

Press Release

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Thai listed companies achieved higher CG scores in all categories, ready to strengthen CG practice further to meet investors' expectation

The Thai Institute of Directors Association (IOD), with support from the Stock Exchange of Thailand (SET), announced its 2016 CGR findings covering 601 listed companies. The findings show an overall average score of 78 percent for 2016, which is considered good and is higher than last year's score of 75 percent. Improvements CG score were evident in all CGR categories. The results show that Thai listed companies are placing more emphasis on business sustainability, disclosure of non-financial information, and a more active leadership role of the board of directors consistent with investors' expectation.

Dr. Bandid Nijathaworn, President and CEO of the Thai Institute of Directors Association (IOD), disclosed the results at the Corporate Governance Report of Thai Listed Companies (CGR) 2016 seminar on October 26, 2016. He said that Thai listed companies demonstrated improved corporate governance practices and obtained a good score in the IOD's annual CG assessment. The CGR 2016 assessment of 601 listed companies showed an average score of 78 percent, higher than the average of 75 percent achieved in 2015 (588 companies).

By CGR category in 2016, Thai listed companies showed improvements in all categories. There are four categories that listed companies have the average scores of 70 percent or more: Rights of Shareholders (92 percent), Equitable Treatment of Shareholders (92 percent), Disclosure and Transparency (82 percent), and Role of Stakeholders (74 percent). The Board Responsibilities category has an average score of 68 percent, however.

Based on the recognition level of the National Committee on Corporate Governance, this year 455 companies received a score of 70 percent or higher ("Good" level of recognition or above). Specifically, 80 companies (13%) scored 90 percent or above – corresponding to "Excellent" recognition level. 195 companies (33%) had an average score ranging 80-89 percent, classified as "Very Good" recognition level, and 180 companies (30%) earned the "Good" level of recognition by having a score at 70-79 percent.

Summing up, Dr. Bandid Nijathaworn reiterated: "The findings this year demonstrate a determination of Thai listed companies to continue improving their CG performance including both large and small companies. Thai listed companies have started to put more emphasis on business sustainability, disclosure of non-financial information, and a more active leadership role of the board of directors, specifically on business strategies and risk management. These are practices that both Thai and foreign investors deem important,"

For more information about CGR, please contact:

Research and Policy Department, Thai Institute of Directors (IOD)

Tel: 0-2955-1155 Ext 301-305; Fax: 02-955-1156-7

Email : cgr@thai-iod.com