Publication of the 2019 *Pwint Thit Sa* Report

Transparency in Myanmar Enterprises (TiME)

30 April 2019, Yangon
We assessed almost 250 companies, (compared to 182 for last year report) 248 companies, we assessed 4 dimensions using 143 criteria. Our methodology is aligned with the ASEAN CG Scorecard.
A transparent approach designed to encourage transparency

Disclosure of the 143 criteria and the list of companies included in our scope of work

Yever performed the assessment of 248 companies based on the data and information publicly available

MCRB shared the draft score with each company and offered to meet them, together with Yever

MCRB and Yever engaged with 40 companies that contacted us and provided feedbacks and insights.
Findings #1

Performance is driven by the ability to earn stakeholder trust

If we take the average score for Myanmar companies as the benchmark, then...

• Listed companies are outperforming the average 6 times
• Companies with IFC as their investor are outperforming almost 8 times
• Our top 10 is outperforming 10 times
• One Myanmar company scores above 70% which indicates that our scorecard is achievable for Myanmar companies.
Findings #2
Companies are looking for concrete guidance: quantifying the *Pwint Thit Sa* effect...

We have engaged with around 40 companies. As a result of this dialogue, 80% of these companies have disclosed more and better information. Their scores have improved by 8% on average.

This reflects:
• The companies’ willingness and ability to improve their disclosure
• The need for the regulators to offer similar guidance
Companies should now reinforce their corporate governance practices.

Among the top 10 performers, Corporate profile is the main strength for the companies and corporate governance is the weakest point.

Generally, companies should disclose more quantitative data to demonstrate their performance. This will require a real investment from the companies to improve the quality of their disclosure.

Among the top 10 performers, Corporate profile is the main strength for the companies and corporate governance is the weakest point.
Findings #4

Regulators should value and highlight leading company practice

Breakdown by type

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<th>Mean</th>
<th>Max</th>
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<tr>
<td>1</td>
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<td>2</td>
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<td>4</td>
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Listed Public Private SOE

1. 7 private companies are in our top 10, and a private company is leading the ranking this year.
2. SECM/YSX should ensure listed companies comply with continuous disclosure requirements 1/2016.
3. SECM should encourage public companies to improve disclosure, and enforce progressively 1/2016 on them where applicable.
4. SEE reform in the Myanmar Sustainable Development Plan including their Corporate Governance, needs action especially in the extractive and financial sectors.
Findings #5
The financial sector is improving

Comparison of the financial sector performance vs. other sectors
Pwint Thit Sa 2019 results

248 companies: Average/below average/No website

- No disclosure: 44%
- Score < average: 38%
- Score > average: 18%

- CMHL: 70%
- FM I: 61%
- SHWE TAUNG: 55%
- MAX MYANMAR: 55%
- UAB: 53%
- GGI: 51%
- MTSN: 48%
- M S P: 40%
- AYA Bank: 38%
Part 1: INTRODUCTION

- How Pwint Thit Sa contributes to building trust in Myanmar’s capital market
  - Five years of Pwint Thit Sa
  - Building Trust
  - Greenwashing?

- The business case for corporate governance and transparency in Myanmar
  - Supporting improved company governance and performance
  - Professional advisers and auditors
Part 2 summarises developments since the last report

Myanmar Sustainable Development Plan 2018-2030
- State-Owned Economic Enterprises (SEEs)

Legislative Developments in Corporate Governance and Disclosure
- Myanmar Companies Law
- Central Bank of Myanmar (CBM) Directives
- Securities Exchange Commission
- Myanmar Investment Law and Rules
- Environmental Impact Assessment

Developments in Combatting Corruption
- Legal framework for combatting corruption
- Money laundering
- Beneficial ownership
- Tax Reform
Part 2 – recent developments (continued)

Development Partner Initiatives in Corporate Governance and Anti-Corruption

- IFC’s Myanmar Corporate Governance Initiative
- Myanmar Institute of Directors (MIoD)
- Organisation of Economic Cooperation and Development (OECD)
- United Nations Development Programme (UNDP)
- UN Office of Drugs and Crime (UNODC)

Developments in Disclosure and Transparency in Myanmar

- Extractives Industries Transparency Initiative (EITI)
- Civil Society and the Media
Part 3 looks at emerging issues for corporate governance in Myanmar

- Non-Financial Reporting
  - EU Non-Financial Reporting Requirement
  - Sustainability and Stock Exchanges
  - Reporting Frameworks
- Stakeholder Engagement and Materiality Analysis
- Donations and ‘Do No Harm’
- Gender equality and diversity in business leadership
- Human rights and modern slavery