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Reward for good corporate conduct

Abdul Razak Chik

GOOD BUSINESS CONDUCT ATTRACTS MORE BUSINESS from which everyone stands to gain. That was the observation of Prime Minister Datuk Seri Dr Mahathir Mohamad at the recent KLSE Corporate Awards 2001 held in Kuala Lumpur early this month. In congratulating the award winners, Dr Mahathir said; 'Malaysia cannot but be a most attractive place for business by both locals and foreign investors with these awards.'

In congratulating the winners of this, the second year of what's designed to be an annual event, Dr Mahathir who is also Finance Minister said the success of the corporate sector in Malaysia has contributed not only to economic development of the nation but also played a role in national development. He said in setting the framework and policies for the on-going progress and improvement in the Malaysian corporate sector, the government also has in mind the need for the corporate sector to continue to work hand in hand with the government to achieve social, economic and national objectives. Thus it is important for the corporate sector to remain strong and responsible in order to provide the impetus and contribute towards further growth of the nation.

At this year's event Public Bank Berhad repeated its success last year by being again named winner of the 2001 KLSE Corporate Excellence Awards Main Board category. A beaming Public Bank CEO Tan Sri Dr Teh Hong Piow was again on hand to receive this year's award from the Prime Minister. The bank's success was much anticipated, coming hot on the heels of good news of a record dividend payout and bonus issue to its shareholders following a sterling 2001 group performance. As if to emphasise the resilience and vigour of the banking sector, Malayan Banking Berhad was named the other Main Board winner.

Top company for the Second Board Corporate Excellence Award category went to Computer Systems Advisers (M) Berhad (CSA) which bettered its performance last year in earning a place in the same category behind Dialog Group Berhad. Globetronics Technology Bhd won the other award behind CSA this year.

Commenting on the awards, KLSE executive chairman Datuk Mohd Azlan Hashim said the conduct of listed companies is integral to the effort not only in the making but also in the keeping of the attractiveness of the Malaysian stock market. He said in analyzing the development and achievement of listed companies on the KLSE, it is clear that the effort must be reviewed within the expectations of what investors look for. 'Among others, investors look for sustainable profitability, growth and expansion and sizeable market capitalization,' he said.

Azlan added that in its diversity of operations and businesses, listed companies already provide a wide range of selection for investors. In achieving sustainable corporate performance, listed companies provide value for investors. 'However, in achieving sustainable profit levels, it is equally important for listed companies to continue to plan for growth and expansion and enhancing shareholding spread, thus contributing to market liquidity and maintaining investment interest,' he said.

Further, he said that corporate conduct has become a key investment criteria with investors willing to pay a premium for capital issues of companies with quality track record of excellent corporate conduct.

More than 600 senior representatives of listed companies and over 200 representatives of industry standards bodies and professional

organizations attended the event held at the Mandarin Oriental Grand Ballroom.

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