

The background features a series of overlapping, semi-transparent geometric shapes in shades of red, teal, and dark blue, creating a sense of depth and movement. Faint gear icons are scattered throughout the design, suggesting a focus on industry and technology. A large, dark blue circle is positioned in the lower-left quadrant, serving as a backdrop for the title text.

ANNUAL REPORT 2015

Driving Stewardship



CONTENTS



- 4 Corporate Profile
- 5 Corporate Objectives
- 6 Corporate Information
- 7 Profile of Directors
- 14 Management Team & Associates

Corporate



- 16 Chairman's Statement
- 20 Corporate Governance Statement
- 23 Nomination & Remuneration Committee
- 24 Dividend

From the Board and Management



- 25 Management's Discussion & Analysis And CEO's Message
- 25 *In Perspective*
- 26 *Financial Highlights*
- 27 *Corporate Monitoring*
- 30 *Investor Education Programmes & Forums*
- 30 *Subscriber Services*
- 32 *ASEAN Corporate Governance Scorecard 2015*
- 33 *Institutional Investor Council Malaysia*
- 34 *Other Capital Market Activities*
- 34 *Publications & Research*
- 35 *MSWG Website Revamp And Enhancement*
- 35 *Accounting System And GST Compliant*
- 36 *Human Capital*
- 37 *Appreciation*

CEO's Message



- 38 Calendar of Events

2015 in Review



- 50 Statutory Financial Statements For The Financial Year Ended 31 December 2015
- 81 Notice Of 15th Annual General Meeting
- 82 Proxy Form
- Capital Market Services License

Financial Statements, Notices, Forms and License

CORPORATE PROFILE

MISSION

TO INCREASE SUSTAINABLE SHAREHOLDER VALUE IN COMPANIES THROUGH ENGAGEMENT WITH RELEVANT STAKEHOLDERS, WITH A FOCUS ON MINORITY SHAREHOLDER INTERESTS

Minority Shareholder Watchdog Group (MSWG) was set up in the year 2000 as a Government initiative to be part of a broader Capital Market framework to bring about awareness primarily on minority shareholders interest and corporate governance matters through shareholder activism and engagement with stakeholders. MSWG is a professional body licensed under the Capital Market & Services Act 2007. It is a self-governing and non-profit body, funded predominantly by the Capital Market Development Fund (CMDf). It is an important channel of market discipline, encouraging good governance with the objective of creating sustainable value.

Since incorporation, MSWG has evolved into a respected and independent corporate governance research and monitoring organisation in the capital market. It highlights and provides independent views and guidance to investors.

MSWG's four founding organisations are:

- Armed Forces Fund Board (Lembaga Tabung Angkatan Tentera)
- National Equity Corporation (Permodalan Nasional Berhad)
- Social Security Organisation (Pertubuhan Keselamatan Sosial)
- Pilgrimage Board (Lembaga Tabung Haji)

CORPORATE OBJECTIVES

Corporate

From the Board and Management

CEO's Message

2015 in Review

Financial Statements, Notices, Forms and License

MSWG has a Charter under its Memorandum and Articles of Association, which spells out its objectives as follows:-

TO BECOME THE

FORUM

ON MINORITY SHAREHOLDERS EXPERIENCES;

TO BECOME THE

THINK-TANK AND RESOURCE CENTRE

FOR MINORITY INTERESTS AND CORPORATE GOVERNANCE MATTERS IN MALAYSIA;

TO DEVELOP AND DISSEMINATE THE

EDUCATIONAL ASPECTS

OF CORPORATE GOVERNANCE;

TO BECOME THE

PLATFORM

TO INITIATE COLLECTIVE SHAREHOLDER ACTIVISM ON UNETHICAL OR QUESTIONABLE PRACTICES MADE BY MANAGEMENT OF PLCS;

TO INFLUENCE

DECISION-MAKING

PROCESS IN PLCS AS THE LEADER FOR MINORITY SHAREHOLDERS LEGISLATIVE RIGHTS AND INTERESTS;

TO MONITOR

BREACHES AND NON-COMPLIANCE

IN CORPORATE GOVERNANCE PRACTICES BY PLCS; AND

TO INITIATE

REPORTS TO REGULATORY AUTHORITIES

AND TRANSFORM MSWG INTO AN EFFECTIVE DETERRENT OF SUCH EVENTS OR ACTIVITIES THAT CAN WORK AGAINST THE INTERESTS OF MINORITY SHAREHOLDERS.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Seri Dr Sulaiman

Mahbob

Chairman
Independent Non-Executive Director

Puan Rita Benoy Bushon

Chief Executive Officer
Executive Director

Tan Sri Dato' Seri Lodin Wok

Kamaruddin

Independent Non-Executive Director

Dato' Gan Nyap Liou @ Gan Nyap

Liow

Independent Non-Executive Director

Mr Philip Koh Tong Ngee

Independent Non-Executive Director

Encik Nor Hizam Hashim

Independent Non-Executive Director

DATUK ZAKARIA SHARIF

Alternate Director To Tan Sri Dato'
Seri Lodin Wok Kamaruddin

COMPANY SECRETARY

Mr Chew Phye Keat (BC/C/282)
Messrs Raja Darryl & Loh
18th Floor Wisma Sime Darby
Jalan Raja Laut
50350 Kuala Lumpur

REGISTERED OFFICE

11th Floor Bangunan KWSP
No: 3 Changkat Raja Chulan
Off Jalan Raja Chulan
50200 Kuala Lumpur
Tel: (603) 2070 9090
Fax: (603) 2070 9107
Website: www.mswg.org.my

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Puan Lya Rahman
General Manager, Corporate Services
E-mail: lyarahman@mswg.org.my
watchdog@mswg.org.my

BANKERS

Malayan Banking Berhad
Jalan Raja Laut Branch
Wisma PKNS
Jalan Raja Laut
50350 Kuala Lumpur
Tel: (603) 2698 8867
Fax: (603) 2691 7181

AmBank (M) Berhad
Bangunan AmBank Group
No: 55 Jalan Raja Chulan
50200 Kuala Lumpur
Tel: (603) 2078 2100
Fax: (603)2032 4069

AUDITORS

PricewaterhouseCoopers Malaysia
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Jalan Travers
Kuala Lumpur Sentral
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50706 Kuala Lumpur
Tel: (603) 2173 1188
Fax: (603) 2173 1288

PROFILE OF DIRECTORS

Corporate

From the Board and Management

CEO's Message

2015 in Review

Financial Statements, Notices, Forms and License

Tan Sri Dato' Seri Dr Sulaiman Mahbob

Chairman/ Independent Non-Executive Director

Age : 67
Date of Appointment : 16 April 2012
Date of Appointment as Chairman : 11 April 2013
Length of Service : 3 years 10 months

Academic / Professional Qualification(s)

- Degree in Economics, University of Malaya
- Master of Science, University of London
- PhD, Syracuse University, USA

Present Directorship(s)

Directorship in PLC(s)

- Chairman, Telekom Malaysia Berhad
- Board of Directors, Felda Global Ventures Holdings Berhad

Other Public Companies/Institutions:

- Chairman, Malaysian Institute of Economic Research
- Board of Directors, Bank Negara Malaysia
- Board of Directors, Institute of Strategic and International Studies

Present Appointment(s)

- Adjunct Professor at the University of Malaya and Universiti Tun Abdul Razak

Past Directorship(s) and/or Appointment(s)

- Chairman, Malaysian Investment Development Authority
- Member, Economics Planning Unit (EPU) of PM's Department
- Founding President, Institute of Integrity Malaysia
- Board of Directors, National Petroleum Corporation
- First Chairman, Companies Commission of Malaysia
- Board of Directors, Multimedia and Communications Commission



PROFILE OF DIRECTORS

Rita Benoy Bushon

CEO/Executive Director

Age	:	56
Date of Appointment as Chief Executive Officer	:	1 January 2009
Date of Appointment as Executive Director	:	18 May 2009
Length of Service as Executive Director	:	6 years 9 months

Academic / Professional Qualification(s)

- MBA, Henley Management College, Brunel University (1993)
- Hons Degree in Economics (Statistics), Universiti Kebangsaan Malaysia (1984)
- Holder of Capital Market Services Representative's Licence (since 2003)

Present Directorship(s)

Directorship in PLC(s):

- Nil

Present Appointment(s)

- Chief Executive Officer of Minority Shareholder Watchdog Group
- Council Member and Head of Secretariat of the Institutional Investor Council Malaysia
- Chairman of the ASEAN CG Scorecard Adjudication Committee
- Member of Global Network of Investor Association, ICGN

Past Directorship(s) and/or Appointment(s)

- Founder Director, Badan Pengawas Pemegang Saham Minoriti Berhad (MSWG) (since 2002)
- Executive Director of Land & General Berhad (2006 -2008)
- Non-Independent Non-Executive Director of KFC Holdings (Malaysia) Berhad (2003 – 2008)
- Non-Independent Non-Executive Director of Land & General Berhad (2003 -2006)
- Served the Employees Provident Fund for 23 years since 1984 up to her retirement in October 2007 and held various senior positions in the Investment Department such as Head of Equity Research, Head of External Portfolio Management, Head of Private Equity and Head of Corporate Surveillance before her optional retirement.

Awards/Achievements

- Awarded the BrandLaureate Brand ICON Leadership Award for Transformation Leadership by the Asia Pacific Brands Foundation (2011)
- Awarded the Women of Excellence Award for "Outstanding Achievement" under the Quasi Government Category supported by Ministry of Women, Family and Community Development and the Department for Women Development (2014)
- Awarded the "Top 10 of Malaysia Towering Personality Recognition" supported by Ministry of International Trade and Industry and Ministry of Tourism and Culture Malaysia (2014)



PROFILE OF DIRECTORS

Tan Sri Dato' Seri Lodin Wok Kamaruddin

Independent Non-Executive Director

Age	:	66
Date of Appointment	:	5 November 2001
Length of Service	:	14 years 4 months

Academic / Professional Qualification(s)

- Bachelor of Business Administration, University of Toledo, Ohio, USA
- Master of Business Administration, University of Toledo, Ohio, USA
- Chartered Banker, AICB

Present Directorship(s)

Directorships in PLC(s):

- Chairman of Boustead Heavy Industries Corporation Berhad
- Chairman of Pharmaniaga Berhad
- Deputy Chairman of Affin Holdings Berhad
- Vice Chairman of Boustead Plantations Berhad
- Deputy Chairman / Group Managing Director of Boustead Holdings Berhad

Other Public Companies/Institutions:

- Director of Affin Bank Berhad
- Director of Affin Islamic Bank Berhad
- Director of Affin Hwang Investment Bank Berhad
- Chairman of Affin Hwang Asset Management Berhad
- Director of AXA Affin Life Insurance Berhad
- Chairman of MHS Aviation Berhad
- Director of Boustead Properties Berhad
- Director of UAC Berhad

Present Appointment(s)

- Chief Executive of Lembaga Tabung Angkatan Tentera
- Deputy Chairman/Group Managing Director of Boustead Holdings Berhad

Awards/Achievements

- Received Chevalier De La Légion d'Honneur Award from the French Government (2003)
- Outstanding Entrepreneurship Award of APEA (2008)
- Degree in Doctor of Laws (honoris causa) The University of Nottingham, United Kingdom (2010)
- UiTM Alumnus of the Year 2010 Award (2011)
- The BrandLaureate Most Eminent Brand Icon Leadership Award 2012 by Asia Pacific Brands Foundation (2012)
- The BrandLaureate Corporate Leader Of The Year Award (2013 - 2014)



PROFILE OF DIRECTORS

Dato' Gan Nyap Liou @ Gan Nyap Liow

Independent Non-Executive Director

Age	:	60
Date of Appointment	:	20 July 2005
Length of Service	:	10 years 7 months

Academic / Professional Qualification(s)

- Certified Management Consultant
- Chartered Accountant

Present Directorship(s)

Directorship in PLC(s):

- CEO and Managing Director of OMESTI Berhad
- Chairman of Cuscapi Berhad
- Chairman of Rev Asia Berhad
- Director of Tropicana Berhad

Present Appointment(s)

Other Public Companies/Institutions:

- Director of Graphene Nanochem Ltd (UK)
- Director, Tanjong Public Limited Company
- Chairman of the British Malaysian Chamber of Commerce
- Trustee of JC Jacobsen Foundation
- Chairman, Fatfish Internet Group Ltd (Australia)
- Director, Maybank Investment Bank Berhad
- Director, 8 Common Ltd (Australia)
- Council Member, Badminton Association of Malaysia

Past Directorship(s) and/or Appointment(s)

- Chairman & Member, Global Management Council, Accenture
- Chairman of the Association of Computer Industry Malaysia
- Member of Minister of Science & Technology Think Tank
- Member of Copyright Tribunal
- Member of Labuan International Financial Exchange Committee
- Vice President, Association of Asian Oceania Computer Industry Organisation
- Director, MIMOS Berhad (National Technology Research).
- President, Malaysian Fencing Federation
- Trustee, Yayasan Tuanku Nur Zahirah (Queen's Foundation)

- Director, iProperties Ltd (Australia)
- Chairman, Redtone International Berhad
- Chairman, Diversified Gateway Solutions Berhad
- Director, Amlslamic Bank Berhad
- Director, SaujanaResort (M) Berhad
- Director, AMMB Holdings Berhad



PROFILE OF DIRECTORS

Corporate

From the Board and Management

CEO's Message

2015 in Review

Financial Statements, Notices, Forms and License

Mr. Philip Koh Tong Ngee

Independent Non-Executive Director

Age : 61
Date of Appointment : 2 June 2005
Length of Service : 10 years 9 months

Academic / Professional Qualification(s)

- Bachelor of Laws Degree (LL.B) (Hons), University of Malaya
- Master of Laws Degree (LL.M), University of London
- Master of Arts (Theology) Degree, Australian Catholic University

Directorship in PLC(s)

- Nil

Present Appointment(s)

- Advocate & Solicitor, High Court of Malaya
- Member of Panel of Arbitrators of Kuala Lumpur Regional Centre for Arbitration
- Senior Partner, Mah-Kamariyah & Philip Koh
- Member, Private Sector Advisory Group, International Finance Corporation/World Bank
- Member, Financial Stability Executive Committee established pursuant to Section 37 of the Central Bank Malaysia Act 2009



PROFILE OF DIRECTORS

Encik Nor Hizam Hashim

Independent Non-Executive Director

Age : 66
Date of Appointment : 2 December 2009
Length of Service : 6 years 3 months

Academic / Professional Qualification(s)

- Chartered Accountant
- Bachelor of Commerce Degree, University of Western Australia
- Bachelor of Jurisprudence Degree (External) with Honors, University of Malaya

Present Directorship(s)

Directorship in PLC(s):

- Nil

Present Appointment(s)

- Nil

Past Directorship(s) and/or Appointment(s)

- Advisor, Economic Planning Unit and Public Private Partnership Unit in the Prime Minister's Department
- Board Member, Telkom South Africa & Subsidiaries
- Chief Financial Officer, Telekom South Africa
- Chief Executive Officer, TM International Corporation
- Board Member, TM subsidiaries



PROFILE OF DIRECTORS

Corporate

From the Board and Management

CEO's Message

2015 in Review

Financial Statements, Notices, Forms and License

Datuk Zakaria Sharif

Alternate Director to Tan Sri Dato' Seri Lodin Wok Kamaruddin

Age : 58
Date of Appointment : 16 January 2012
Length of Service : 4 years 1 month

Academic / Professional Qualification(s)

- Graduated in Economics majoring in Accounting, Monash University, Australia
- Fellow of the Australian Society of Certified Public Accountants
- Associate Member, Malaysian Institute of Certified Public Accountants
- Member, Malaysian Institute of Accountants

Present Directorship(s)

Directorship in PLC(s)

- Boustead Plantations Berhad

Other Public Companies/Institutions

- LTP Wibawa Sdn Berhad
- Yayasan Veteran ATM
- Chery Automobile (Malaysia) Sdn Bhd
- Chery International (Malaysia) Sdn Bhd
- Jendela Hikmat Sdn Bhd
- Labuan Reinsurance (L) Ltd

Present Appointment(s)

- Deputy Chief Executive of Lembaga Tabung Angkatan Tentera



MANAGEMENT TEAM & ASSOCIATES

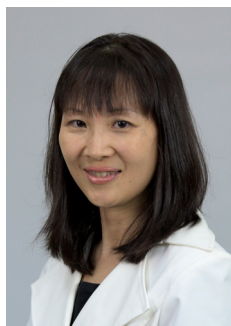
MANAGEMENT



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Chief Executive Officer
 MBA, Henley Management College, UK
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MANAGEMENT TEAM & ASSOCIATES



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BA (Hons) Accounting and Finance
 University of Strathclyde
 Glasgow, Scotland
 FCA (ICAEW)

MR LEE LEOK SOON

FCMA, FCCA, CA(M)

MS RATHIMALAR SUNDRAM

LLB (Hons), University of London
 LLM, University of Staffordshire
 ACMA

PUAN SRI RUSILA ABD RAZAK

LLB Hons. (Lond.)
 LLM, (Maritime)
 Barrister-at-Law, Gray's Inn

MR KHOO HSU CHUANG

LLB (Hons) Leicester University

MS JOSEPHINE EDWARDS

ACCA (UK), CPA Australia
 MIA

CHAIRMAN'S STATEMENT

Tan Sri Dato' Seri Dr Sulaiman Mahbob

Chairman



On behalf of the Board of Directors, I am honoured to present the Annual Report of the Minority Shareholder Watchdog Group (MSWG) for the financial year ended 31 December 2015.

It was another busy year for MSWG as we persevered in our objective of promoting good corporate governance practices and encouraging active participation by minority shareholders to exercise their rights to protect their investments, amidst a challenging global environment of plunging commodity prices and geo-political developments to an already weakening ringgit.

On the global corporate front, a few prominent international listed companies came under heavy scrutiny after serious lapses in corporate governance.

In this connection, MSWG's efforts during the year, reiterating its commitment to ensuring the adherence of good practices is noteworthy. The later part of the year continued to see our macro-economic environment come

under further siege from many fronts, with the lower energy and commodity prices and higher levels of debts. Repercussions on the economy were felt, with corporate earnings particularly from sectors like Oil & Gas services, property, banking, plantations, retail, aviation and leisure/gaming reporting year-on-year declines.

In this regard, the economic restructuring, financial reforms and development undertaken by the country during the last two decades, allowed us to weather the challenging operating environment. Hence, despite a slower global growth of 3.1 per cent, our economy grew between 4.5 to 5.5 per cent in 2015. Malaysia's capital market currently stands at RM2.82 trillion, almost three times the size of the Malaysian economy, with the equity market at RM1.74 trillion and the bond market at RM1.08 trillion.

CHAIRMAN'S STATEMENT

In this regard, the economic restructuring, financial reforms and development undertaken by the country during the last two decades, allowed us to weather the challenging operating environment.



Growth in the fund management industry has been an important driver of capital market deepening, with RM630 billion under management at the end of 2014. International reserves remained high at RM418 billion in October 2015 while inflow of Foreign Direct Investment remained strong at RM22.4 billion. The 11th Malaysian Plan put on paper some of the bold measures to take the next steps in our country's journey to becoming an advanced nation that is inclusive and sustainable. Under the Plan, the Malaysian economy is expected to expand 5 to 6 per cent a year based on sustainable domestic demand and increasing contributions from the external sector.

CORPORATE GOVERNANCE LANDSCAPE AND DEVELOPMENTS 2015

In the area of investor stewardship, the Malaysian Code for Institutional Investors which was formulated by the major institutional investors led by MSWG and launched jointly by the Securities Commission and MSWG in 2014, sets out broad principles of effective stewardship. It includes monitoring and engagement with the investee companies and managing conflicts of interest. The Code underlines self-governance taking on a bigger and more pro-active role, thus, further developing the corporate governance landscape in the country.

OUR ECONOMY GREW BETWEEN
4.5 to 5.5%
IN 2015

FOREIGN DIRECT INVESTMENT

RM22.4 bil
IN 2015

8

ASSET MANAGERS AND ASSET OWNERS AS SIGNATORIES

CHAIRMAN'S STATEMENT

Combined efforts from minority shareholders is expected to force positive changes and influence and drive performance and accountability at board levels, thereby, driving long-term and sustainable shareholder value.

ESG or environmental, social and governance is one of the principles that the Code highlights. Sustainable and responsible practices by corporates have become main stream strategies that investors are beginning to put more focus. In the same vein, corporates must seriously relook at their objectives to make responsible decisions to attract the right kind of longer term investors. The remarkable growth in the global sustainable investments market, which rose from USD13.3 trillion in 2012 to USD21.4 trillion in 2014, a compounded annual growth of 27 per cent and it now accounts for more than 30 per cent of professionally managed assets is a testament to smart money's focus on sustainable issues. The Code exhorts institutional investors to become signatories so that commitment is shown to their beneficiaries and to the public at large on the best practices adhered by these funds.

In this connection, Kumpulan Wang Persaraan (Diperbadankan) or KWAP took the lead in 2015 by becoming the first asset owner in Malaysia to become a signatory to the Code, and more recently towards the end of the year, ValueCap Sdn Bhd became the second asset owner to become a signatory. Altogether, we now have eight asset managers and asset owners as signatories to the Code. They include Hermes Fund Managers, Aberdeen Asset Management, Legal & General Investment and BNP Paribas Investment Partners, among others, together having funds under management surpassing RM3 trillion.

July 2015 saw the establishment of the Institutional Investor Council of Malaysia, chaired by the CEO of KWAP. The objectives of the Council among others were to represent the interests of institutional investors in Malaysia, and to be the platform to influence good corporate governance culture by PLCs and in addition to

advocating the adoption of the Code among themselves as well as other institutional investors. This is a timely move for institutional investors as an influential group to play a bigger and more meaningful role in governance, stewardship and responsible investments.

Starting 2015, PLCs are being required to disclose diversity policies, including those relating to gender, age and ethnicity, in the workplace and on their boards. Institutional investors are gradually consciously increasing investments based on sustainability and diversity considerations.

MOVING AHEAD

It is my hope that 2016 will herald a new era in corporate governance, that of effective stewardship, both corporate and investors. All shareholders must play their rightful role as stewards, seeking justifications and clarifications on relevant items including corporate proposals, directors' remuneration, time commitment of directors and board diversity, among others.

I firmly believe that greater transparency and active shareholder engagements will lead to more responsible company behaviour and ultimately, more value creation. It's about being responsible and transparent on the actions taken; it's about accountability and having a more purposeful oversight both by the board of companies and shareholders based on solid principles that are aligned to the company's best interests.

MSWG's relevance in the capital market and its role in bringing about awareness on company matters had been critical in facilitating positive corporate behaviour.

CHAIRMAN'S STATEMENT

ACKNOWLEDGEMENTS

Firstly, let me take this opportunity to thank the Capital Market Development Fund (CMDf) for its unwavering support of MSWG and funding the bulk of its activities, thus, enabling us to continue with our agenda of strengthening the Malaysian capital market.

I would like to thank all our subscribers for their continued support. My appreciation also goes to the media as well as capital market partners who have played an instrumental role in highlighting corporate governance issues to make our market more transparent.

I would like to further extend the Board's appreciation to the regulators – Securities Commission and Bursa Malaysia, for working alongside MSWG to strengthen the corporate governance landscape in Malaysia. This is in order to bring about greater investor and shareholder awareness and participation thereby creating a more vibrant and informed capital market.

My gratitude goes to the CEO of MSWG whose purposeful determination has helped transform the corporate governance landscape through her efforts in engaging the stakeholders in the capital market, in addition to providing a platform for investor education and investor stewardship initiatives. I am proud to note that she has been appointed as Head of Secretariat and Council Member to the Malaysian Institutional Investor Council in recognition of her work on this initiative and her wide experience in this field.

My deepest appreciation goes to the management, staff and associates of MSWG who worked hard during the year to achieve the objectives of the organisation in raising the standards of corporate governance and transparency. Their commitment and dedication has brought MSWG to new heights of professionalism within the Malaysian capital market.

Last but not least, I wish to thank my fellow Directors for their invaluable contribution and commitment during the year.

On behalf of the Board



Tan Sri Dato' Seri Dr Sulaiman Mahbob
Chairman
1st March 2016

CORPORATE GOVERNANCE STATEMENT

The Board of Minority Shareholder Watchdog Group is fully committed to the highest standards of corporate governance in pursuing its main objectives of promoting shareholder activism and influencing good practices amongst the PLCs. The Board acknowledges that it is imperative to be exemplary in its practices.

The Board of Directors is guided by the following:

CODE OF CONDUCT & ETHICS

1. The Directors acknowledge and accept the scope and extent of their duties as Directors. The Board has a responsibility to carry out an oversight function in the interests of MSWG, within the scope of its authority and consistent with its fiduciary duties.
2. The Board is expected to adhere to the standards of loyalty, good faith, and the avoidance of conflict of interest that follow.
3. The Board Members of MSWG will:
 - *act in the best interests of and fulfil their fiduciary obligations to MSWG;*
 - *act honestly, fairly, ethically and with integrity;*
 - *conduct itself in a professional, courteous and respectful manner;*
 - *comply with all applicable laws, rules and regulations;*
 - *act in good faith, responsibly, with due care, competence and diligence, without allowing independent judgment to be subordinated to other interests other than that of the Company;*
 - *maintain high ethical and moral character, both professionally and personally, and act in a manner to enhance and maintain the reputation of MSWG;*
 - *disclose any potential conflicts of interest, including those that they may have regarding any matters that may come before the Board, and abstain from discussion and voting on any matters in which they have or may have a conflict of interest;*
 - *make available to and share with fellow Directors information as may be appropriate to ensure proper conduct and sound operation of MSWG and its Board of Directors;*
 - *respect the confidentiality of information relating to the affairs of the Company acquired in the course of service as Directors, except when authorised or legally required to disclose such information; and*
 - *not use confidential information acquired in the course of their service as Directors for their personal advantage.*

CORPORATE GOVERNANCE STATEMENT

BOARD COMPOSITION

1. The Board of Directors shall comprise directors with the requisite skills, competency, knowledge, experience and diversity of perspectives and who are able to discharge their fiduciary duties and responsibilities without any conflict of interest.
2. The maximum number of directors to be appointed to the Board shall be ten (10).
3. At least one third of the Board shall consist of independent Directors whose tenure shall not be more than 12 years.
4. In accordance with MSWG’s activities, objectives, and the licensing requirements of the Capital Markets and Services Act 2007, at least one Board Member must hold a Capital Markets Services Representative’s (CMSR) license.
5. The members of the Board shall be persons of reputable character and standing.
6. The Chairman of the Board shall be elected by members of the Board.
7. The Securities Commission of Malaysia must not have any objections to the appointment of a potential member to the Board.
8. Members of the Board should not sit on more than five Boards of public listed companies.

BOARD MEETINGS

1. The Board shall meet at least four (4) times a year.
2. The quorum shall be three including the Chairman.
3. Decisions in the Board meeting shall be based on majority of votes and in the event of an equality of votes the Chairman shall be entitled to the casting vote.
4. Notice of Board Meetings should be given at least 14 days before the date of the meeting.
5. Board papers are to be distributed at least seven (7) days before the meeting.
6. Each Director must be in attendance of at least 50% of the Board Meetings per annum in person.

CORPORATE GOVERNANCE STATEMENT

DIRECTORS' ATTENDANCE AT BOARD MEETINGS HELD IN 2015

During the year, four (4) Board Meetings were held. The Chairman and Chief Executive Officer attended all Board Meetings. Attendance of Directors was as follows:

DIRECTORS	NO. OF MEETINGS				% OF ATTENDANCE
	16/2/15	29/5/15	18/9/15	7/12/15	
Tan Sri Dato' Seri Dr Sulaiman Mahbob	●	●	●	●	100
Rita Benoy Bushon	●	●	●	●	100
Tan Sri Dato' Seri Lodin Wok Kamaruddin			●	●	50
Dato' Gan Nyap Liou @ Gan Nyap Liow	●	●	●	●	100
Philip Koh Tong Ngee	●	●		●	75
Nor Hizam Hashim	●	●		●	75
Datuk' Zakaria Sharif (Alternate Director to Tan Sri Dato' Seri Lodin Wok Kamaruddin)		●			25

NOTE:

- PRESENT
- NOT PRESENT

NOMINATION & REMUNERATION COMMITTEE (NRC)

COMPOSITION

The members of the NRC are as follows:-

- Tan Sri Dato’ Seri Dr Sulaiman Mahbob – Chairman
- Dato’ Gan Nyap Liou @ Gan Nyap Liow – Member
- Encik Nor Hizam Hashim - Member

NOMINATION COMMITTEE

1. To formulate the nomination, selection and succession policies of the Board, inclusive of the mix of skills, experience and other qualities to enable the Board to function efficiently.
2. To implement a formal approval process for the evaluation and effectiveness of the Board as a whole and the individual contribution of each Board member.
3. To review and evaluate the Board balance in terms of skill set/gender and composition and recommend new appointment/re-appointment of directors to the Board.
4. To recommend to the Board a policy on Board protocols inclusive of tenure, other directorships and conflict of interest issues.
5. To ensure the existence of an appropriate framework and succession plan for the CEO and key management personnel.
6. To review and recommend to the Board a policy on human resource which will embrace, but not limited to, the need for recruitment and retention of the CEO and key management personnel with the right caliber, experience and quality to ensure effective and efficient management of the Company.
7. To provide adequate Board orientation programme on the Company’s activities for newly appointed directors. Briefing on the orientation programme may be conducted by the CEO.

REMUNERATION COMMITTEE

Review and recommend the following:-

1. The remuneration of directors for approval at the Annual General Meeting of the Company.
2. Performance management framework/model including the setting of the appropriate performance target parameters and benchmark for the CEO at the start of each financial year.
3. Terms of employment of the CEO including the remuneration and benefits.
4. Policy on remuneration package for the employees of the Company.
5. Incentive compensation plan as appropriate for key management personnel.
6. Annual bonus payment for the CEO and key management personnel.

The NRC, within the scope of its terms of reference, is authorised to seek any relevant information it requires through Management. In this context, the NRC may engage consultants to obtain independent legal and other professional services as it requires at the expense of the company.

NOMINATION & REMUNERATION COMMITTEE (NRC)

NRC MEETINGS

1. The NRC shall meet at least twice a year or as and when required.
2. The quorum for the NRC meeting shall be two.
3. Other members of the Board, the CEO or key management executives may attend the meetings of the NRC on the invitation of the committee.
4. The Company Secretary shall be the Secretary of the NRC.
5. Notice and the papers for the meeting will be distributed to the committee members at least five (5) days prior to the date of the NRC meeting.

During the year, two NRC meetings were held. Attendance at the meetings was as follows:

DIRECTORS	NO. OF MEETINGS		% OF ATTENDANCE
	16/2/15	29/5/15	
Tan Sri Dato' Seri Dr Sulaiman Mahbob	●	●	100
Dato' Gan Nyap Liou @ Gan Nyap Liow	●	●	100
En Nor Hizam Hashim	●	●	100

NOTE:

● PRESENT

○ NOT PRESENT



DIVIDEND

No dividend was declared or paid to the founding members for the year, as MSWG is a company limited by guarantee and has no share capital.

MANAGEMENT DISCUSSION AND ANALYSIS AND CEO'S MESSAGE

Corporate

From the Board and Management

CEO's Message

2015 in Review

Financial Statements, Notices, Forms and License

IN PERSPECTIVE



The year 2015 was a year where priorities that were put in place four years ago came to fruition both in terms of investor stewardship and corporate stewardship, consequently echoing the theme for the 2015 Annual Report – ‘Driving Stewardship’. The launch of Malaysia’s first-ever Institutional Investors Code reflected further progress on the regional corporate governance front, with self-governance taking on a bigger and more proactive role as was espoused in the Corporate Governance Blueprint 2011.

MSWG played a pivotal role in the launch of the Malaysian Code for Institutional Investors in 2014 and the formation of the Institutional Investor Council in 2015. The main objective of the Council will be to drive governance in the investee companies and provide a platform for institutional investors to discuss on governance matters amongst others.

During the year, MSWG continued to advocate and influence best practices through attending the companies’ general meetings, communicating through the Weekly E-Newsletters and pushing the agenda of corporate governance through the ASEAN CG Scorecard.

MSWG will continue to remain focused to raise the corporate governance bar and best practices among public listed companies in Malaysia.

The highlights of the operations and performance in brief for 2015:

MANAGEMENT DISCUSSION AND ANALYSIS AND CEO'S MESSAGE

FINANCIAL HIGHLIGHTS

FUNDING FROM CAPITAL MARKET DEVELOPMENT FUND (CMDf)

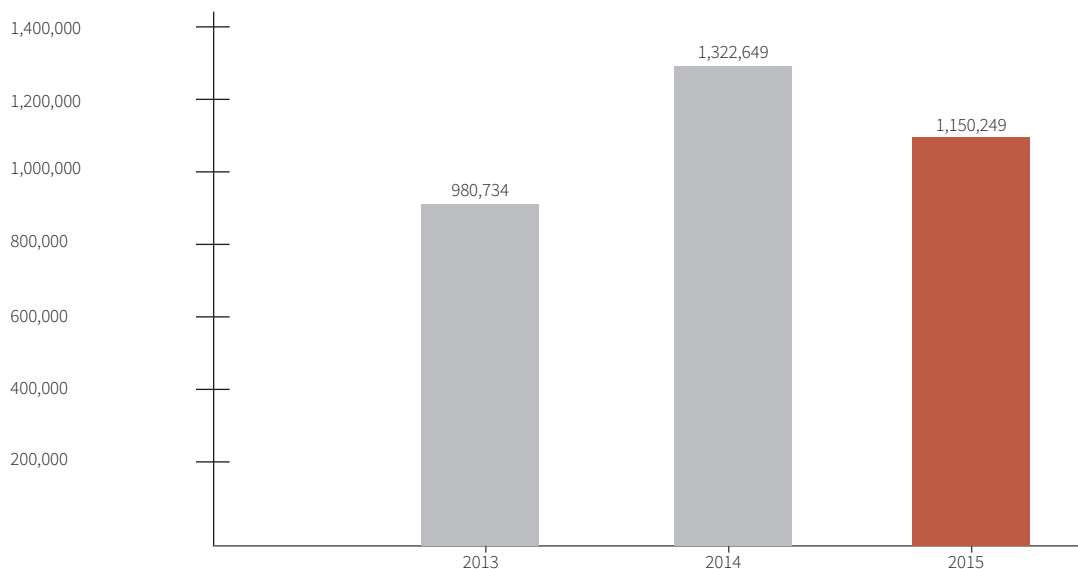
The CMDf agreed to continue the funding of MSWG's operations and activities for the next three years that is from 2015 to 2017 at RM5 million a year.

For the year 2015, after taking into account the funds of RM1.4 million returned to the CMDf, a net of RM3.6 million was received for the year. The excess funds were returned to CMDf as MSWG was able to generate its own revenue during the years.

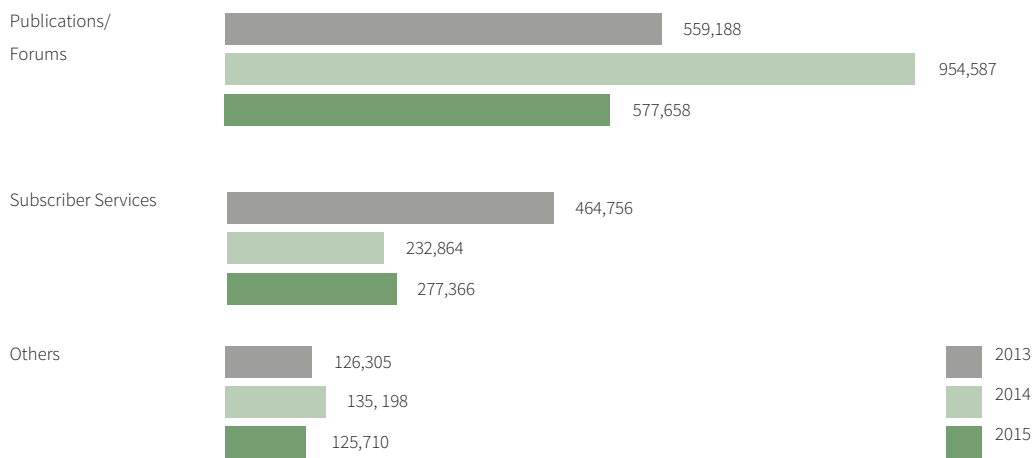
REVENUE

For the financial year ended 31 December 2015, MSWG generated revenue of RM1.15 million compared to RM1.32 million achieved in 2014. The RM0.17 million difference was due to limited forums held during the year. Nevertheless, it was compensated by the generation of higher subscriber fees with value added services including specialised forums on corporate governance to Company Directors and senior management tailored to the requirements of the company. Going forward, MSWG would endeavour to increase the subscribers' base.

The breakdown of revenue generated by MSWG for 2015 and comparative figures in 2014 and 2013 has been illustrated in the following charts.



MANAGEMENT DISCUSSION AND ANALYSIS AND CEO'S MESSAGE



Source of Revenue

EXPENDITURE

For 2015, the total expenditure was RM5.82 million compared to RM5.01 million in 2014, an increase of 16 per cent. The increase was mainly due to expenses incurred for the professional fees for GST’s implementation, the establishment costs for the Institutional Investor Council and the ASEAN CG Scorecard project which had more companies that were reviewed. There were also additional research projects that were conducted during the year. The detailed breakdown has been provided in the Financial Statement.

CORPORATE MONITORING

COMPANIES MONITORED

For the year, MSWG had 262 companies under its monitoring portfolio comprising about 25 per cent of the total number of companies listed on Bursa Malaysia, including large and medium as well as small cap companies representing about 90 per cent of Bursa’s total market capitalisation. The selection of companies to be monitored was based on the following criteria:

- FBM KLCI companies
- MCG Index Top 100 companies
- Companies that subscribers wanted monitored under the Subscribers’ List
- Companies that warranted monitoring based on complaints received from shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS AND CEO'S MESSAGE

During the year, MSWG analysts attended 344 general meetings, of which 82 were extraordinary general meetings. A host of crucial issues related to strategy, finance and governance were raised for the benefit of all stakeholders, particularly minority shareholders. Questions raised by MSWG and the companies' responses were presented by their respective Boards at the meetings and uploaded on MSWG's as well as on the companies' websites.

MSWG continued to engage shareholders by conducting shareholder forums to address major corporate issues, publishing regular newsletters and CEO Columns in mainstream newspapers to widen the reach. Key issues were discussed and highlighted to bring about awareness so that shareholders can raise such concerns at the general meetings.

Overall, almost all companies that were monitored had presented and responded to the issues raised by MSWG at their respective meetings. This had raised awareness amongst the shareholders to assist them in making decisions on voting. Almost all of these companies provided replies to the questions raised, demonstrating their readiness to adhere to best practice principles voluntarily. A total of 47 Companies compared to 30 last year published the minutes of their AGMs in line with the best practices recommended under the ASEAN CG Scorecard.

HIGHLIGHTS OF ISSUES 2015

During the year, MSWG received a total of 44 complaints from minority investors, both corporate and retail wanting MSWG to take up their issues collectively. These complaints centred on the following issues:

- Unfair offers on privatisation
- Concerns on delisting of companies
- Conflict of interest situations
- Excessive directors' remuneration without clear justifications
- Concerns over large private placements to undisclosed third parties
- Removal of independent directors by major shareholders without appropriate explanations
- Concerns on time commitment of Independent Directors

PRE AND POST AGM/EGM REPORTS

The pre Annual General Meeting Reports or pre-AGM Reports provided analysis of companies' Annual Reports for the AGMs. It also provided analysts the queries to be raised at the AGMs.

For 2015, 258 pre-AGM reports were prepared which provided MSWG's voting on resolutions at the general meetings. The key information highlighted in the report had enabled subscribers, both institutional and retail to obtain information such as the proposed resolutions to be tabled, brief particulars of directors and their membership of various committees, analysis of companies' CG practices as well as highlights of the company's financial performance. It was also used as a reference document for analysts when attending general meetings.

During the year 367 letters were sent to companies to seek clarification on issues at the AGMs. These issues related to

MANAGEMENT DISCUSSION AND ANALYSIS AND CEO'S MESSAGE

Corporate

From the Board and
Management

CEO's Message

2015 in Review

Financial Statements,
Notices, Forms and License

financial and governance matters. All companies had responded to the queries and shared with other shareholders either via formal presentations or uploading the answers on the website or distributing the replies to the shareholders that were present.

The post AGM/EGM reports provided an independent overview on the proceedings of the general meetings including the questions raised, responses by the Board of Directors and voting results. These reports were also made available to MSWG's corporate and institutional subscribers. During the year, 258 reports were produced.

AGM/EGM WEEKLY WATCH

MSWG continued publishing its general meetings Weekly Watch or AGM/EGM Weekly Watch in The New Straits Times and Nanyang Siang Pau (Mandarin version) newspapers. During the year we had extended our Weekly Watch to Focus Malaysia every Wednesday. In total, MSWG was given 110 columns of publication in these newspapers. The columns listed the time and venue of upcoming meetings including extracts of questions relating to financial performance or corporate governance practices prior to the companies' AGMs/EGMs. Shareholders were alerted of these AGMs and it had encouraged them to prepare for the upcoming meetings. These questions were also uploaded on MSWG's website so that investors could make reference and ask follow-up questions.

E-NEWSLETTERS

MSWG continued to publish its online newsletter, The Observer, on a weekly basis. Since 2011, the newsletters had been providing readers with weekly corporate happenings on the local and international front. It also provides MSWG's views on current corporate exercises, articles and commentaries on market, economic, regulatory and governance updates.

The Observer has now been widely recognised as an important source of information and research on CG issues, thereby, becoming an effective tool to raise MSWG's profile, particularly in communicating its stand on corporate and governance matters. The e-newsletters and the CEO message had been widely distributed to over 2,000 recipients with more than 200,000 readerships including subscribers, fund managers, institutional investors, brokerage firms, universities, PLCs Board and the media. The CEO's message had been translated in the Malay language in the Berita Harian bi-weekly to provide the excerpts on key matters to readers of the Malay language paper in addition to the weekly columns in the Nanyang Siang Pau in the Mandarin language.

During the year, MSWG published 25 such articles in Berita Harian and 50 in Nanyang Siang Pau, as well as 32 commentaries in other major daily newspapers.

MANAGEMENT DISCUSSION AND ANALYSIS AND CEO'S MESSAGE

INVESTOR EDUCATION PROGRAMMES & FORUMS

As part of the education dissemination process to bring about more informed investors, MSWG had continued to embark on programmes through various channels.

FORUMS

In 2015, MSWG conducted 6 free retail forums for investors on material corporate exercises of companies. The Company would continue to provide such platform for the retail shareholders. In addition MSWG had conducted various forums and dialogues with corporate boards and institutional investors on corporate and governance issues during the year.

COMPANY ENGAGEMENTS

Company visits were conducted as part of MSWG's annual engagement process to better understand the companies' matters as well as having active dialogue with the board of directors.

During the year, MSWG conducted 19 of such company visits in the Klang Valley, Sarawak and Johor. The company engagements were useful and relevant as they provided a good platform to better understand matters on company business, industry issues as well as corporate governance raising minority shareholders' concerns. During such visits, MSWG also took the opportunity to explain on the benchmarking via the ASEAN CG Scorecard.

SPEAKING ENGAGEMENTS

In 2015, MSWG's representatives were involved in and participated in 18 speaking engagements and continued to maintain close ties and working relationships with various international partners like the International Corporate Governance Network (ICGN), the Organisation for Economic Co-operation and Development (OECD), Asian Development Bank (ADB), Asian Corporate Governance Association (ACGA) and Securities Investors Association Singapore (SIAS). It also had participated in dialogues and seminars with local institutions such as the Malaysian Institute of Accountants and the Securities Industry Development Council.

SUBSCRIBER SERVICES

During the year, the value proposition for the Institutional and Corporate Subscribers were further enhanced and more value-added services were included. The subscription fees had been increased in line with the enhanced value proposition. As at end of December 2015, the Company had 5 Institutional and 60 Corporate Subscribers. The number of Institutional and Corporate Subscribers had dropped as time was required for the change to be effected based on higher subscription fees and enhanced value proposition.

The number of retail and student subscribers continued to grow as the subscribers realised the benefits that they would gain through the retail education programmes and forums as well as e-weekly newsletters, which helped them in gaining deeper understanding of corporate proposals and companies' issues. For the year, the retail subscription was given on a complimentary basis. The base for retail subscribers had grown to 656 subscribers in 2015.

MANAGEMENT DISCUSSION AND ANALYSIS AND CEO'S MESSAGE

SUBSCRIBER SERVICES CATEGORIES

- Institutional Subscribers (organisations and institutions)
- Corporate Subscribers (public-listed companies)
- Retail Subscribers (individuals)
- Student Subscribers

Institutional Subscribers

Kumpulan Wang Persaraan (Diperbadankan)
Lembaga Tabung Haji
Pertubuhan Keselamatan Sosial
Permodalan Nasional Berhad
Securities Commission Malaysia

Corporate Subscribers

<p>Affin Holdings Berhad AMMB Holdings Berhad Astro Malaysia Holdings Berhad Axiata Group Berhad Bintulu Port Holdings Berhad Bonia Corporation Berhad Boustead Heavy Industries Berhad Boustead Holdings Berhad British American Tobacco (M) Berhad Bursa Malaysia Berhad Cahaya Mata Sarawak Berhad Chemical Company of Malaysia Berhad CIMB Group Holdings Berhad Concrete Engineering Products Berhad Daibochi Plastics and Packagings Industries Berhad Dayang Enterprise Holdings Berhad DRB Hicom Berhad Eastern & Oriental Berhad Felda Global Ventures Holdings Berhad Genting Berhad Greenyield Berhad Hock Heng Stone Industries Berhad IOI Corporation Berhad Jaya Tiasa Holdings Berhad KKB Engineering Berhad Kulim (M) Berhad Kumpulan FIMA Berhad KPJ Healthcare Berhad Lion Diversified Holdings Berhad Malayan Banking Berhad</p>	<p>Malaysia Airport Holdings Berhad Malaysia Building Society Berhad Malaysia Smelting Corporation Berhad Malaysian Resources Corporation Berhad Maxis Berhad Master-Pack Group Berhad Media Prima Berhad Muhibbah Engineering Berhad Oriental Holdings Berhad Paramount Corporation Berhad Parkson Holdings Berhad Perdana Petroleum Berhad Petra Energy Berhad Petronas Chemicals Berhad Petronas Dagangan Berhad Public Bank Berhad RHB Bank Berhad S P Setia Berhad Sarawak Plantations Berhad Sime Darby Berhad Syarikat Takaful Malaysia Berhad Telekom Malaysia Berhad Tenaga Nasional Berhad Top Glove Corporation Berhad TSH Resources Berhad Turiya Berhad UEM Sunrise Berhad UMW Corporation Sdn Berhad Utusan Melayu (Malaysia) Berhad YTL Corporation Berhad</p>
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Corporate

From the Board and
Management

CEO's Message

2015 in Review

Financial Statements,
Notices, Forms and License

MANAGEMENT DISCUSSION AND ANALYSIS AND CEO'S MESSAGE

ASEAN CORPORATE GOVERNANCE SCORECARD 2015

MSWG continued with the task of assessing Malaysian PLCs. For the 2015 assessment, 870 companies or (94%) of all PLCs were assessed based on disclosures in the annual reports as at 31 July 2015, information available on corporate websites and announcements on Bursa Malaysia as of 15 November 2015. The assessments had been able to benchmark Malaysian corporates with its peers in the region. MSWG used these common best practise parameters to help companies understand the need for having the relevant corporate disclosures. At the same time MSWG showcased exemplary corporates for others to emulate.

For the first time, these Top 50 ASEAN companies were announced and recognised at the inaugural ASEAN CG Conference & Awards event held in Manila in November 2015. MSWG had been integral in this development and will continue to be an integral part of this process.

As in the past, in 2015 MSWG also had its Annual MSWG-ASEAN Corporate Transparency Index, Findings and Recognition 2015 – the Malaysian Chapter, with the theme Excellence, Growth and Sustainability held on 10 December 2015. MSWG continued to recognise outstanding organisations and individuals that had demonstrated leadership excellence in delivering long-term success and shareholder value by adhering to the highest standards of corporate governance.

For 2015, there were a total of 13 categories of awards, including Excellence and Merit Awards for Long-term Value Creation, ESG Practices, AGM Conduct, Minutes Disclosure and Board Diversity. In addition, persons who had contributed to the higher standards in the capital market were also recognised.

For the domestic market, the CG Transparency Index 2015 for the Top 100 PLCs showed an increase from 76.82 points in 2014 to 80.41 points in 2015, showing that overall corporate transparency had increased. The improvements included those on disclosure of AGM minutes (26% in 2014 to 38% in 2015), gender diversity (11.7% in 2014 to 13.4% in 2015) and separation of Chairman and CEO roles among others. The full results can be obtained on MSWG's website at www.mswg.org.my.



Top Overall CG Performance Winners

MANAGEMENT DISCUSSION AND ANALYSIS AND CEO'S MESSAGE

Corporate

From the Board and Management

CEO's Message

2015 in Review

Financial Statements, Notices, Forms and License

INSTITUTIONAL INVESTOR COUNCIL MALAYSIA



Members of the Institutional Investor Council

Signing Ceremony as a signatory to the Malaysian Code for Institutional Investors by Asset Owners



Kumpulan Wang Persaraan (Diperbadankan)(KWAP)



ValueCap Sdn Bhd

The Institutional Investor Council Malaysia (IIC) was established during the year on 3 July 2015, a follow-up on the formulation of the Malaysian Code for Institutional Investors. The IIC represents the interests of institutional investors on matters affecting them and acts as a conduit between policy makers, regulators and institutional investors in relation to broader corporate governance issues. It is expected to provide strategic direction as well as advocate the adoption of the Malaysian Code for Institutional Investors.

MANAGEMENT DISCUSSION AND ANALYSIS AND CEO'S MESSAGE

The Council comprised 14 members from the industry, and is chaired by the CEO of Kumpulan Wang Persaraan (Diperbadankan). The Council advocates institutional investors to become signatories of the Code, as a reflection of their commitment towards becoming responsible investors.

The signatories to the Malaysian Code for Institutional Investors as at end 2015 were as follows:

1. Hermes Fund Managers
2. Hermes Equity Ownership Services
3. Aberdeen Asset Management Sdn Bhd
4. Legal & General Investment Management
5. BNP Paribas Investment Partners Malaysia Sdn Bhd
6. BNP Paribas Investment Partners Najmah Malaysia Sdn Bhd
7. Kumpulan Wang Persaraan (Diperbadankan)
8. ValueCAP Sdn Bhd

OTHER CAPITAL MARKET ACTIVITIES

CONSULTATIVE DRAFTS

MSWG provided feedback and comments on several consultative papers during the year both local and foreign including the following:-

- Proposed Regulatory Framework for Equity Crowdfunding issued by Securities Commission Malaysia.
- Proposed Amendments to the Listing Requirements on Sustainability Statement in Annual Reports and Sustainability Reporting Guide issued by Bursa Malaysia
- Draft Revised OECD Principles of Corporate Governance issued by OECD
- The ICGN Global Stewardship Code

PUBLICATIONS & RESEARCH

During the year, MSWG embarked on several research projects to further promote its "Think Tank and Research" role and to address the lack of research materials on Corporate Governance issues in Malaysia. In doing so, MSWG hopes to contribute and be the catalyst to encourage more research driven efforts undertaken by institutions with the support of PLCs in the area of Corporate Governance. In 2015, three publications were embarked upon by MSWG as below:

- **Malaysian-ASEAN Corporate Governance Report 2015**

This report highlights findings on the assessment of corporate governance practices of 870 companies listed on Bursa Malaysia. The report will be published in the first quarter of 2016.

MANAGEMENT DISCUSSION AND ANALYSIS AND CEO'S MESSAGE

- **Report of AGM Practices by Malaysian Companies in 2015**

This report is a brief guidance on the Dos and Don'ts of directors and shareholders when attending AGMs. It also included the prevailing practices and solutions to facilitate AGMs being an essential part of the CG process. This report was published in 2015 and uploaded on the website.

- **Guidance on Annual Report**

This report is intended to serve as a guide to companies on the salient features to be incorporated in the preparation of Annual Reports. The report is expected to be completed in mid-2016.

In addition, MSWG also embarked on a project to enhance its resource centre by stocking its Library with more books mainly centred on corporate matters. These efforts were undertaken to ensure that the resource centre would continue to support MSWG's aim of establishing the company's E-Learning platform.

MSWG WEBSITE REVAMP AND ENHANCEMENT

With the aim to enhance its web services, an on-line survey had been carried out by MSWG to obtain feedback from the relevant stakeholders. The results of the on-line survey showed that the Company's website needed enhanced features so that it can be user friendly.

The CMDF had agreed to allocate funding for the Company to improve the overall website infrastructure. MSWG had taken the necessary action to revamp its IT infrastructure to support its future projects as well as to cater to the digitalised processes.

The revamp would include an enhanced interface, with interactive online forums, live chats, video tutorials and e-learning capacity. MSWG is also looking into developing its Document Management System (DMS) by merging it with the new Website. It would create a centralised management system process in terms of documentation and information storing and retrieving for MSWG's operation. The work had commenced and the project is expected to be completed by mid-June 2016.

ACCOUNTING SYSTEM AND GST COMPLIANT

The accounting system to accommodate the GST's requirements had been put in place well before the effective implementation date of 1 April 2015. To facilitate the compliance, PricewaterhouseCoopers Tax Consultant was appointed to provide advice on GST-related matters.

MANAGEMENT DISCUSSION AND ANALYSIS AND CEO'S MESSAGE

HUMAN CAPITAL

STAFF STRENGTH

MSWG practices diversity in its staff force. At Management level, the Company had attained a 50:50 gender balance. Its incentive scheme and remuneration packages had been in line with the mid-range averages of the industry. This had enabled MSWG to have a lower turnover and at the same time attract the right calibre of personnel. MSWG also engaged part-time professionals to complement the current work force. They included legal experts, accountants and IT personnel. These Associates were engaged on mutually agreed terms whereby they would be able to commit their time to complete their tasks on a part-time basis. In addition, this arrangement had enabled the Company to utilise the expert services without overhead costs, and had enabled MSWG to attract the female work-force who, hitherto, would have not found working full-time as attractive. It had also enabled MSWG to bring in the necessary people to tide through the AGM seasons which usually were clustered.

As at end 2015, MSWG had a total of 21 full time staff, of which 70 percent were at management and analysts categories. Going forward, the Company would take steps to further strengthen its core team in the area of research and corporate governance in order to support a new era of driving stewardship in the Malaysian capital market.

STAFF DEVELOPMENT/TRAINING

MSWG Analysts had been encouraged to obtain the Investment Representative Licence under the Capital Market Services Act. To facilitate analysts to sit for these examinations, study leave had been granted and fees reimbursed upon successful passing of the modules.

In addition, senior management and analysts were required to up-skill their speaking competency. They were encouraged to speak at forums on a regular basis to widen their knowledge and competency levels at the same time. As part of succession planning all management personnel were required to work in teams and also have a mentor-mentee relationship with junior personnel. This system had exposed the junior analysts with the necessary on-the-job training and at the same time promoted information and knowledge sharing between the team members.

As part of the Company's activities to nurture talent in its workforce, two of its personnel were selected to participate in the Pengeraju Professional Capital Markets Services Representative's License in Corporate Finance and Investment Advice Programme organised by Yayasan Pengeraju under the initiative of the Bumiputra Economic Transformation Roadmap.

MANAGEMENT DISCUSSION AND ANALYSIS AND CEO'S MESSAGE

Corporate

From the Board and
Management

CEO's Message

2015 in Review

Financial Statements,
Notices, Forms and License

INTERNSHIP PROGRAMME

In 2015, the Company embarked on an internship programme to provide opportunities to students to be exposed to corporate governance and shareholders' issues enabling them to obtain first-hand exposure and experience on capital market issues. Four students who participated in the 3-week internship programme were trained and given the exposure to assess public listed companies using the ASEAN CG Scorecard and to attend the AGMs of several companies. Going forward, we would be extending this opportunity to undergraduates to participate in MSWG's internship programme and steps had been taken to pursue this effort with the local universities.

STAFF SOCIAL ACTIVITIES

In July 2015, the MSWG Sports Club donated funds via collection from the staff to Sekolah Menengah Kebangsaan Taman Semarak of Nilai, Negeri Sembilan for the rehabilitation programme of students between the ages of 13-17 who were unable to read and write in English and Bahasa Malaysia. The donation was used to purchase reference books and other educational materials. Internal games competitions such as bowling and table tennis were also organised amongst all levels of personnel for team building and to foster a spirit of camaraderie.

APPRECIATION

The year 2015 had been another eventful year for MSWG. I wish to personally thank all my staff and associates at MSWG for coming together as a committed team and at the same time building professionalism with a passion.

I would also like to thank the relevant stakeholders that had supported MSWG.



Rita Benoy Bushon
Chief Executive Officer
 1st March 2016

CALENDAR OF EVENTS

JANUARY TO MARCH

EXCERPT OF MSWG MONITORING LIST OF ANNUAL GENERAL MEETINGS FOR 2015

No.	Date(Day)	Time	Company	Sector	Meeting	FYE	Venue	D/line	Analyst
1	05.01.15 (Mon)	10.00 am	VS Industry Bhd	Industrial	AGM	31.07.14	Le Grandeur Palm Resort Johor, Jalan Persiaran Golf, Senai, Johor	29.12.14	RY
2	08.01.15 (Thur)	11.30 am	Top Glove Corporation Bhd +^	Trading/Service	AGM	31.08.14	Setia City Convention Centre, Setia Alam Seksyen U13, Shah Alam	01.12.14	KW
3	20.01.15 (Tue)	10.00 am	Fraser & Neave Holdings Bhd	Consumer	AGM	30.09.14	Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, KL	13.01.15	QBA
4	29.01.15 (Thur)	10.30 am	Chin Teck Plantations Bhd -	Plantation	AGM	31.08.14	Suite 2B-3A-3, Block 2B, Level 3A, Plaza Sentral, KL Sentral	22.01.15	NKK
5	11.02.15 (Wed)	10.00 am	Concrete Engineering Products Bhd	Industrial	AGM	31.08.14	Dewan Perdana Felda, Jalan Maktab, Off Jalan Semarak, KL	04.02.15	SNY
6	13.02.15 (Fri)	09.00 am	Bright Packaging Industry Bhd	Industrial	AGM	31.08.14	Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasas 3, Bukit Jalil K.L	06.02.15	SNY
7	16.02.15 (Mon)	12.00 pm	Kuala Lumpur Kepong Bhd @^	Plantation	AGM	30.09.14	Wisma Taiko, No. 1, Jalan S.P. Seenivasagam, Ipoh, Perak	09.02.15	LLS
8	16.02.15 (Mon)	02.15 pm	Batu Kawan Bhd	Plantation	AGM	30.09.14	Wisma Taiko, No. 1, Jalan S.P. Seenivasagam, Ipoh, Perak	09.02.15	LLS
9	09.03.15 (Mon)	11.00 am	LPI Capital Bhd -^	Finance	AGM	31.12.14	Shangri-La Hotel Kuala Lumpur, 11 Jalan Sultan Ismail, KL	02.03.15	QBA
10	25.03.15 (Wed)	10.30 am	JCY International Bhd	Technology	AGM	30.09.14	Grand Paragon Hotel, Taman Century, Johor Bahru, Johor	18.03.15	RY
11	31.03.15 (Tue)	10.00 am	Pharmaniaga Bhd #	Trading/Service	AGM	31.12.14	The Royale Chulan Damansara Hotel, Mutiara Damansara	24.03.15	KW

Number of AGMs & EGMs attended - 33



Presentation Ceremony for Employee Recognition and Appreciation



Chinese New Year Luncheon with Stakeholders



Meeting with CCM Duopharma Biotech Berhad's CEO and team on the acquisition of Chemical Company of Malaysia Berhad's pharmaceutical units

MARCH
04



MSWG's Board after its Meeting

MARCH
12

MARCH
24-26

Company Visits to Sarawak-based PLCs



Sarawak Oil Palm Berhad



Sarawak Plantation Berhad



KKB Engineering Berhad



Zecon Berhad



Bintulu Port Holdings Berhad



Cahaya Mata Sarawak Berhad

Corporate

From the Board and Management

CEO's Message

2015 in Review

Financial Statements, Notices, Forms and License

APRIL TO JUNE

EXCERPT OF MSWG MONITORING LIST OF ANNUAL GENERAL MEETINGS FOR 2015

15	02.04.15 (Thur)	10.00 am	Boustead Heavy Industries Corp. Bhd	Industrial	AGM	31.12.14	The Royale Chulan Damansara Hotel, Mutiara Damansara	26.03.15	RY
16	06.04.15 (Mon)	09.30 am	Boustead Holdings Bhd	Finance	AGM	31.12.14	The Royale Chulan Damansara Hotel, Mutiara Damansara	30.03.15	QBA
17	07.04.15 (Tue)	10.00 am	Malayan Banking Bhd @#*	Finance	AGM	31.12.14	Kuala Lumpur Convention Centre, KLCC	31.03.15	QBA
47	30.04.15 (Thur)	11.00 am	Cahaya Mata Sarawak Bhd ^	Industrial	AGM	31.12.14	Borneo Convention Centre Kuching, The Isthmus, Kuching, Sarawak	23.04.15	NHS
48	05.05.15 (Tue)	11.00 am	Three-A Resources Bhd ^	Industrial	AGM	31.12.14	Tropicana Golf & Country Resort , Petaling Jaya	28.04.15	NKK
52	07.05.15 (Thur)	03.00 pm	Gas Malaysia Bhd	Industrial	AGM	31.12.14	Hotel Istana, 73, Jalan Raja Chulan, KL	30.04.15	RY
53	11.05.15 (Mon)	11.00 am	Malaysian Resources Corporation Bhd -I	Construction	AGM	31.12.14	Hotel Istana Kuala Lumpur City Centre, Jalan Raja Chulan, KL	04.05.15	SNY
54	12.05.15 (Tue)	10.00 am	Syarikat Takaful Malaysia Bhd	Finance	AGM	31.12.14	Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, KL	05.05.15	LCM
89	27.05.15 (Wed)	02.30 pm	Chemical Company of Malaysia Bhd ^	Industrial	AGM	31.12.14	InterContinental Kuala Lumpur, Jalan Ampang	20.05.15	KW
96	28.05.15 (Thur)	11.30 am	Tomypak Holdings Bhd	Industrial	AGM	31.12.14	Grand Paragon Hotel Johor Bahru, Taman Century, JB, Johor	21.05.15	SNY
102	29.05.15 (Fri)	11.30 am	Master-Pack Group Bhd	Industrial Products	AGM	31.12.14	Master-Pack Sdn. Bhd., 1574, Jalan Bukit Panchor, Nibong Tebal, Penang	22.05.15	NHS
103	02.06.15 (Tue)	10.00 am	TSH Resources Bhd -+*	Plantation	AGM	31.12.14	Eastin Hotel, Jalan Damansara, Petaling Jaya	26.05.15	LH
108	03.06.15 (Wed)	10.30 am	Paramount Corporation Bhd ^	Properties	AGM	31.12.14	The Saujana Hotel KL, Saujana Resort, Jin LTSAAS, Shah Alam	27.05.15	LCM
121	12.06.15 (Fri)	10.00 am	Alam Maritim Resources Bhd -	Trading/Service	AGM	31.12.14	Palace of Golden Horses, MINES Wellness City, Seri Kembangan	05.06.15	RY
144	19.06.15 (Fri)	10.00 am	Masterskill Education Group Bhd	Education	AGM	31.12.14	Unit 15-T, Signature Office (Block A), the Boulevard Mid Valley City	12.06.15	SNY
146	22.06.15 (Mon)	10.00 am	Multi Sports Holdings Limited	Trading/Service	AGM	31.12.14	Putrajaya Marriott & Spa, IOI Resort City, Sepang Utara	15.06.15	KW
161	27.06.15 (Sat)	11.00 am	KPS Consortium Bhd	Industrial	AGM	31.12.14	Klang Executive Club, Persiaran Bukit Raja 2, Bandar Baru Klang, Klang	20.06.15	NHS
163	30.06.15 (Tue)	11.45 am	YNH Property Bhd	Properties	AGM	31.12.14	Hotel Sfera (Fka Lead View Hotel), Tmn Samudera, Sri Manjung, Perak	23.06.15	LCM

Number of AGMs & EGMs attended - 179



APRIL
09

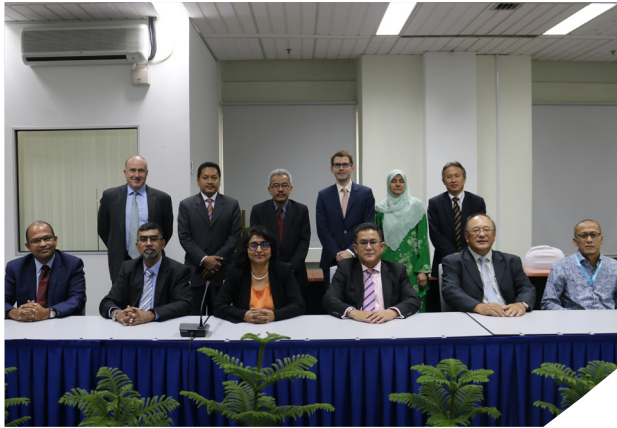
Institutional Investor Pro-Tem Committee Meeting

JULY TO SEPTEMBER

EXCERPT OF MSWG MONITORING LIST OF ANNUAL GENERAL MEETINGS FOR 2015

164	21.07.15 (Tue)	02.30 pm	Alliance Financial Group Bhd -	Finance	AGM	31.03.15	One World Hotel, First Avenue, Bandar Utama City Centre, PJ	14.07.15	QBA
165	27.07.15 (Mon)	11.00 am	Kim Loong Resources Bhd ^	Plantations	AGM	31.01.15	DoubleTree by Hilton Hotel, Menara Landmark, 12 Jalan Ngee Heng, JB	20.07.15	LH
168	29.07.15 (Wed)	11.30 am	TA Enterprise Bhd -^	Finance	AGM	31.01.15	Menara TA One, 22, Jalan P. Ramlee, KL	22.07.15	QBA
169	31.07.15 (Fri)	09.00 am	Pansar Bhd (Fka PWE Industries Bhd)	Industrial	AGM	31.03.15	Tanahmas Hotel, Jalan Kampung Nyabor, Sibau, Sarawak	24.07.15	NHS
170	06.08.15 (Thur)	10.00 am	Media Chinese International Limited 1*	Trading/Service	AGM	31.03.15	Sin Chew Media Corporation Berhad, Petaling Jaya	30.07.15	KW
171	18.08.15 (Tue)	10.00 am	Enra Group Bhd (Fka Perduen (M) Bhd)	Properties	AGM	31.03.15	Kuala Lumpur Golf & Country Club, Off Jalan Bukit Kiara, Damansara	11.08.15	LCM
172	18.08.15 (Tue)	02.30 pm	Poly Glass Fibre (M) Bhd	Industrial	AGM	31.03.15	Evergreen Laurel Hotel Penang No. 53 Persiaran Gurney, Penang	11.08.15	NKK
177	25.08.15 (Tue)	02.30 pm	LJM Corporation Bhd -@#*	Construction	AGM	31.03.15	Holiday Villa Hotel & Suites Subang, Subang Jaya	18.08.15	SNY
178	26.08.15 (Wed)	09.30 am	Turiya Bhd (Fka Sitt Tatt Bhd) -	Industrial	AGM	31.03.15	Kelab Golf Perkhidmatan Awam, Bukit Kiara, Off Jalan Damansara, KL	19.08.15	NKK
183	28.08.15 (Fri)	11.00 am	Southern Acids (M) Bhd +	Industrial	AGM	31.03.15	Setia City Convention Centre, Sekyzen U13, Shah Alam	21.08.15	KW
184	03.09.15 (Thur)	10.30 am	Amcorp Properties Bhd (Fka AMDB Bhd)	Properties	AGM	31.03.15	Connexion @ Nexus, Jalan Kerinchi, Bangsar South, KL	27.08.15	LCM
185	08.09.15 (Tue)	09.00 am	POS Malaysia Bhd @#1	Trading/Service	AGM	31.03.15	Hotel Istana Kuala Lumpur, Jalan Raja Chulan	01.09.15	RY
190	14.09.15 (Mon)	11.30 am	Lay Hong Bhd	Consumer	AGM	31.03.15	Premiere Hotel, Bandar Bukit Tinggi 1/KS6, Jalan Langat, Klang	07.09.15	KW
191	17.09.15 (Thur)	09.30 am	MTD ACPI Engineering Bhd	Construction	AGM	31.03.15	Registered Office, 1, Jalan Batu Caves, Batu Caves	10.09.15	QBA
194	22.09.15 (Tue)	10.30 am	FMA Corporation Bhd	Industrial Products	AGM	31.03.15	Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, KL	15.09.15	NKK
204	30.09.15 (Wed)	03.00 pm	Pan Malaysian Industries Bhd	Trading/Service	AGM	31.03.15	Corus Paradise Resort Port Dickson, Jalan Pantai, Port Dickson, N9	23.09.15	NHS

Number of AGMs & EGMs attended - 58



JULY
03

Establishment of Institutional Investor Council (IIC) and 1st IIC Meeting



JULY
31

Presentation of book donation to the students of rehabilitation learning programme of Sekolah Menengah Kebangsaan Taman Semarak by MSWG Sports Club President

AUGUST
11 - 12

MSWG Hari Raya Open House



Corporate Subscribers



Retail Subscribers

SEPTEMBER
12

Company Visits to Johor-based



Kulim Malaysia Berhad



Karyon Industries Berhad

Corporate

From the Board and Management

CEO's Message

2015 in Review

Financial Statements, Notices, Forms and License

SEPTEMBER TO DECEMBER

EXCERPT OF MSWG MONITORING LIST OF ANNUAL GENERAL MEETINGS FOR 2015

205	13.10.15 (Tue)	11.30 am	Hai-O Enterprise Bhd ^	Trading/Service	AGM	30.04.15	The Federal Hotel Kuala Lumpur, No. 35, Jalan Bukit Bintang, KL	06.10.15	KW
212	28.10.15 (Wed)	10.00 am	Hong Leong Capital Bhd (fka HLG Capital Bhd)	Finance	AGM	30.06.15	Wisma Hong Leong, 18 Jalan Perak, KL	21.10.15	QBA
213	28.10.15 (Wed)	11.30 am	Hong Leong Financial Group Bhd	Finance	AGM	30.06.15	Wisma Hong Leong, 18 Jalan Perak, KL	21.10.15	QBA
214	29.10.15 (Thu)	02.30 pm	Hong Leong Industries Bhd	Consumer	AGM	30.06.15	Wisma Hong Leong, 18 Jalan Perak, KL	22.10.15	QBA
215	04.11.15 (Wed)	02.30 pm	Plenitude Bhd	Properties	AGM	30.06.15	Novotel Kuala Lumpur City Centre, No. 2, Jalan Kia Peng, KL	28.10.15	LCM
223	23.11.15 (Mon)	10.00 am	C.I. Holdings Bhd ^	Consumer	AGM	30.06.15	Pullman One, Pullman Kuala Lumpur City Centre Hotel & Residences, Jin Conlay	16.11.15	VR
224	23.11.15 (Mon)	10.00 am	Sime Darby Bhd -@^1	Trading/Service	AGM	30.06.15	Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, KL	16.11.15	LH
228	24.11.15 (Tue)	11.00 am	YTL Land & Development Bhd	Properties	AGM	30.06.15	JW Marriott Hotel Kuala Lumpur, 183 Jalan Bukit Bintang	17.11.15	KH
230	24.11.15 (Tue)	02.30 pm	Lion Diversified Holdings Bhd -	Consumer	AGM	30.06.15	Level 16, Lion Office Tower, No. 1 Jalan Nagasari, KL	17.11.15	NHS
234	25.11.15 (Wed)	10.00 am	Guinness Anchor Bhd ^	Consumer	AGM	30.06.15	Connexion @ Nexus, No. 7, Jalan Kerinchi, Bangsar South City, KL	18.11.15	KW
238	27.11.15 (Fri)	10.00 am	Berjaya Assets Bhd (Matrix International Bhd)	Properties	AGM	30.06.15	Berjaya Times Square Hotel, Kuala Lumpur	20.11.15	QBA
240	01.12.15 (Tue)	12.00 pm	Zecon Bhd	Construction	AGM	30.06.15	Menara Zecon, No. 92, Lot 393, Section 5 KTLD, Jalan Satok, Kuching, Sarawak	24.11.15	NHS
241	03.12.15 (Thu)	11.30 am	Hunza Properties Bhd	Properties	AGM	30.06.15	St Jo's Chapel Hall, Gurney Paragon, Level 2, 163C-2-03, Persiaran Gurney, Penang	26.11.15	LCM
250	18.12.15 (Fri)	10.00 am	My E.G. Services Bhd ^	Trading/Service	AGM	30.06.15	Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, KL	11.12.15	RY
251	18.12.15 (Fri)	11.30 am	Ekovest Bhd	Construction	AGM	30.06.15	Grand Seasons Hotel, 72 Jalan Pahang, KL	11.12.15	LIS
254	30.12.15 (Wed)	10.00 am	Kwantas Corporation Bhd	Plantation	AGM	30.06.15	Signature Office, Off Coastal Highway, KK, Sabah	23.12.15	LH
255	31.12.15 (Thu)	09.00 am	Kingqan International Sports Limited	Trading/Service	AGM	30.06.15	Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, KL	24.12.15	KW

Number of AGMs & EGMs attended - 71



OCTOBER
13

Engagement Meeting with Securities Commission (SC) and Institutional Investor Council Working Committee on Corporate Governance Priorities 2020



OCTOBER
19

2nd Institutional Investor Council Meeting



KWAP signed up to the Malaysian Code for Institutional Investors



ValueCap signed up to the Malaysian Code for Institutional Investors



NOVEMBER
05

Meeting with Taiwan Stock Exchange (TWSE) and Securities & Futures Investors Protection Center (SFIPC)

NOVEMBER
18 & 30

Adjudication Committee Meeting for Malaysia-ASEAN Corporate Governance Index 2015



1st Adjudication Meeting



2nd Adjudication Meeting



DECEMBER
10

Launching of "Report of AGM Practices by Malaysian Companies"



DECEMBER
18

Meeting with representatives of Hanoi Stock Exchange

Corporate

From the Board and Management

CEO's Message

2015 in Review

Financial Statements, Notices, Forms and License

Engagement Meetings



Bursa Malaysia Berhad



Telekom Malaysia Berhad



Top Glove Corporation Berhad



Axiata Group Berhad



CIMB Group Holdings Berhad

DECEMBER
10

Malaysia-ASEAN Corporate Governance Index 2015 and Awards Ceremony at the Sime Darby Convention Centre



Corporate

From the Board and Management



CEO of the Year

Tan Sri Dato' Sri Zamzamzairani Mohd Isa
(Telekom Malaysia Berhad)



Top Overall CG Performance Winners

CEO's Message



Industry Excellence Winners



Merit Awardees For CG Disclosures

2015 in Review

Financial Statements,
Notices, Forms and License

MAY
TO
DECEMBER

Speaking Engagements



Global Corporate Governance Conference



2nd OECD-Southeast Asia Corporate Governance Initiative



Corporate Governance: Balancing Rules and Practices



ACGA 2015 Conference



Malaysia Investment & Stock Exchange Expo



The 20th Malaysian Capital Market Summit



Session on Implementation of ASEAN Corporate Governance Scorecard

WEEKLY WATCH/CEO's COLUMN

Nanyang Siang Pau

南洋商報 17-08-2015 星期一

BUSINESS WEEKLY 财经周刊 S23

Weekly Watch 一周检视

艾芬买 TRX 土地引争议

艾芬控股 (AFFIN, 8186, 主板)

艾芬控股, 该土地收购价是土地地价的 2.3% 溢价。

于优越的价位收购地, 因此, 可以

艾芬控股, 该土地收购价是土地地价的 2.3% 溢价。



许多马来西亚公司, 特别是由家族控

许多马来西亚公司, 特别是由家族控

New Straits Times

MSWG AGM/EGM Weekly Watch: June 29 - July 3 2015

For this week, the following are the AGMs/EGMs of companies in the Minority Shareholder Watchdog Group (MSWG)'s watchlist.

The AGMs/EGMs for the week:

Table with 3 columns: Date & Time, Company, Venue. Lists AGMs for Shell Refining Co., YNH Property Bhd, Genting Malaysia Bhd, and Dayang Enterprise Holdings Bhd.

The points of interest to be raised:

Shell Refining Co. (F.O.M.) Bhd
As stated in the Chairman's Statement, the Company's attempts to return to profitability were hindered by high stockholding losses as well as tight refining margins from continued overcapacity in the marketplace.

Focus Malaysia

MSWG AGM/EGM Weekly Watch (Sept 7-11, 2015)

FOR this week, the following are the AGMs/EGMs of companies which are in the Minority Shareholder Watchdog Group's (MSWG) watchlist.

Table with 2 columns: Company Name and Key Points of Interest. Lists AGMs for POS Malaysia Bhd, DRB-HICOM BHD, and NTRM Holdings Bhd.

The Observer

MSWG MINORITY SHAREHOLDER WATCHDOG GROUP
Badan Pengawas Pemegang Saham Minoriti Berhad
Incorporated in Malaysia * Company No. 524898-M

The Observer

10 April 2015

KEMASKINI MAKLUMAT PASARAN DAN KAWAL SELIA

BANK NEGARA MALAYSIA (BNM): NISBAH LIPUTAN KECAIRAN ATAU 'LIQUIDITY COVERAGE RATIO (LCR)'

Pada 3 April 2015 BNM telah memuktamadkan standard LCR, setelah mengambil kira maklumbalas serta cadangan-cadangan yang diterima semasa proses konsultasi awam.

MSWG MINORITY SHAREHOLDER WATCHDOG GROUP
Badan Pengawas Pemegang Saham Minoriti Berhad
Incorporated in Malaysia * Company No. 524898-M

The Observer

30th January 2015

MESSAGE FROM THE CEO

Bursa has announced the amendments to its Listing Requirements (LR) effective 27 January 2015 with some coming into effect from 1 July 2015.

Bursa believes that liberalising some of the LR is timely because of the improved corporate governance culture in Malaysia.

Berita Harian

Image of a meeting with caption: Jumlah ganjaran yang diterima setiap pengarah perlu setimpal dengan peranan yang dimainkan dalam membangunkan sebuah syarikat.
Kewajaran kawal ganjaran pengarah
bagi ganjaran perlu diterangkan, dengan maklumat terperinci mengenai parameter dan penanda aras dalam menentukan keputusan mereka mengenai pakej pengarah.

Galak penzahiran prosiding mesyuarat
» Tingkat ketelusan demi kepentingan pemegang saham syarikat awam
RITA BENOY BUSHON
Pendirian Badan Pengawas Pemegang Saham Minoriti (MSWG) menggalakkan penzahiran_minit mesyuarat agung

Corporate From the Board and Management

CEO's Message

2015 in Review

Financial Statements, Notices, Forms and License

ARTICLES / COMMENTARIES

Focus Malaysia

More scrutiny needed for private placements

The places should be made known when undertaking such exercises to the detriment of minority shareholders



THE arguments, as I have often asserted, of not favouring and limiting private placements are monumental. Yet there continues to be numerous examples of this type of corporate exercise.

Who are these places? Are they friends of the major shareholders? On what basis do they deserve discounted stock in the company? And why have they been offered these shares over existing shareholders?

If the prime objective is to raise funds (as it should be – and not to fend off hostile interests), then a rights issue is always preferable, at least in the first instance. This way, shareholders have an opportunity to participate. For share-

Time to have a say on pay

Company shareholders can decide if the directors are adequately compensated for their roles



IN many developed markets globally, the “appropriateness” of executive- and non-executive board compensation has rightly come under the close scrutiny of shareholders.

These develop-

around 60 days in a year to the company. This is assuming that there are 15 meetings a year with about four days for reading the board papers for each meeting. When annualised this average surpasses RM3 mil a year if they were full-time employees.

We would think that this kind of compensation would be appropriate for executives whose role amongst others would include the day-to-day operations of the business encompassing

Driving boardroom stewardship

Combined efforts from minority shareholders can be a considerable force for positive change



WITH the launch of Malaysia’s first-ever Institutional Investors Code we can soon witness our country’s further progress on regional corporate governance. Self-governance will also be a key

and Governance (ESG) standards and reporting.

The collaborative and consensual environment we live in now means engagement with public policymakers is increasingly seen as an integral part of active ownership. Additionally, this drive towards shareholder activism should be used as an opportunity for institutional investors to begin a



1 | RHB Banking Group chief governance officer Norazzah Sulaiman (centre) accepting the award for the Top 10 Corporate Governance Disclosure Merit Recognition at the recent MSWG-Asean Corporate Governance Transparency Index, Findings and Recognition 2015 dinner awards. It was presented by Minority Shareholder Watchdog Group (MSWG) CEO Rita Benoy Bushon and chairman Tan Sri Sulaiman Mahbob.

Berita Harian

Patuhi had tempoh 9 tahun

» Syarikat ada cukup masa rancang pelan penggantian pengarah bebas

RITA BENOY BUSHON

...pik hangat yang diperdebatkan secara meluas di dalam arena tadbir urus korporat. Seperti ramai sedia maklum, Kod Tadbir Urus Korporat Malaysia 2012 (Kod) mengesyorkan had tempoh sembilan tahun bagi pengarah bebas dan Keperluan Penyenaraian Bursa Malaysia yang membuat rujukan kepada syor itu di mana syarikat tersenarai perlu mematuhi keperluan itu.

Tukar status pengarah

Sekiranya pengarah terbahit masih diperlukan, syarikat boleh menukar status pengarah daripada pengarah bebas kepada pengarah bukan bebas dan bukan eksekutif.

Syor 3.3 di bawah kod ini juga memberi ruang untuk mengekalkan status pengarah bebas itu dalam keadaan yang

bawah berikut diamalkan;

- Had tempoh pengarah bebas melebihi sembilan tahun, ada antara mereka yang melebihi 15 tahun;
- Pengarah bebas dilantik semula melebihi had tempoh itu tanpa justifikasi kukuh;
- Tiada resolusi dicadangkan bagi pelantikan semula.

Beberapa pengarah bebas yang melebihi had tempoh sembilan tahun dan serentak dicadangkan untuk dilantik semula.

Sebagai makluman, tempoh sembilan tahun diguna pakai sebagai pengukur yang disyorkan bagi had tempoh pengarah bagi had tempoh pengarah bebas di Singapura, Afrika Selatan, Hong Kong dan United Kingdom.

Perancis menggubal undang-undang supaya tempoh 12 tahun dihadkan bagi pe-

gara ke negara yang lain.

Kad Skor Tadbir Urus Korporat ASEAN yang digunapakai oleh enam negara ASEAN mengesyorkan sembilan tahun sebagai had tempoh yang optimal bagi pengarah bebas dan ini dimasukkan ke dalam parameter penilaian.

Kod ini mula berkuat kuasa sejak Julai 2012 dan berdasarkan penilaian kami pada tahun 2014, tempoh purata bagi pengarah bebas adalah selama 7.2 tahun.

Sepatutnya syarikat sudah pun mempunyai masa mencukupi merancang pelan penggantian bagi pengarah bebas yang mempunyai tempoh perkhidmatan yang panjang.

Kami berharap syarikat tersenarai awam akan mengambil pemerhatian isu yang di-

Lembaga pengarah kena ambil tanggungjawab

Penalti sebanyak RM53.7 juta yang perlu dibayar oleh AMMB Holdings Bhd kepada Bank Negara Malaysia (BNM) menunjukkan bahawa sesiapa yang tidak mematuhi peraturan akan dikenakan tindakan.

Menurut pengumuman syarikat minggu lalu, AMMB bersetuju

RITA BENOY BUSHON

ValueCAP penandatanganan Kod Malaysia

ValueCAP Sdn Bhd, syarikat pegangan pelaburan milik bersama Khazanah Nasional Bhd, Kumpulan Wang Persaraan (Diperbadankan) dan Permodalan Nasional Bhd (PNB) menjadi penandatanganan terbaharu kepada Kod Malaysia bagi Pelaburan Institusi.

Kod itu dilancarkan oleh Suruhanjaya Sekuriti Malaysia (SC) dan Badan Pengawas Pemegang Saham Minoriti (MSWG) tahun lalu bagi membantu pelabur institusi memenuhi tanggungjawab pengawasan melalui pengaruh dan pengalakan budaya tadbir urus korporat yang baik dalam syarikat pelaburan mereka.

Sharifatu Laila

menjuarai agenda kerajaan bagi Pelaburan Mampun dan Bertanggungjawab (SRJ). Sebagai penandatanganan,

lebih mendalam akan terus menyokong objektif mengoptimalkan pulangan kepada pemegang saham,” katanya dalam satu kenyataan.

Destinasi pelaburan pilihan

Sharifatu Laila berkata dengan menggunakan agenda alam sekitar, sosial dan tadbir urus (ESG) bagi seluruh proses membuat keputusan pelaburan, ValueCAP melihat peluang untuk meneroka potensi mewujudkan nilai bagi syarikat yang terbahit.

Katanya, komitmen sedemikian mengukuhkan peranan ValueCAP sebagai pelabur institusi dalam memastikan tahap tanggungjawab, kete-

jalan ke arah menjadikan pasaran modal Malaysia sebagai destinasi pelaburan pilihan bagi dana bertanggungjawab secara sosial,” katanya.

Ketua Pegawai Eksekutif MSWG, Rita Benoy Bushon, berkata sebagai pemilik aset, penandatanganan mencerminkan komitmen syarikat pelaburan itu ke arah pemilikan bertanggungjawab dengan menggunakan prinsip termaktub di bawah Kod.

Katanya, satu daripada prinsip Kod yang berkaitan pertimbangan kemampuan termasuklah faktor ESG yang sangat rapat dengan peranan ValueCAP

New Straits Times

Institutional investors form lobby group

OOI TEE CHING

KUALA LUMPUR: Sovereign wealth, pension, pilgrimage and trusts funds, such as Khazanah Nasional Bhd, the Employees Provident Fund (EPF), Kumpulan Wang Persaraan (KWAP), Permodalan Nasional Bhd (PNB), Lembaga Tabung Angkatan Tentera (LTAT) and Lembaga Tabung Haji, have teamed up to champion corporate governance and shareholder activism.

These "big boys", which are usually substantial shareholders in companies listed on Bursa Malaysia, established the Institutional Investor Council Malaysia (IICM), with RM100,000 start-up administrative fund extended by the Securities Commission.

This is a follow up of the Malaysian Code for Institutional Investors requiring institutional investors to promote good governance in the companies they place their trust in.

The code encourages the institutional investors to disclose their stewardship responsibilities, monitor their investee companies, regularly engage with decision makers of investee companies, adopt a robust policy on

managing conflicts of interests, incorporate good governance and sustained investment considerations and publish their voting policy.

KWAP chief executive officer (CEO) Wan Kamaruzaman Wan Ahmad has been appointed chairman of the IICM.

Minority Shareholder Watchdog Group CEO Rita Benoy Bushon, who is also council member of IICM, is the secretariat head.

Wan Kamaruzaman noted that IICM is made up of 15 committee members and decisions are voted by the majority.

"We are all equal in this council, there is no veto power entrusted to any committee member. The quorum is set at five committee members."

Meanwhile, Deputy Finance Minister Ahmad Maslan announced in Parliament yesterday Bank Negara Malaysia's representative is no longer part of the KWAP investment panel as proposed in the amendment of the KWAP Act 2007.

Wan Kamaruzaman confirmed that the Bank Negara's representative is part of KWAP's board of directors, but just not in the investment panel.

The Star



The Sun



The Malaysian Reserve

Still behind 30% target for women in corporate boards

Malaysia has sufficient female employees in the workforce, however, more effort is required to achieve the target

by MOKHRIZ MOKHTAR

MALAYSIA still has a long way to go in achieving its target of having women make up 30% of corporate boards by 2016, according to Minority Shareholder Watchdog Group (MSWG).

MSWG GM for corporate services Lya Rahman said although Malaysia currently has sufficient female employees in the workforce, however, in term of developing



From left: Lya, Telekom Malaysia Bhd compliance and company secretary and chief legal (l-r), Aberdeen Asset Management CEO Gerald Ambrose and Malaysia KPMG Partner and Risk Consulting head Lee Min On at the conference in Kuala Lumpur

China Press

MSWG: 平均年增10%

金融公司董事費 308萬

小股東監督機構企業服務總經理羅麗拉在接受《中國報》專訪時指出，基礎項目公司薪酬出現縮水的現象，主要因某公司在2013年繳付了前主席一筆巨額退休金，大抵提高該公司平均薪酬。

“整體而言，我不認為是因為大馬經濟疲軟、公司表現不佳才導致薪酬減少。”

在執行董事方面，繼行最高薪酬的依然是金融公司，平均薪酬為98萬5000令吉，其次為地產管理公司。

調查顯示，尽管該公司以12萬8000令吉排在第2位，但與金融公司相比，平均薪酬只有前者的三分之一左右；管理公司只有前者的執行董事平均薪酬的67.4000令吉。

非經濟影響

金融公司執行董事平均薪酬按年成長10%至308萬5000令吉，超越基礎公司，成為平均薪酬最高領域之冠。其次為地產公司，以平均薪酬287萬5000令吉，44位的漲幅將排名從第5名推升至第2名。

各領域執行董事平均薪酬 (萬令吉)

年份	金融	地產	基礎	其他
2014	308.5	287.5	128	128
2013	279.5	287.5	128	128

■ 上市公司董事報酬大不同，執行董事和非執行董事平均薪酬最高達13倍以上。

董事薪酬落差大 平均相差逾13倍

這則小股東監督機構評估的數據顯示，雖然同是擔任公司董事職位，但薪酬卻有天淵之別。去年執行董事和非執行董事平均薪酬分別為134萬7849令吉和8833令吉，相差了15倍以上。

此外，執行董事、非執行董事之間的薪酬，落差也很大。

根據報告，執行董事最高年薪可達1.12億2500萬令吉，最低則只有6400令吉。非執行董事最高年薪則可達266萬2675令吉，最低薪酬只有8833令吉，與2013年的2000

令吉最高薪酬相比，可謂一年不同一年。

羅麗拉指出，該機構對非執行董事平均薪酬833令吉一事也十分關注。這批受股東薪酬的主要部分公司，也除了董事費，公司還給予這些非執行董事其他福利，如津貼和保險等。

“執行董事是受公司委任，負責公司日常營運，他們的表現會影響公司股價；而非執行董事所扮演的角色則不同，主要負責監督，但不參與公司日常營運。”

Corporate

From the Board and Management

CEO's Message

2015 in Review

Financial Statements, Notices, Forms and License

Company No.

524989	M
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BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

STATUTORY FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2015**

Company No.

524989	M
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BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
 (Incorporated in Malaysia as a company limited by guarantee)

CONTENTS

Directors' Report	53
Statement of Comprehensive Income	57
Statement of Financial Position	58
Statement of Changes in General Fund and Reserve	59
Statement of Cash Flows	60
Summary of Significant Accounting Policies	68
Notes to the Financial Statements	69
Statement by Directors	79
Statutory Declaration	79
Independent Auditors' Report	80

Corporate

From the Board and
Management

CEO's Message

2015 in Review

Financial Statements,
Notices, Forms and License

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Company for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITY

The principal activity is to promote corporate governance in companies through shareholder activism acting in the interest of the minority shareholders as an integral part to the development of the capital market.

There were no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	RM
Surplus for the financial year	746,896

DIVIDENDS

In accordance with the Company's Memorandum of Association, no dividends are payable to the members of the Company.

MOVEMENTS ON RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

DIRECTORS

The Directors who have held office during the period since the date of the last report are as follows:

Tan Sri Dato' Seri Dr. Sulaiman Bin Mahbob
 Tan Sri Dato' Lodin bin Wok Kamaruddin
 Datuk Zakaria bin Sharif
 (Alternate Director to Tan Sri Dato' Lodin bin Wok Kamaruddin)
 Dato' Larry Gan
 Phillip Koh Tong Ngee
 Rita Benoy Bushon
 Nor Hizam bin Hashim

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)

DIRECTORS (CONTINUED)

In accordance with Article 61 of the Company's Article of Association, Tan Sri Dato' Seri Dr Sulaiman Bin Mahbob and Encik Nor Hizam Hashim retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

The Company is a company limited by guarantee and there are no shares in which the Directors could have an interest. The Company has not issued any debentures.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than Directors' remuneration disclosed in Note 4 and Note 6) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the statement of comprehensive income and statement of financial position were made out, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Company had been written down to an amount which they might be expected so to realise.

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations when they fall due.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors,

- (a) the results of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution.



TAN SRI DATO' SERI DR SULAIMAN BIN MAHBOB
DIRECTOR



RITA BENOY BUSHON
DIRECTOR

Kuala Lumpur
29 February 2016

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	<u>Note</u>	<u>2015</u> RM	<u>2014</u> RM
Revenue	2	1,023,944	1,187,451
Grant	3	5,746,252	5,013,563
Other operating income	4	126,305	135,198
Staff costs	5	(3,292,519)	(3,167,412)
Depreciation of property and equipment		(95,932)	(96,072)
Other operating expenses	6	(2,433,579)	(1,750,079)
Total expenditure		<u>(5,822,030)</u>	<u>(5,013,563)</u>
Surplus before taxation	7	1,074,471	1,322,649
Taxation	8	<u>(327,575)</u>	<u>(252,854)</u>
Surplus for the financial year		<u>746,896</u>	<u>1,069,795</u>
Other comprehensive income:			
Items that may be reclassified subsequently to the profit or loss:			
Fair value change on available-for-sale financial assets			
Gross fair value charge		9,327	(6,650)
Deferred tax		888	2,523
Net fair value change		<u>10,215</u>	<u>(4,127)</u>
Total comprehensive income for the financial year		<u><u>757,111</u></u>	<u><u>1,065,668</u></u>

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	<u>Note</u>	<u>2015</u> RM	<u>2014</u> RM
NON-CURRENT ASSETS			
Property and equipment	9	361,042	226,507
Financial assets available-for-sale	10	147,811	138,795
Deferred tax asset	11	261,806	592,769
		<u>770,659</u>	<u>958,071</u>
CURRENT ASSETS			
Other receivables, deposits and prepayments	12	377,114	245,424
Cash and cash equivalents	13	4,558,644	5,979,614
Tax recoverable		250,000	-
		<u>5,185,758</u>	<u>6,225,038</u>
LESS: CURRENT LIABILITIES			
Deferred grant	3	-	2,146,252
Other payables and accruals		1,299,762	1,091,131
Current tax liability		-	46,182
		<u>1,299,762</u>	<u>3,283,565</u>
NET CURRENT ASSETS		<u>3,885,996</u>	<u>2,941,473</u>
		<u>4,656,655</u>	<u>3,899,544</u>
REPRESENTED BY:			
General fund		5,801,000	5,801,000
Accumulated losses		(1,197,343)	(1,944,239)
Available-for-sale reserve		52,998	42,783
		<u>4,656,655</u>	<u>3,899,544</u>

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

**STATEMENT OF CHANGES IN GENERAL FUND AND RESERVE
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	<u>General fund</u> RM	<u>Accumulated losses</u> RM	<u>Available-for-sale reserve</u> RM	<u>Total</u> RM
At 1 January 2015	5,801,000	(1,944,239)	42,783	3,899,544
Comprehensive income:				
- Surplus for the financial year	-	746,896	-	746,896
Other comprehensive income:				
- Financial assets available-for-sale, net of deferred tax	-	-	10,215	10,215
At 31 December 2015	<u>5,801,000</u>	<u>(1,197,343)</u>	<u>52,998</u>	<u>4,656,655</u>
At 1 January 2014	5,801,000	(3,014,034)	46,910	2,833,876
Comprehensive income:				
- Surplus for the financial year	-	1,069,795	-	1,069,795
Other comprehensive income:				
- Financial assets available-for-sale, net of deferred tax	-	-	(4,127)	(4,127)
At 31 December 2014	<u>5,801,000</u>	<u>(1,944,239)</u>	<u>42,783</u>	<u>3,899,544</u>

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Surplus before taxation	1,074,471	1,322,649
Adjustments for non-cash items:		
Grant	(5,746,252)	(5,013,563)
Subscriber services fee	(464,756)	(232,864)
Gain on disposal of financial assets available-for-sale	(132)	(376)
Depreciation of property and equipment	95,932	96,072
Dividend income	(5,323)	(5,496)
Interest income	(116,844)	(125,576)
	<u>(5,162,904)</u>	<u>(3,959,154)</u>
Changes in working capital:		
Receivables	(165,043)	55,264
Payables	273,387	(251,789)
	<u>(5,054,560)</u>	<u>(4,155,679)</u>
Cash used in operating activities	(5,054,560)	(4,155,679)
Subscriber services fee received	400,000	347,860
Dividend income received	5,323	5,496
Interest income received	150,196	94,373
Tax paid	(291,906)	(200,997)
	<u>(4,790,947)</u>	<u>(3,908,947)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(230,467)	(24,321)
Purchase of financial assets available-for-sale	(973)	(2,437)
Proceeds from disposal of financial assets available-for-sale	1,417	1,290
	<u>(230,023)</u>	<u>(25,468)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Grant received	3,600,000	4,500,000
	<u>3,600,000</u>	<u>4,500,000</u>
Net cash generated from financing activities	3,600,000	4,500,000
(Decrease)/Increase in cash and cash equivalents during the financial year	(1,420,970)	565,585
Cash and cash equivalents at beginning of the financial year	5,979,614	5,414,029
	<u>5,979,614</u>	<u>5,414,029</u>
Cash and cash equivalents at end of the financial year	4,558,644	5,979,614

13

Corporate

From the Board and
Management

CEO's Message

2015 in Review

Financial Statements,
Notices, Forms and License

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

A BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements have been prepared under the historical cost convention, as modified by the financial assets available-for-sale.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Company’s accounting policies. Although these estimates and judgment are based on the Directors’ best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note M.

(a) Standards, amendments to published standards and interpretations that are effective

The following amendment has been adopted by the Company for the first time for the financial year beginning on or after 1 January 2015:

- Annual Improvements to MFRSs 2010 - 2012 Cycle
- Annual Improvements to MFRSs 2011 - 2013 Cycle

The adoption of these amendments did not have any impact on the current or any prior year and are not likely to affect future periods.

(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Company but not yet effective

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015:

- Amendments to MFRS 116 ‘Property, plant and equipment’ and MFRS 138 ‘Intangible assets’ (effective from 1 January 2016) clarify that the use of revenue-based methods to calculate the depreciation of an item of property, plant and equipment is not appropriate. This is because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

The amendments to MFRS 138 also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption can be overcome only in the limited circumstances where the intangible asset is expressed as a measure of revenue or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

A BASIS OF PREPARATION (CONTINUED)

(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Company but not yet effective (continued)

- MFRS 9 'Financial Instruments' (effective from 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement".

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

- MFRS 15 'Revenue from contracts with customers' (effective from 1 January 2018) replaces MFRS 118 'Revenue' and MFRS 111 'Construction contracts' and related interpretations. The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company will apply these standards when effective. The adoption of these standards and amendments will not have significant impact on the results of the Company.

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTINUED)**

B PROPERTY AND EQUIPMENT

Property and equipment are stated at historical cost less accumulated depreciation and impairment losses. The cost of an item of property and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in gain or loss on disposal of property and equipment in profit or loss.

All property and equipment are depreciated on the straight line method to allocate the cost to their residual values over their estimated useful lives, summarised as follows:

Computer and electronic equipment	20%
Furniture and fittings	20%
Office equipment	20%
Motor vehicles	20%
Renovations	20%

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of the reporting period.

At the end of the reporting period, the Company assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note L on impairment of non-financial assets.

C INCOME TAXES

Tax expense for the period comprises current and deferred income tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to item recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the end of the reporting period in the countries where the Company operates and generates taxable income.

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTINUED)**

C INCOME TAXES (CONTINUED)

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transactions affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax liability is recognised for all taxable temporary differences, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on rather the taxable entity of different taxable entities where there is an intention to settle the balances on a net basis.

D CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand and deposits held with licensed financial institutions that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

E REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of goods and services tax, returns, rebates and discounts and amounts collected on behalf of third parties and after eliminating sales within the Company.

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

E REVENUE RECOGNITION (CONTINUED)

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised on the following basis:

- (i) Income from proxy services are recognised upon performance of services.
- (ii) Contribution for publications and reports are recognised upon delivery of publications and reports.
- (iii) Income from forums and events is recognised on an accrual basis.
- (iv) Income from subscriber services is recognised on an accrual basis.
- (v) Interest income is recognised on an accrual basis.
- (vi) Dividend income from investments in quoted shares is recognised on the ex-dividend date.

F GRANT

Grant relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs they are intended to compensate.

G EMPLOYEE BENEFITS

Short term benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as other payables and accruals in the statement of financial position.

Post employment benefit

The Company contributes to the national defined contribution plan for the employees of the Company. Contribution to this plan is charged to the profit or loss in the financial year to which they relate. Once the contribution has been paid, the Company has no further payment obligations.

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTINUED)**

H FINANCIAL ASSETS AVAILABLE-FOR-SALE

Financial assets available-for-sale are non-derivatives that are either designated in this category or not classified as held-for-trading or held-to-maturity investments. They are included in non-current assets unless the investment matures or management intends to dispose of it within twelve months of the end of the reporting period. All investments in equity instruments are classified as financial assets available-for-sale.

Financial assets available-for-sale are initially recognised at fair value plus transaction costs and subsequently carried at fair value. Changes in the fair value of financial assets available-for-sale are recognised directly in other comprehensive income except for impairment losses and foreign exchange gains and losses on monetary assets. The exchange differences on monetary assets are recognised in profit or loss, whereas exchange differences on non-monetary assets are recognised in other comprehensive income as part of fair value change.

Interest and dividend income on financial assets available-for-sale are recognised separately in profit or loss. Dividends income on available-for-sale equity instruments are recognised in profit or loss when the Company's right to receive payments is established.

The Company assesses at the end of the reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also considered as an indicator that the assets are impaired. If any such evidence exists for financial assets available-for-sale, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in profit or loss. The amount of cumulative loss that is reclassified to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss.

When financial assets available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

I OPERATING LEASES

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on the straight line basis over the lease period.

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTINUED)**

J PROVISIONS

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

K CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts. A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company. The Company does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

L IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of impairment at the end of the reporting period.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

M CRITICAL ACCOUNTING ESTIMATES

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

M CRITICAL ACCOUNTING ESTIMATES (CONTINUED)

Income taxes

Significant judgement is required in determining the deferred tax amount in terms of the timing of reversal of the temporary difference. The Company makes its best estimate based on information available as at balance sheet date. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Deferred tax is estimated based on tax rates enacted as of balance sheet date.

Corporate

From the Board and
Management

CEO's Message

2015 in Review

Financial Statements,
Notices, Forms and License

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

1 GENERAL INFORMATION

The principal activity is to promote corporate governance in companies through shareholder activism acting in the interest of the minority shareholders as an integral part to the development of the capital market.

The Company is limited by guarantee, incorporated and domiciled in Malaysia.

The number of employees as at the end of the financial year is 21 (2014: 22).

The address of the registered office and principal place of business of the Company is:

11th Floor, Bangunan KWSP,
No. 3, Changkat Raja Chulan,
Off Jalan Raja Chulan,
50200 Kuala Lumpur.

2 REVENUE

	<u>2015</u> RM	<u>2014</u> RM
Contribution received from publications/reports published	283	40,259
Forums and events	558,905	914,328
Subscriber services fee	464,756	232,864
	<u>1,023,944</u>	<u>1,187,451</u>

3 GRANT

Grant received is recognised as a reimbursement from the Capital Market Development Fund ("CMDF") to finance the Company's operational and capital expenditure.

	<u>2015</u> RM	<u>2014</u> RM
Balance as at 1 January	2,146,252	2,659,815
Grant received during the financial year	3,600,000	4,500,000
Grant utilised during the financial year	(5,746,252)	(5,013,563)
Balance as at 31 December	<u>-</u>	<u>2,146,252</u>

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

4 OTHER OPERATING INCOME

	<u>2015</u> RM	<u>2014</u> RM
Dividend income	5,323	5,496
Interest income	116,845	125,576
Gain on disposal of financial assets available-for-sale	132	376
Other income	4,005	3,750
	<u>126,305</u>	<u>135,198</u>

5 STAFF COSTS

Salaries and bonus	2,521,131	2,518,294
Defined contribution plan ('EPF')	377,816	376,911
Staff gratuity	206,558	77,755
Other employee benefits	187,014	194,452
	<u>3,292,519</u>	<u>3,167,412</u>

The amount of salaries, bonus and contribution to EPF received by the Chief Executive Officer and Director of the Company during the financial year were RM689,575 (2014: RM663,150) and RM141,237 (2014: RM134,477) respectively.

6 OTHER OPERATING EXPENSES

	<u>2015</u> RM	<u>2014</u> RM
Directors' fees	70,000	97,500
Outsourcing expenses	314,788	209,406
Project funding expenses		
- Asean Corporate Governance Scorecard Assessment	387,000	294,475
- Institutional Investors' Council	74,450	-
- Research projects and papers	137,321	24,500
Rental expenses	280,596	267,806
Travelling, accommodation and entertainment expenses	168,287	141,131
Forum and event expenses	308,591	292,072
Telecommunication expenses	142,310	119,947
Insurance	131,933	130,739
Professional fees	227,191	41,643
Office Upkeep expenses	158,309	127,067
Others	32,803	3,793
	<u>2,433,579</u>	<u>1,750,079</u>

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTINUED)**

7 SURPLUS BEFORE TAXATION

	<u>2015</u> RM	<u>2014</u> RM
Surplus before taxation is arrived at after (charging)/crediting:		
Auditors' remuneration		
- Statutory Audit	(15,000)	(15,000)
- Non-audit services	(169,770)	-
Directors' meeting attendance allowance	(34,000)	(23,500)
Interest income	116,845	125,576
Dividend income	5,323	5,496
Gain on disposal of financial assets available-for-sale	132	376
	<u> </u>	<u> </u>

8 TAXATION

Current year tax	-	246,182
Over provision of prior years' tax	(4,276)	(21,413)
Deferred tax (Note 11)	331,851	28,085
	<u> </u>	<u> </u>
	<u>327,575</u>	<u>252,854</u>

The numerical reconciliation between surplus before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Company is as follows:

	<u>2015</u> RM	<u>2014</u> RM
Surplus before taxation	<u>1,074,471</u>	<u>1,322,649</u>
Tax calculated at the Malaysian tax rate of 23% (2014: 25%)	252,071	330,662
Tax effects of:		
- expenses not deductible for tax purposes	69,953	38,855
- income not subject to tax	(1,273)	(27,287)
- utilisation of previously unrecognised tax losses	-	12,795
- recognition of deferred tax asset not previously recognised	-	(123,168)
- over provision of prior years' tax	(4,276)	(21,413)
- change in different tax rate	11,100	32,356
- effect of different tax rate	-	10,054
	<u> </u>	<u> </u>
Taxation	<u>327,575</u>	<u>252,854</u>

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTINUED)**

9 PROPERTY AND EQUIPMENT

	Computer and electronic equipment RM	Furniture and fittings RM	Office equipment RM	Renovations RM	Renovation WIP RM	Total RM
<u>2015</u>						
<u>Cost</u>						
At 1 January 2015	212,125	74,210	130,868	174,291	-	591,494
Additions	70,640	32,894	52,977	-	75,316	231,827
Write-off	(1,360)	-	-	-	-	(1,360)
At 31 December 2015	281,405	107,104	183,845	174,291	75,316	821,961
<u>Accumulated depreciation</u>						
At 1 January 2015	159,356	62,044	74,970	68,617	-	364,987
Charge for the financial year	27,196	9,784	24,161	34,858	-	95,999
Write-off	(67)	-	-	-	-	(67)
At 31 December 2015	186,485	71,828	99,131	103,475	-	460,919
<u>Net book value</u>						
At 31 December 2015	94,920	35,276	84,714	83,816	62,316	361,042

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTINUED)**

9 PROPERTY AND EQUIPMENT (CONTINUED)

	<u>Computer and electronic equipment</u> RM	<u>Furniture and fittings</u> RM	<u>Office equipment</u> RM	<u>Renovations</u> RM	<u>Total</u> RM
<u>2014</u>					
<u>Cost</u>					
At 1 January 2014	200,935	74,210	117,737	174,291	567,173
Additions	11,190	-	13,131	-	24,321
Write-off	-	-	-	-	-
At 31 December 2014	<u>212,125</u>	<u>74,210</u>	<u>130,868</u>	<u>174,291</u>	<u>591,494</u>
<u>Accumulated depreciation</u>					
At 1 January 2014	130,682	51,087	53,387	33,759	268,915
Charge for the financial year	28,674	10,957	21,583	34,858	96,072
Write-off	-	-	-	-	-
At 31 December 2014	<u>159,356</u>	<u>62,044</u>	<u>74,970</u>	<u>68,617</u>	<u>364,987</u>
<u>Net book value</u>					
At 31 December 2014	<u>52,769</u>	<u>12,166</u>	<u>55,898</u>	<u>105,674</u>	<u>226,507</u>

10 FINANCIAL ASSETS AVAILABLE-FOR-SALE

	<u>2015</u> RM	<u>2014</u> RM
At fair value:		
Quoted shares in Malaysia	155,924	147,057
Allowance for impairment	(8,113)	(8,262)
	<u>147,811</u>	<u>138,795</u>
At fair value:		
Quoted shares in Malaysia	<u>147,811</u>	<u>138,795</u>

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTINUED)**

10 FINANCIAL ASSETS AVAILABLE-FOR-SALE (CONTINUED)

These shares are held for long-term with the purpose of giving locus standi to participate in the affairs in the investee corporations.

These shares are measured at fair value based on quoted prices in active market and is classified as Level 1 fair value measurement hierarchy in accordance with MFRS 7 "Financial Instruments – Disclosures".

11 DEFERRED TAX ASSET/ DEFERRED TAX LIABILITY

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	<u>2015</u> RM	<u>2014</u> RM
<u>Subject to income tax:</u>		
Deferred tax asset (after offsetting)	<u>261,806</u>	<u>592,769</u>

The movement in deferred tax asset and deferred tax liability during the financial year are as follows:

	<u>2015</u> RM	<u>2014</u> RM
At 1 January	592,769	618,331
(Charged)/credited to profit or loss (Note 8)	(331,851)	(28,085)
- Unutilised tax losses	203,126	-
- Property and equipment	(10,368)	10,190
- Subscriber fees	(15,192)	-
- Deferred grant	(503,511)	(161,443)
- Provisions	(5,906)	123,168
Charged to comprehensive income	<u>888</u>	<u>2,523</u>
At 31 December	<u>261,806</u>	<u>592,769</u>

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

11 DEFERRED TAX ASSET/ DEFERRED TAX LIABILITY (CONTINUED)

The components of deferred tax asset/(liability) before/after appropriate offsetting are as follows:

	<u>2015</u> RM	<u>2014</u> RM
Deferred tax asset (before offsetting)		
- Unutilised tax losses	203,126	-
- Deferred grant	-	503,511
- Provisions	117,262	123,168
	<u>320,388</u>	<u>626,679</u>
Offsetting	(58,582)	(33,910)
Deferred tax asset (after offsetting)	<u><u>261,806</u></u>	<u><u>592,769</u></u>

	<u>2015</u> RM	<u>2014</u> RM
Deferred tax liability (before offsetting)		
- Property and equipment	(31,165)	(20,797)
- Available-for-sale reserve	(12,225)	(13,113)
- Subscriber fees	(15,192)	-
	<u>(58,582)</u>	<u>(33,910)</u>
Offsetting	58,582	33,910
Deferred tax liability (after offsetting)	<u><u>-</u></u>	<u><u>-</u></u>

12 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Other receivables	74,900	99,653
Deposits and prepayments	302,214	145,771
	<u>377,114</u>	<u>245,424</u>

Included in deposits and prepayments is an amount of RM159,865 (2014: NIL) relating to website development.

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

13 CASH AND CASH EQUIVALENTS

Cash and bank balances	2,413,524	2,681,011
Deposits with a financial institution	2,145,120	3,298,603
	<u>4,558,644</u>	<u>5,979,614</u>

The weighted average interest rates that were effective as at the financial year end were as follows:

	<u>2015</u> %	<u>2014</u> %
Deposits with a financial institution	<u>3.4</u>	<u>3.5</u>

Deposits with a financial institution have an average maturity of 17 days (2014: 134 days).

14 OPERATING LEASE COMMITMENT

As at the date of the statement of financial position, the commitment in respect of an operating lease pertaining to rental payable for office occupied by the Company under a lease agreement expiring on 31 May 2018 (2014: 31 May 2015), are payable as follows:

	<u>2015</u> RM	<u>2014</u> RM
Within 1 year	255,322	99,735
Within 2 to 5 years	361,706	-
	<u>617,028</u>	<u>99,735</u>

15 FINANCIAL RISK MANAGEMENT

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's market risks mainly arise from open positions in interest-bearing assets, to the extent that these are exposed to general and specific market movements.

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

15 FINANCIAL RISK MANAGEMENT (CONTINUED)

As the Company's interest-bearing assets do not generate significant amounts of interest, changes in market interest rates do not have any significant direct effect on the Company's income.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company has no significant concentrations of credit risk. Credit risk arises from grant receivable, other receivables, deposits and prepayments and cash and bank balances. The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty or any financial institution.

The Company's maximum exposure to credit risk by class of financial asset is as follows:

	<u>2015</u> RM	<u>2014</u> RM
Other receivables, deposits and prepayments	74,900	99,653
Cash and cash equivalents	<u>4,558,644</u>	<u>5,979,614</u>

The credit risk concentration of the Company by industry as at the date of the statement of financial position are set out below:

<u>2015</u>	<u>Financial institutions</u> RM	<u>Others</u> RM
Other receivables, deposits and prepayments	-	74,900
Cash and cash equivalents	<u>4,558,644</u>	<u>-</u>
 <u>2014</u>		
Other receivables, deposits and prepayments	-	99,653
Cash and cash equivalents	<u>5,979,614</u>	<u>-</u>

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

15 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity risk is defined as the current and prospective risk to earnings, accumulated funds or reputation arising from the Company's inability to efficiently meet its present and future (both anticipated and unanticipated) funding needs or regulatory obligations when they become due, which may adversely affect its daily operations and incur unacceptable losses. Liquidity risk arises from mismatches in the timing of cash flows.

The financial liabilities of the Company have no specific maturity.

(d) Fair value of financial instruments

Financial instruments comprise financial assets, financial liabilities and off-balance sheet financial instruments. Fair value is the amount at which a financial asset could be exchanged or a financial liability settled, between knowledgeable and willing parties in an arm's length transaction.

Fair value information is not provided for non-financial instruments and financial instruments that are excluded from the scope of MFRS 7 "Financial Instruments: Disclosure". This includes property and equipment, tax recoverable and deferred taxation.

The carrying amounts of the Company's financial assets and financial liabilities as at 31 December 2015 and 31 December 2014 approximates its fair value due to the limited term to maturity of these instruments or limited sensitivity to interest rates.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide benefits for its stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company is not subject to any externally imposed capital requirements.

16 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 29 February 2016.

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, **Tan Sri Datuk Dr Sulaiman Bin Mahbob** and **Rita Benoy Bushon**, two of the Directors of Badan Pengawas Pemegang Saham Minoriti Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 5 to 25 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2015 and of its financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of Companies Act, 1965.

Signed on behalf of the Board of Directors in accordance with their resolution.



TAN SRI DATO' SERI DR SULAIMAN BIN MAHBOB
DIRECTOR



RITA BENOY BUSHON
DIRECTOR

Kuala Lumpur
16 February 2015

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Yap Sook Yeen, the Officer primarily responsible for the financial management of Badan Pengawas Pemegang Saham Minoriti Berhad, do solemnly and sincerely declare that the financial statements set out on pages 5 to 25 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



YAP SOOK YEEN

Subscribed and solemnly declared by the above named Yap Sook Yeen at Kuala Lumpur on 29 February 2016.

Before me:



Lot 1.08, Tingkat 1,
Bangunan KWSP, Jln Raja Laut
50350 Kuala Lumpur.
Tel: 019-6680745



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated in Malaysia as a company limited by guarantee)
(Company No. 524989 M)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Badan Pengawas Pemegang Saham Minoriti Berhad on pages 5 to 25 which comprise the statement of financial position as at 31 December 2015 of the Company, and the statement of comprehensive income, statement of changes in general fund and reserve and statement of cash flows of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 16.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

.....
*PricewaterhouseCoopers (AF 1146), Chartered Accountants,
Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my*



INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated in Malaysia as a company limited by guarantee)
(Company No: 524989 M)

REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Company as of 31 December 2015 and of its financial performance and cash flows for the year then ended.

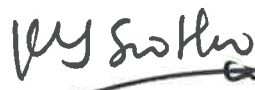
REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that, in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.


PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants


SOO HOO KHOON YEAP
(No. 2682/10/17 (J))
Chartered Accountant

Kuala Lumpur
29 February 2016

MINORITY SHAREHOLDER WATCHDOG GROUP
Shareholder Activism and Protection of Minority Interest
BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
 (Incorporated in Malaysia • Company No : 524989-M)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 15th Annual General Meeting of the Company will be held at the 11th Floor, Bangunan KWSP, No. 3, Changkat Raja Chulan, Off Jalan Raja Chulan, 50200 Kuala Lumpur on **Monday, 28 March 2016** at **11:00 a.m.**

AGENDA

1. To receive and adopt the Company's Audited Financial Statements for the financial year ended 31 December 2015, together with the Directors' and Auditors' Reports thereon.
2. To approve the payment of Directors' Fees of RM36,000.00, Nomination & Remuneration Committee Fees of RM6,000.00 and Directors' Meeting Allowance of RMRM28,000.00 for the financial year ended 31 December 2016.
3. To re-elect Tan Sri Dato' Seri Dr Sulaiman Mahbob, who retires in accordance with Article 61 of the Articles of Association of the Company, as a Director of the Company.
4. To re-elect Encik Nor Hizam Hashim who retires in accordance with Article 61 of the Articles of Association of the Company, as a Director of the Company.
5. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

By Order of the Board



Chew Phye Keat

Secretary

Dated: 7 March 2016

NOTE: A member of the Company entitled to attend and vote at this meeting may appoint a proxy to vote in his stead. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the Registered Office not less than 48 hours before the time appointed for holding the Meeting.



PROXY FORM

We, of
..... being a member of the above named Company,
hereby appoint of
..... or failing him/her
..... of

as our proxy to attend and vote for us and on our behalf at the 15th Annual General Meeting of the said Company to be held on **Monday, 28 March 2016** at **11:00 a.m.** and at any adjournment thereof.

Dated:

Director

Director/Secretary



Suruhanjaya Sekuriti
Securities Commission
Malaysia

AKTA PASARAN MODAL DAN PERKHIDMATAN 2007 (Seksyen 58)

LESEN PERKHIDMATAN PASARAN MODAL

No Lesen: CMSL/A0112/2007

Nama **Badan Pengawas Pemegang Saham Minoriti Berhad**

Alamat Berdaftar: **Tingkat 11, Bangunan KWSP
No. 3, Changkat Raja Chulan
Off Jalan Raja Chulan
50200 Kuala Lumpur**

Penama yang disebut di atas adalah berlesen di bawah Akta Pasaran Modal Dan Perkhidmatan 2007 untuk menjalankan aktiviti-aktiviti terkawal berikut:

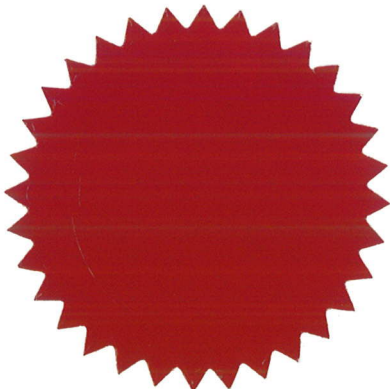
- Nasihat pelaburan

Lesen ini diberi tertakluk kepada syarat-syarat dan sekatan-sekatan yang terkandung di dalam Bab 7 Buku Panduan Pelesenan ("Licensing Handbook") dan yang berikut:

TIADA

Melainkan jika dibatalkan atau digantung terlebih dahulu, lesen ini hendaklah berkuatkuasa sehingga 3 Mac 2009 dan tertakluk kepada Suruhanjaya Sekuriti memperbaharui lesen ini, akan terus berkuatkuasa sehingga tarikh yang sama pada tahun-tahun berikutnya. Untuk tujuan ini, semua pemberitahuan oleh Suruhanjaya Sekuriti berkaitan dengan pembaharuan lesen ini hendaklah disifatkan sebagai sebahagian daripada lesen ini.

Diberi di bawah tandatangan dan meterai Suruhanjaya Sekuriti di Kuala Lumpur pada 25 Februari 2008



b.p. Pengerusi
Suruhanjaya Sekuriti



