



PRESS RELEASE

High Business Integrity Enhances Profitability

Investors are more likely to invest in companies, which have high business integrity. An international study shows that institutional investors in the Asian region are willing to pay a premium of 20-30% for the shares of companies, which practice good corporate governance.

Securities Commission (SC) Director, Dr Nik Ramlah Nik Mahmood said companies must realise the value of practising high standards of corporate governance and business ethics. She said this during the Seminar on Integrity in Business — The Way Forward, organised by the Anti-Corruption Agency (ACA), the Ministry of International Trade and Industry (MITI) and the Ministry of Domestic Trade and Consumer Affairs in Kuala Lumpur today. The seminar was launched by the Prime Minister, Dato' Seri Dr Mahathir Mohamad.

"Companies with good corporate governance would be able to attract capital at a lower cost", said Dr Nik Ramlah.

She added "the cost of raising capital will go up as (investors') perception of the management and worth of the company goes down".

Dr Nik Ramlah also highlighted that good corporate governance would enhance the value of firms in mergers and acquisitions.

"Poor corporate governance is likely to spill over into creating a negative image for the company to other stakeholders, such as customers, creditors and business partners", said Dr Nik Ramlah.

Good corporate governance, is therefore important for the survival, growth and success of a business. However, the impact of poor corporate governance practices extends beyond the company. Listed companies that exhibit poor corporate governance undermine the very markets in which their shares are traded in.

"Credibility earned and sustained over long periods of time can thus be severely damaged by the well-publicised corporate governance misdemeanours of a few companies", said Dr Nik Ramlah.

In recognition of the importance of corporate governance, the SC has taken several measures to spearhead the reforms in this area. Among others, the Finance Committee on Corporate Governance which formulated the comprehensive Finance Committee Report on Corporate Governance. This subsequently led to the issuance of Malaysian Code on Corporate Governance, which essentially codifies the principles and best practices of good governance. The recently revamped KLSE Listing Requirements brought the Code into effect.



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Dr Nik Ramlah said the SC is committed towards ensuring that the Malaysian capital market is characterised by high standards of corporate governance. It will develop and build on its efforts in this area through the various measures that have been outlined in the Capital Market Masterplan.

SECURITIES COMMISSION
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Integriti Perniagaan yang Tinggi Meningkatkan Keuntungan

Para pelabur berkemungkinan besar melabur dalam syarikat, yang mempunyai integriti perniagaan yang tinggi. Satu kajian peringkat antarabangsa menunjukkan bahawa pelabur institusi di rantau Asia bersedia untuk membayar penokokan sebanyak 20 - 30% bagi saham-saham syarikat, yang mengamalkan tadbir urus korporat yang baik.

Pengarah Suruhanjaya Sekuriti (SC), Dr Nik Ramlah Nik Mahmood berkata syarikat-syarikat mesti menyedari nilai dalam mengamalkan standard tadbir urus korporat dan etika perniagaan yang tinggi. Beliau berkata demikian di Seminar mengenai Integriti dalam Perniagaan - Maju ke Hadapan, anjuran Badan Pencegah Rasuah (BPR), Kementerian Perdagangan dan Industri Antarabangsa (MITI) dan Kementerian Perdagangan Dalam Negeri dan Hal Ehwal Pengguna di Kuala Lumpur hari ini. Seminar tersebut telah dirasmikan oleh Perdana Menteri, Dato' Seri Dr Mahathir Mohamad.

"Syarikat yang mempunyai tadbir urus yang baik akan berupaya menarik modal pada kos yang lebih rendah", kata Dr Nik Ramlah.

Beliau menambah "kos penjana modal akan naik apabila tanggapan (pelabur) mengenai pengurusan dan nilai syarikat menurun".

Dr Nik Ramlah juga menekankan bahawa tadbir urus korporat yang baik akan meningkatkan nilai syarikat-syarikat dalam proses percantuman dan pemerolehan.

"Tadbir urus korporat yang buruk berkemungkinan besar mewujudkan imej yang negatif terhadap syarikat di kalangan pihak berkepentingan, seperti para pelanggan, pemiutang dan rakan kongsi perniagaan", kata Dr Nik Ramlah.

Tadbir urus korporat yang baik, oleh itu adalah penting bagi kewujudan terus, pertumbuhan dan kejayaan sesebuah perniagaan. Walau bagaimanapun, kesan amalan tadbir urus korporat yang buruk menjangkau luar daripada syarikat. Syarikat tersenarai yang mempamirkan tadbir urus korporat yang buruk menjejaskan pasaran di mana saham syarikat mereka didagangkan.

"Kredibiliti yang diperoleh dan dikekalkan dalam tempoh yang panjang boleh terjejas teruk oleh kesalahan tadbir urus korporat kecil oleh beberapa syarikat ternama", kata Dr Nik Ramlah.

Dalam memperakui kepentingan tadbir urus korporat, SC telah mengambil beberapa langkah bagi mempelopori pembaharuan dalam bidang ini. Antara lain, Jawatankuasa Kewangan Tadbir Urus Korporat yang merumus Laporan Jawatankuasa Kewangan mengenai Tadbir Urus Korporat yang menyeluruh. Ini seterusnya membawa kepada penerbitan Kod Tadbir Urus Korporat Malaysia, yang pada asasnya mengekod prinsip-prinsip dan amalan terbaik tadbir urus korporat. Keperluan Penyeneraian BSKL yang diubah suai baru-baru ini menguatkuasakan Kod tersebut.



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Dr Nik Ramlah menyatakan bahawa SC komited dalam memastikan pasaran modal Malaysia adalah bercirikan standard tadbir urus korporat yang tinggi. Ia akan memperkembang dan membangun usahanya dalam bidang ini melalui pelbagai langkah yang telah digariskan dalam Pelan Induk Pasaran Modal.

SURUHANJAYA SEKURITI
20 Mac 2001