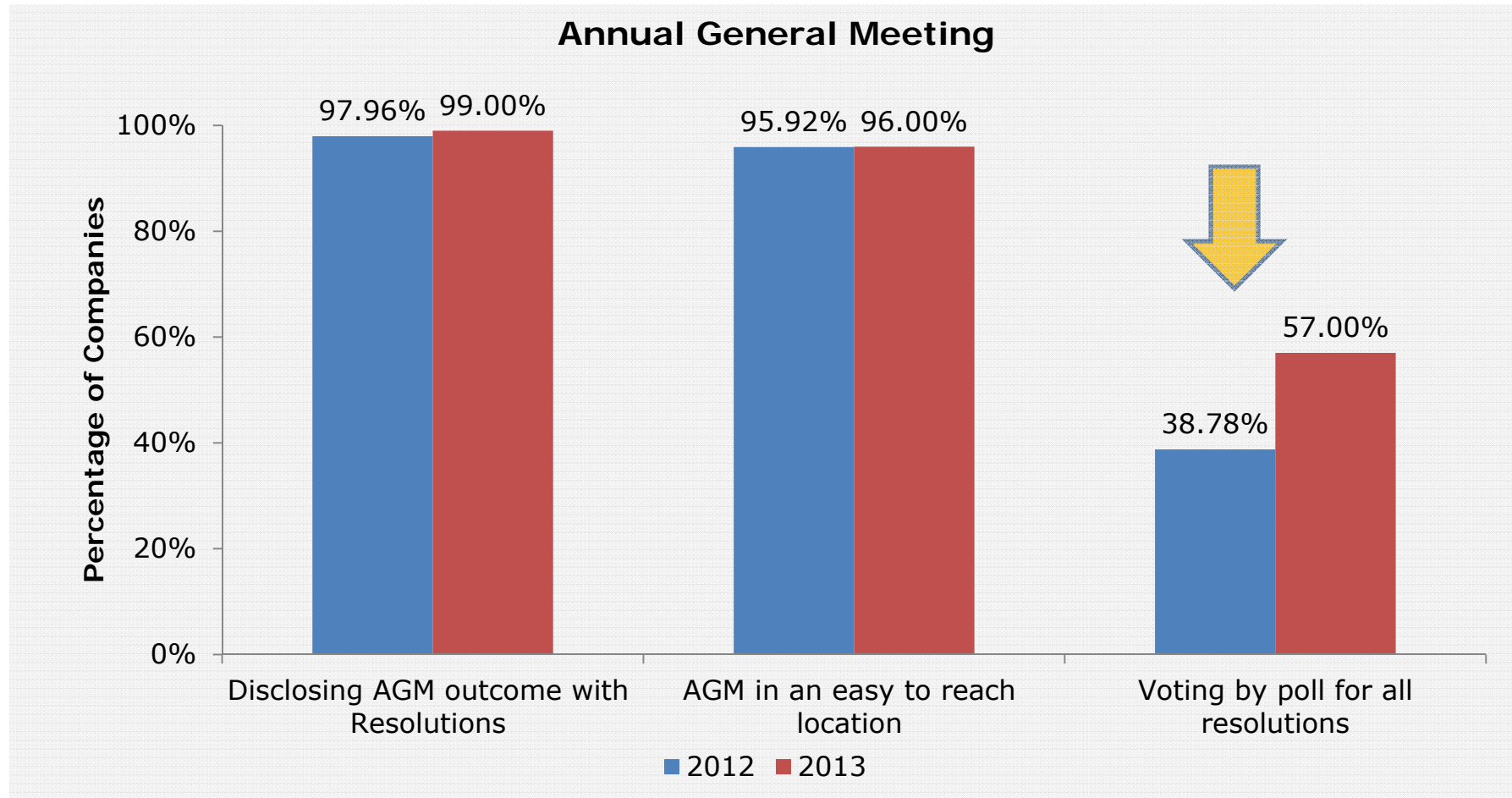
Strengths

Part A: Rights of Shareholders



- Disclosing AGM outcome with resolutions
- AGM in easy to reach location
- Voting by poll for all resolutions at recent AGM

Part A: Rights of Shareholders - Strengths



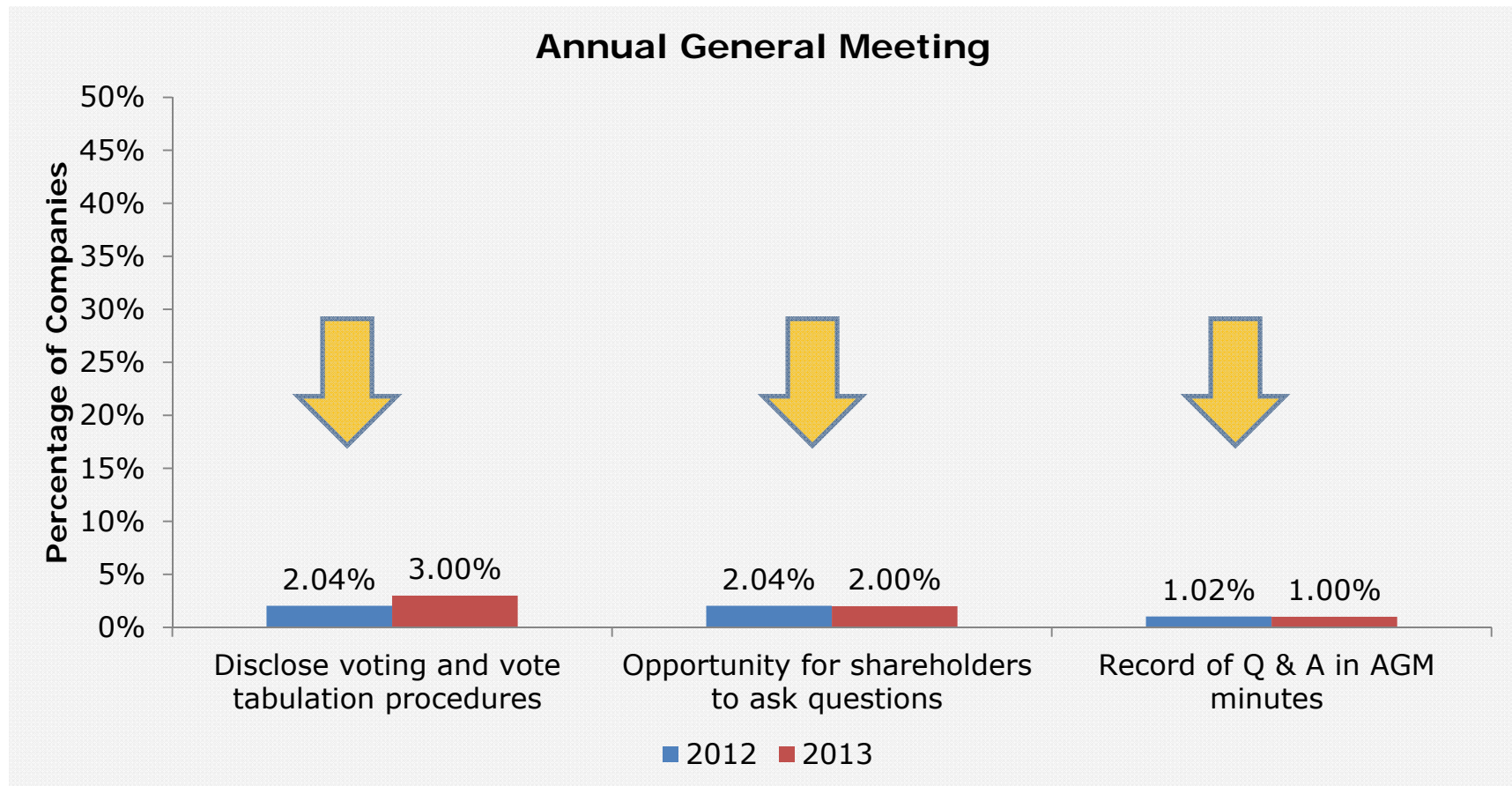
Areas for Improvement

Part A: Rights of Shareholders

- Few Singapore companies disclosed voting and vote tabulation procedures used
- Few companies record any opportunity for shareholders to ask questions
- Few companies record questions and answers in the minutes



Part A: Rights of Shareholders – Areas for Improvement



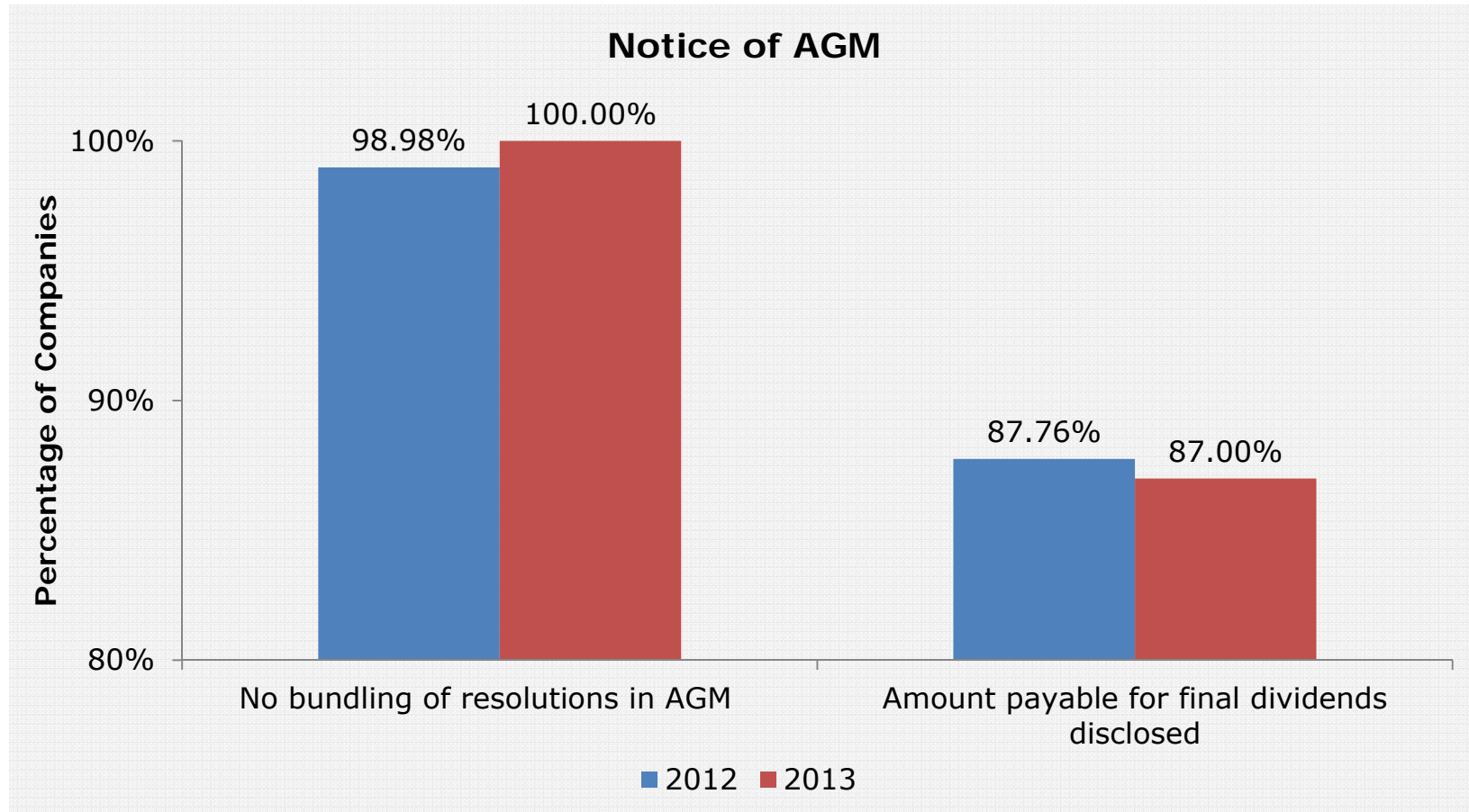
Strengths

Part B: Equitable Treatment of Shareholders



- No bundling of resolutions in AGM
- Amount payable for final dividends disclosed

Part B: Equitable Treatment of Shareholders - Strengths



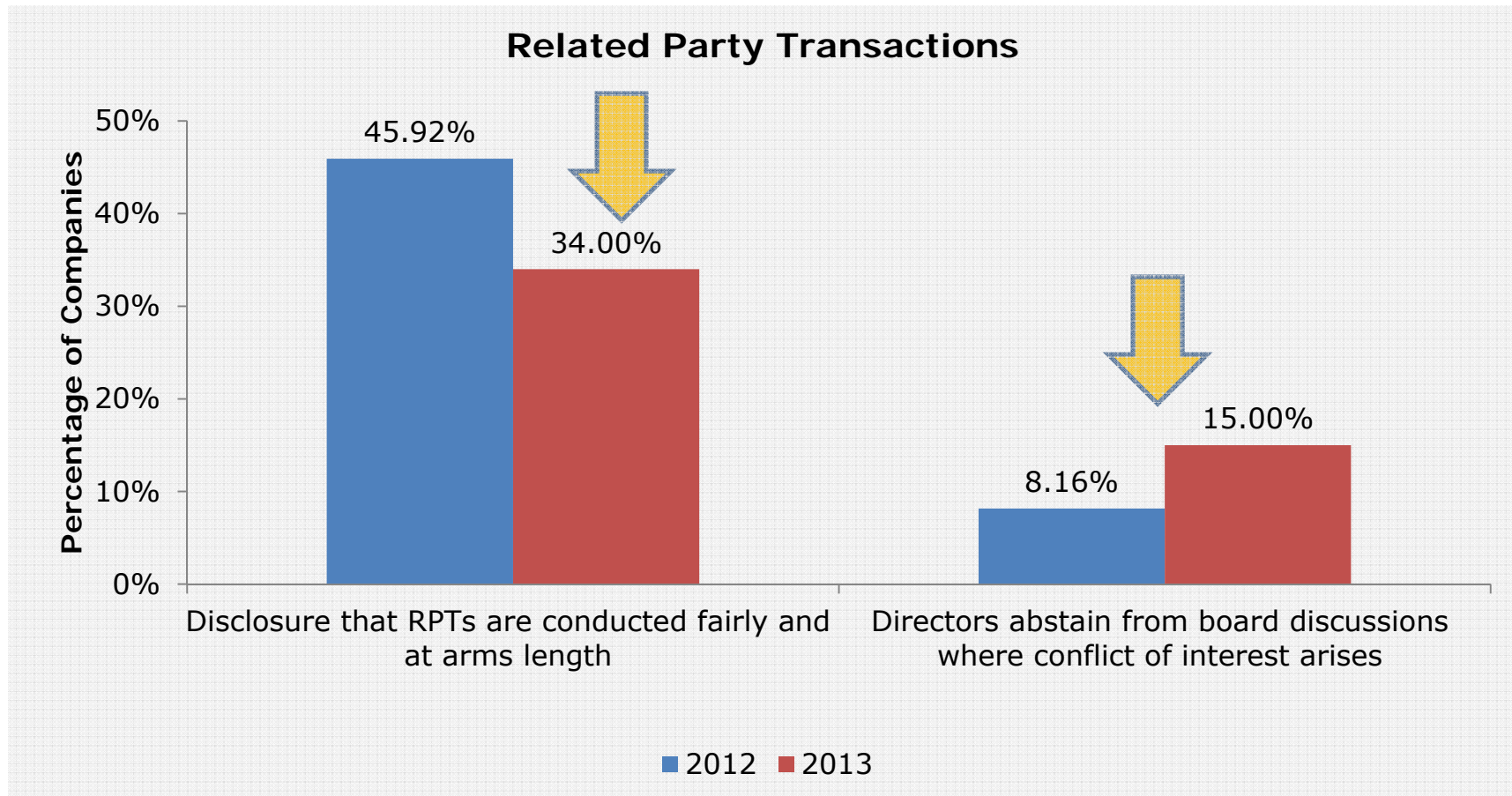
Areas for Improvement

Part B: Equitable Treatment of Shareholders

- Few companies disclosed that related party transactions are conducted fairly and at arms length
- Few companies have policy requiring directors to abstain from Board discussion where conflict of interest arises



Part B: Equitable Treatment of Shareholders – Areas for Improvement



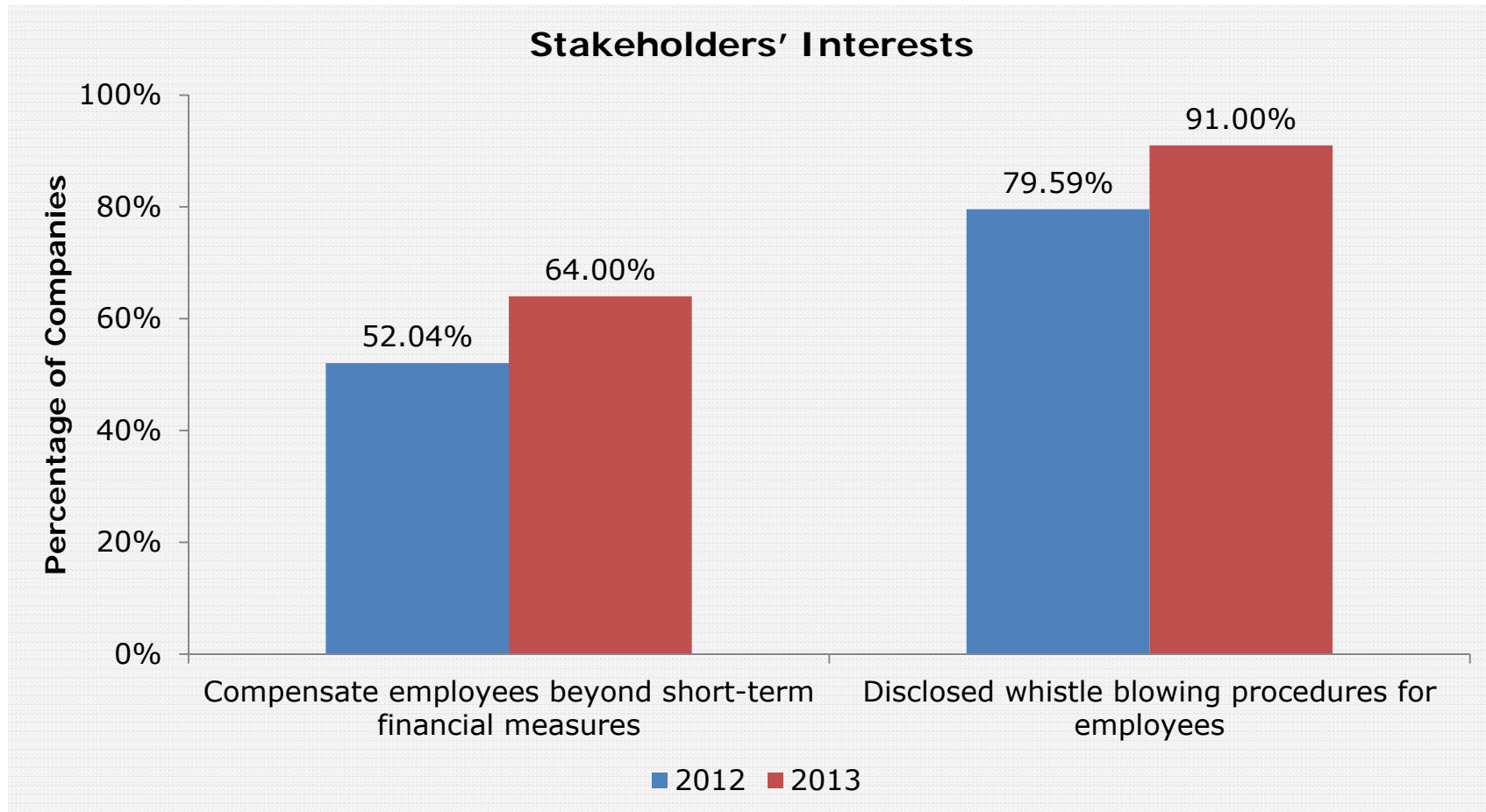
Strengths

Part C: Role of Stakeholders



- Have reward/compensation policy that accounts for performance of company beyond short-term financial measures
- Disclosed whistle-blowing procedures for employees

Part C: Role of Stakeholders - Strengths



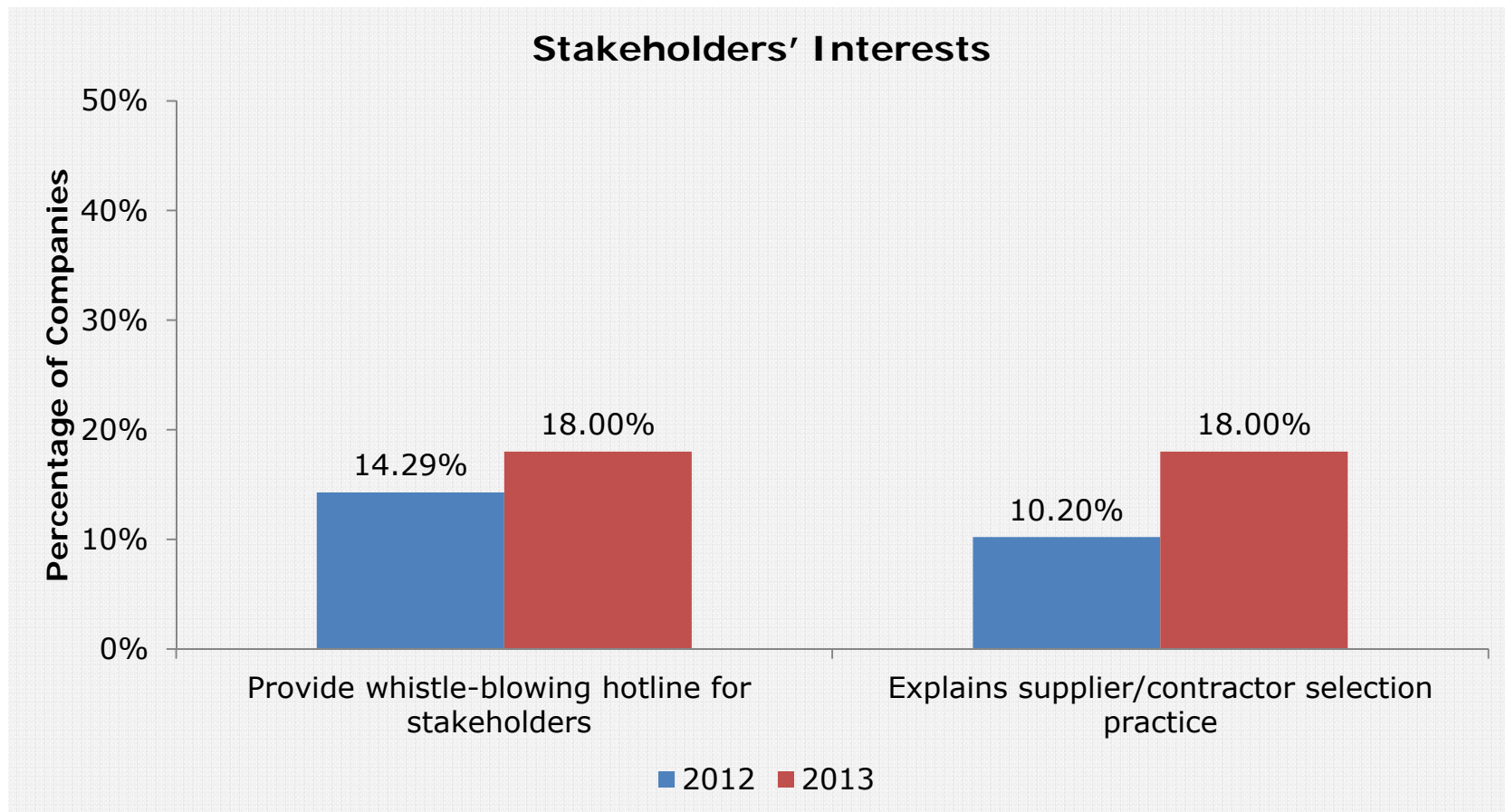
Areas for Improvement

Part C: Role of Stakeholders

- Few companies provide whistle-blowing contacts/hotline for stakeholders on annual report / website
- Few companies disclosed policy that explains supplier/contractor selection practice



Part C: Role of Stakeholders – Areas for Improvement



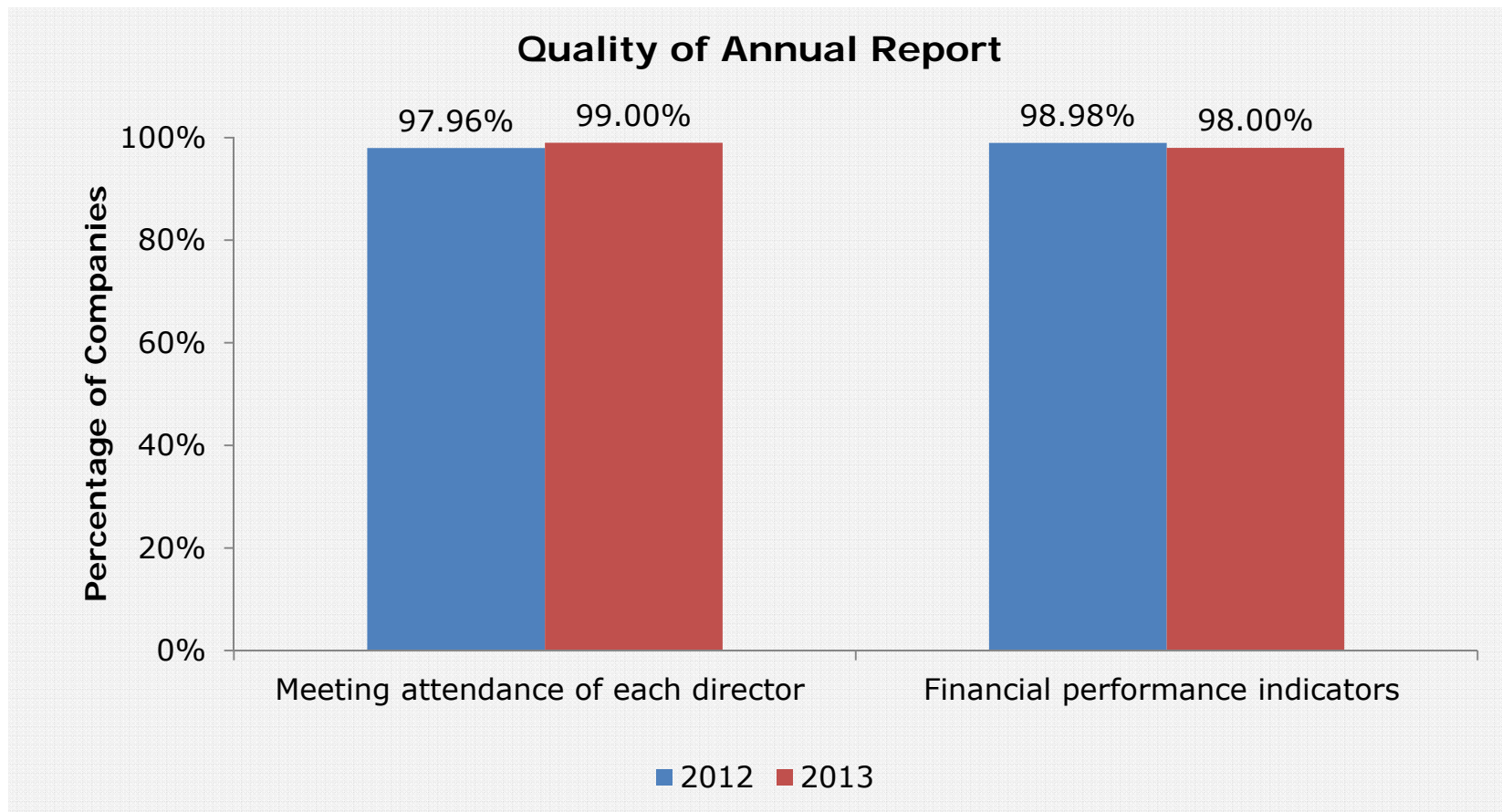
Strengths

Part D: Disclosure and Transparency



- Disclosure of meeting attendance of each director in annual report
- Disclosure of financial performance indicators in annual report

Part D: Disclosure and Transparency - Strengths



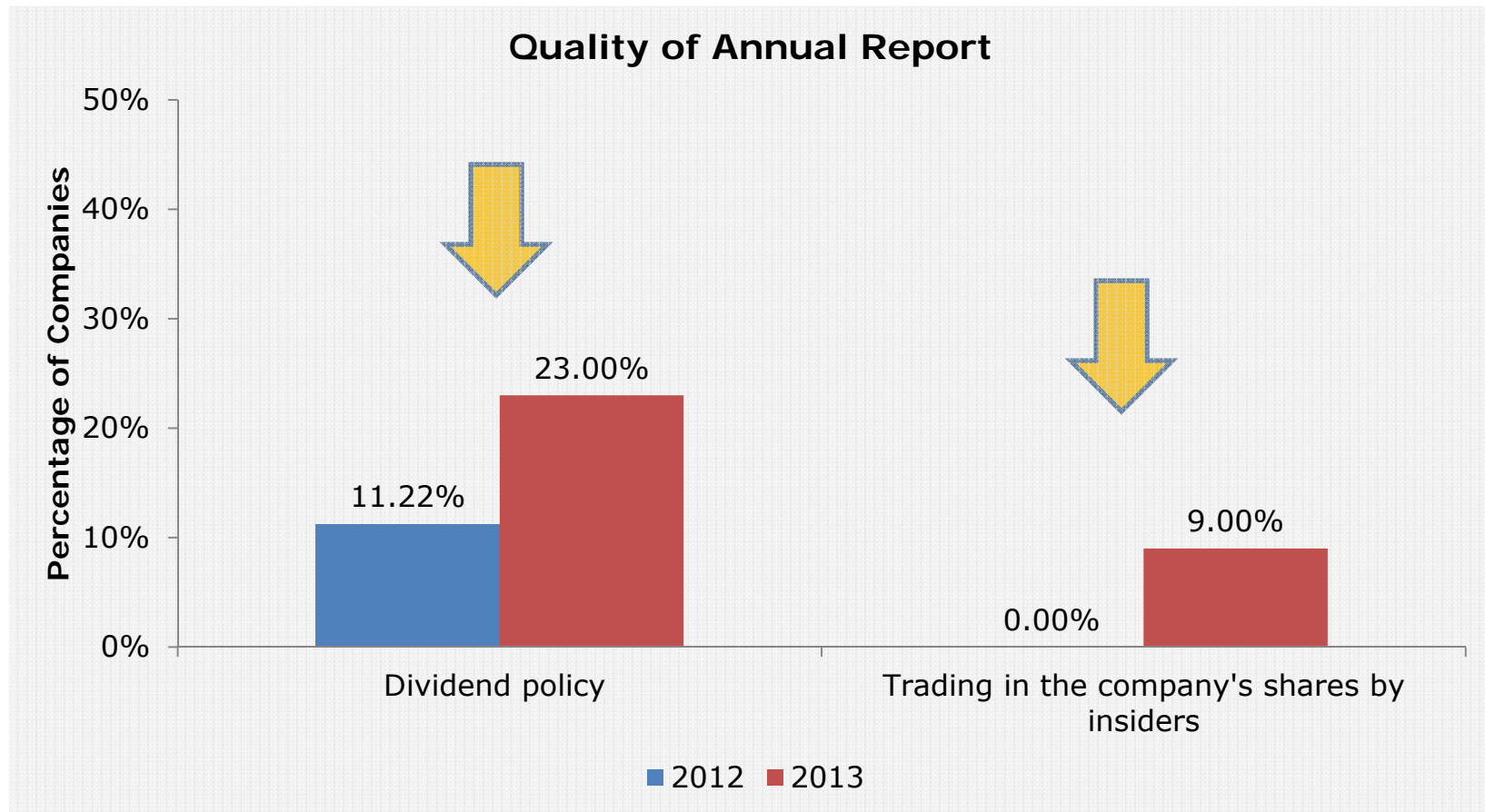
Areas for Improvement

Part D: Disclosure and Transparency

- Few companies disclosed their dividend policy in annual report
- Few companies disclosed trading in company's shares by insiders in annual report



Part D: Disclosure and Transparency – Areas for Improvement



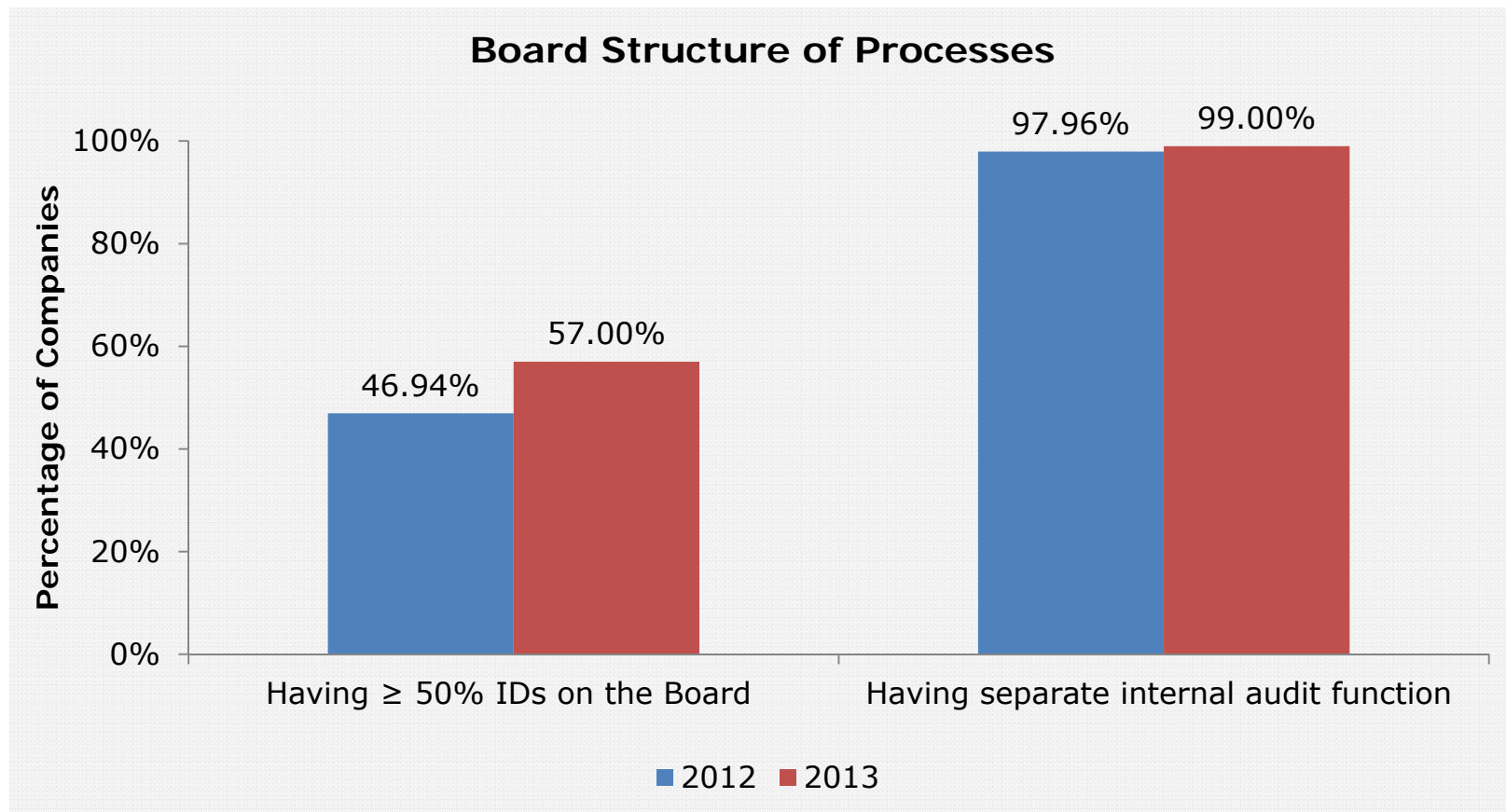
Strengths

Part E: Responsibilities of the Board



- Independent directors make up at least 50% of Board
- Having separate internal audit function

Part E: Responsibilities of the Board - Strengths



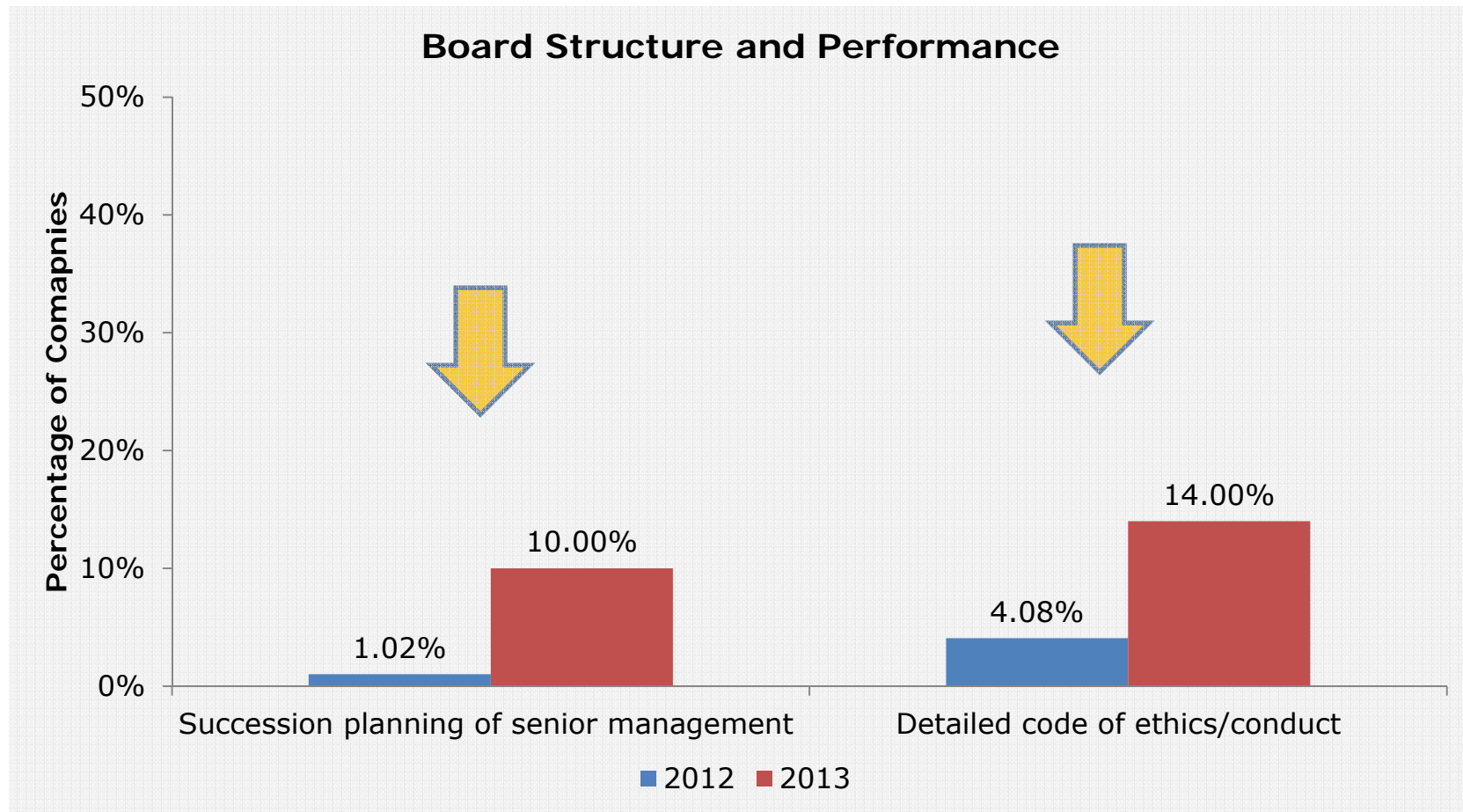
Areas for Improvement

Part E: Responsibilities of the Board

- Few companies disclosed details on succession planning of CEO and senior management
- Few companies disclosed details of their code of ethics/conduct
-

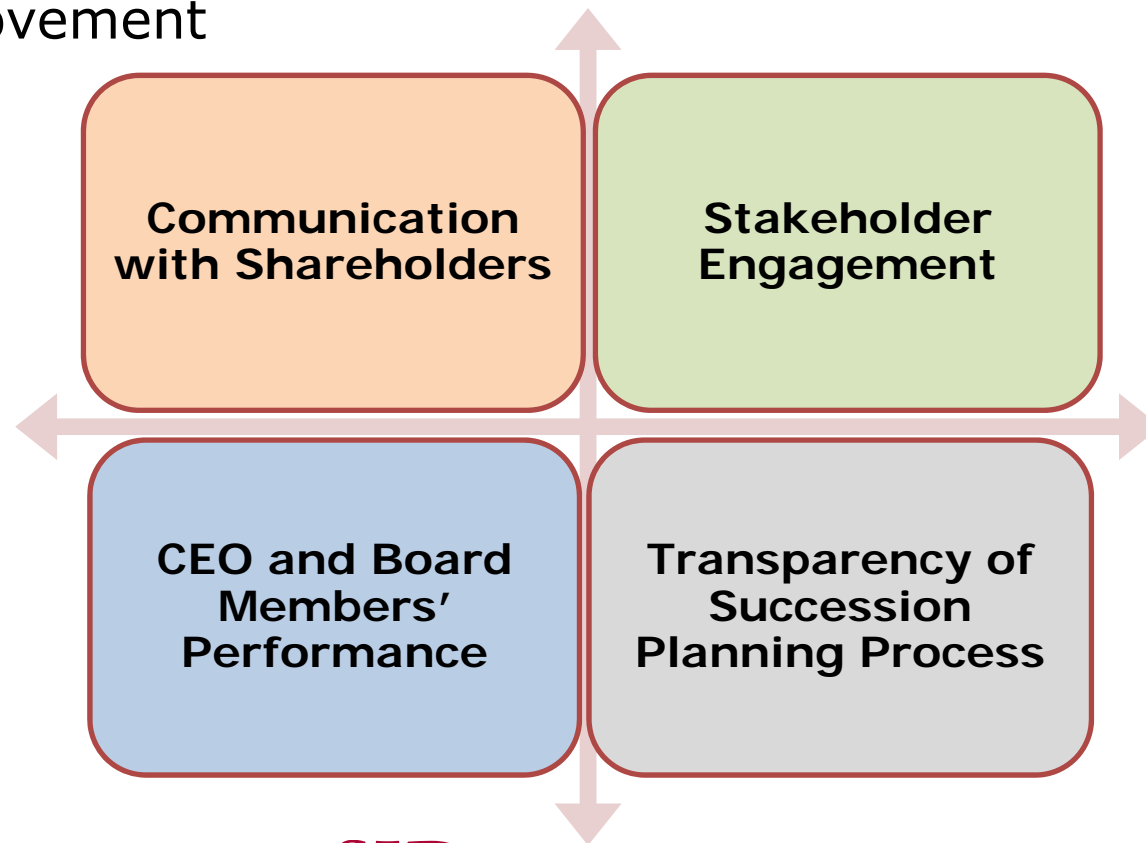


Part E: Responsibilities of the Board – Areas for Improvement



Conclusion and Recommendations

- Although Singapore PLCs had a 8.6% increase in overall Level 1 scores, there are still several areas for improvement



Top 50 Singapore Companies - Alphabetical Order

No.	Publicly Listed Company Name	No.	Publicly Listed Company Name
1	ARA ASSET MANAGEMENT	14	GLOBAL LOGISTIC PROP
2	BIOSENSORS INT'L GROUP	15	GREAT EASTERN HOLDINGS
3	BUKIT SEMBAWANG ESTATES	16	HAW PAR CORP
4	BUMITAMA AGRI	17	HONG LEONG FINANCE
5	CAPITALAND	18	KEPPEL CORP
6	CAPITAMALLS ASIA	19	KEPPEL LAND
7	CHINA AVIATION OIL (S) CORP	20	KEPPEL TELE & TRAN
8	CHINA FISHERY GROUP	21	M1 LIMITED
9	CITY DEVELOPMENTS	22	METRO HOLDINGS
10	COMFORTDELGRO CORPORATION	23	NEPTUNE ORIENT LINES
11	DBS GROUP HOLDINGS	24	NOBLE GROUP
12	DEL MONTE PACIFIC	25	OLAM INTERNATIONAL
13	FRASER AND NEAVE	26	OVERSEA-CHINESE BANKING CORP

Top 50 Singapore Companies - Alphabetical Order

No.	Publicly Listed Company Name	No.	Publicly Listed Company Name
27	SATS	39	STARHUB
28	SEMBCORP INDUSTRIES	40	STATS CHIPPAC
29	SEMBCORP MARINE	41	TAT HONG HOLDINGS
30	SHENG SIONG GROUP	42	THAI BEVERAGE PUBLIC CO
31	SIA ENGINEERING CO	43	TIGER AIRWAYS HOLDINGS
32	SINGAPORE AIRLINES	44	UNITED ENGINEERS
33	SINGAPORE EXCHANGE	45	UNITED OVERSEAS BANK
34	SINGAPORE POST	46	VENTURE CORP
35	SINGAPORE PRESS HOLDINGS	47	WBL CORP
36	SINGAPORE TECH ENGINEERING	48	YEO HIAP SENG
37	SINGAPORE TELECOMMUNICATIONS	49	YING LI INTL REAL ESTATE
38	SMRT CORP	50	YOMA STRATEGIC HOLDINGS

Top 5 Singapore Companies – Alphabetical Order

- **DBS Group Holdings Ltd**
- **Oversea-Chinese Banking Corp Ltd**
- **Singapore Exchange Ltd**
- **Singapore Press Holdings Ltd**
- **Singapore Telecommunications Ltd**

Summary Recap: State of Singapore's Corporate Governance

