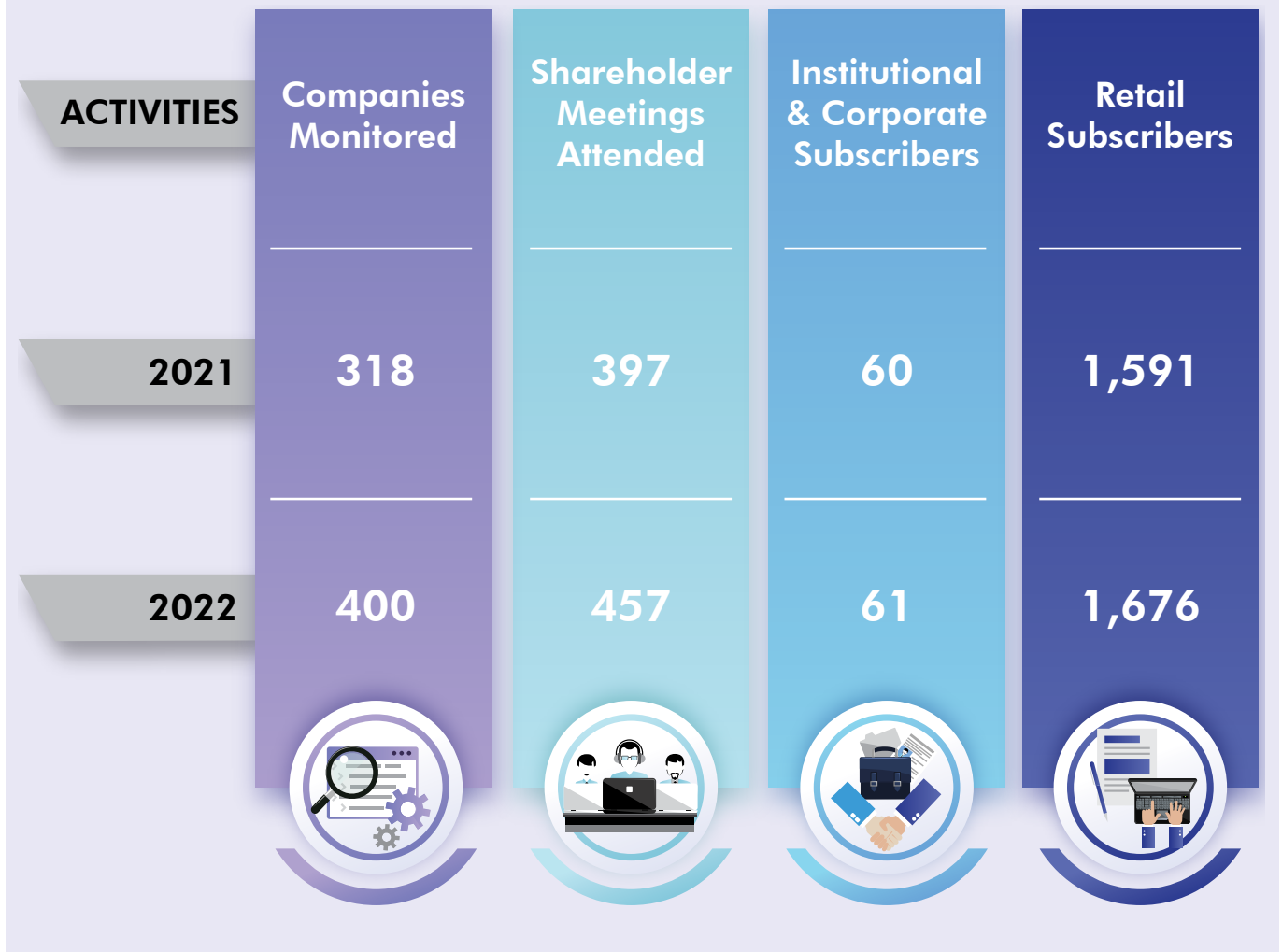




ANNUAL REPORT



HIGHLIGHTS 2022



PUBLICATIONS

MALAYSIA-ASEAN
CORPORATE
GOVERNANCE
REPORT
2021



REPORT ON 2020
ANNUAL GENERAL
MEETINGS OF
PUBLIC LISTED
COMPANIES

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WHO WE ARE



The **Minority Shareholders Watch 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 Markets and Services Act 2007. A self-governing and non-profit body, **MSWG** is funded substantially by the Capital Market Development Fund (CMDf). **MSWG** is an important channel of capital market discipline which encourages good governance with the objective of creating sustainable value.

Since its incorporation, **MSWG** has evolved into a respected and independent corporate governance research and monitoring organisation in the capital market. Most notably, it highlights and provides independent views and guidance to investors and regulators.

CORPORATE OBJECTIVES



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 guidance and best practices on corporate governance.



To become the platform to initiate collective shareholder activism on unethical and questionable practices by public listed companies (PLCs).

VISION

To be a recognised and respected organisation which promotes corporate governance through minority shareholder activism.

MISSION

To increase sustainable shareholder value creation in public listed companies through engagement with relevant stakeholders, with a focus on minority shareholders' interests.



To exert influence on the 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.



To initiate, where appropriate, reports to regulatory authorities and transform MSWG into an effective deterrent of events or activities that are detrimental to the interests of minority shareholders.

CORPORATE INFORMATION

BOARD OF DIRECTORS

- **Datuk Mohd Nasir Ali**
Chairman
Independent Non-Executive Director
- **Devanesan Evanson**
Chief Executive Officer &
Executive Director
- **Datuk Gazali Haji Harun**
Independent Non-Executive Director
- **Dato' Abdul Alim Abdullah**
Independent Non-Executive Director
- **Puan Sharifatu Laila Syed Ali**
Independent Non-Executive Director
- **Puan Nik Amlizan Mohamed**
Independent Non-Executive Director
- **Encik Muhammad Fitri Othman**
Non-Independent Non-Executive Director

COMPANY SECRETARY

Mr Chew Phye Keat (BC/C/282)
SSM Practising Certificate No:
202008002753
Messrs Raja, Darryl & Loh
Level 26, Menara Hong Leong
No. 6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel: (603) 2632 9999
Fax: (603) 2632 9850

REGISTERED OFFICE

Level 23, Unit 23-2
Menara AIA Sentral
No. 30, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: (603) 2732 0010

AUDITORS

PricewaterhouseCoopers PLT, Malaysia
Level 10, Menara TH 1 Sentral
Jalan Rakyat
Kuala Lumpur Sentral
P O Box 10192
50706 Kuala Lumpur
Tel: (603) 2173 1188
Fax: (603) 2173 1288

BANKER

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

CONTACT PERSON

Devanesan Evanson
Chief Executive Officer
devanesan@mswg.org.my

CORPORATE WEBSITE

www.mswg.org.my

PROFILE OF DIRECTORS



DATUK MOHD NASIR ALI

Chairman
Independent Non-Executive
Director
Malaysian, Age 64

Date of Appointment

- 25 May 2021 (appointed as Director)
- 15 November 2021 (appointed as Chairman)

Academic and Professional Qualifications

- B. Economics (Hons), Universiti Malaya
- M.Sc. in Financial Studies, University of Strathclyde, United Kingdom

Present Directorship(s)

Directorship in PLC(s):

- Independent Non-Executive Director, Damansara Holdings Berhad
- Independent Non-Executive Director, E.A. Technique (M) Berhad
- Independent Non-Executive Director, iCapital.Biz Berhad

Other Public Companies/Institutions:

- Goodyear Malaysia Berhad
- MIDF Amanah Investment Bank Berhad
- MIDF Berhad

Present Appointment(s)

Nil

Date of Appointment

- 19 December 2017 (appointed as Chief Executive Officer)
- 17 April 2018 (appointed as Executive Director)

Academic and Professional Qualifications

- FCCA (UK)
- LLB (Hons) University of London, United Kingdom
- C.A.(M) – Chartered Accountant (Malaysia)
- FIIAM – Fellow Institute of Internal Auditors Malaysia
- Capital Market Services Representative's Licence holder

Present Directorship(s)

Directorship in PLC(s):

Nil

Other Public Companies/Institutions:

- Independent Director, Agensi Kaunseling dan Pengurusan Kredit (AKPK)

Present Appointment(s)

- Adjunct Professor, Universiti Kebangsaan Malaysia
- Member of the Industry Advisor Panel (IAP) of International University of Malaya-Wales (IUMW)



DEVANESAN EVANSON

Chief Executive Officer &
Executive Director
Malaysian, Age 68



Datuk Gazali Haji Harun
Independent
Non-Executive Director
Malaysian, Age 65

Date of Appointment

→ 26 October 2016

Academic and Professional Qualifications

- Diploma in Accountancy, Universiti Teknologi MARA, Malaysia (1979)
- Bachelor of Science, Northern Illinois University, United States of America (1982)
- Master of Business Administration, Governors State University, Illinois, United States of America (1984)
- C.A.(M) - Chartered Accountant (Malaysia)
- Certified Mediator, Bar Council Malaysian Mediation Centre (March 2019)

Present Directorship(s)

Directorship in PLC(s):

Nil

Other Public Companies/Institutions:

Nil

Present Appointment(s)

Nil

Date of Appointment

→ 20 November 2019

Academic and Professional Qualifications

- Barrister-At-Law, Lincoln's Inn London
- FCIS (Fellow of The Chartered Institute of Secretaries and Administrators)
- Advocate and Solicitor High Court Malaya
- Judge, High Court Malaya (Retired)
- Arbitrator and Mediator, Asian International Arbitration Center

Present Directorship(s)

Directorship in PLC(s):

Nil

Other Public Companies/Institutions:

Nil

Present Appointment(s)

Nil



**Dato' Abdul Alim
Abdullah**
Independent
Non-Executive Director
Malaysian, Age 74



Puan Sharifatu Laila Syed Ali
Independent
Non-Executive Director
Malaysian, Age 61

Date of Appointment

- 17 April 2018

Academic and Professional Qualifications

- Bachelor of Science (Honours), Universiti Kebangsaan Malaysia
- Master of Business Administration, Universiti Malaya
- Advanced Management Programme, Harvard Business School

Present Directorship(s)

Directorship in PLC(s):

- Public Interest Director and Independent Non-Executive Director, Bursa Malaysia Berhad
- Independent Non-Executive Director, RHB Bank Berhad

Other Public Companies/Institutions:

- Independent Non-Executive Director, RHB Insurance Berhad

Present Appointment(s)

- Member, Investment Committee, Universiti Malaya
- Director, Think3Associates Sdn Bhd

Date of Appointment

- 23 December 2019

Academic and Professional Qualifications

- Bachelor's Degree in Economics/Accounting, Claremont McKenna College, United States of America (1991)

Present Directorship(s)

Directorship in PLC(s):

Nil

Other Public Companies/Institutions:

- Vice Chairman, Institutional Investors Council Malaysia
- Member, Institute of Integrity Malaysia
- Mentor, Women Leadership Foundation Malaysia

Present Appointment(s)

- Chief Executive Officer, Kumpulan Wang Persaraan (Diperbadankan) [KWAP]
- Board Member, Prima Ekuiti (UK) Limited
- Board Member KWEST Sdn Bhd
- Board Member, Edotco Group Sdn Bhd



Puan Nik Amlizan Mohamed
Independent
Non-Executive Director
Malaysian, Age 55



**Encik Muhammad Fitri
Othman**

Non-Independent
Non-Executive Director
Malaysian, Age 39

Date of Appointment

- ➔ 19 November 2021

Academic and Professional Qualifications

- ➔ BSc Economics & Finance (First Class Honours), University of Southampton, United Kingdom
- ➔ MSc Economics, London School of Economics and Political Science (LSE), United Kingdom
- ➔ Chartered Financial Analyst (CFA), CFA Institute, United States of America

Present Directorship(s)

Directorship in PLC(s):

- ➔ Non-Independent Non-Executive Director, Boustead Holdings Berhad

Other Public Companies/Institutions:

- ➔ Non-Independent Non-Executive Director, Affin Islamic Bank Berhad
- ➔ Council Member, Institutional Investors Council Malaysia

Present Appointment(s)

- ➔ Chief Investment Officer, Lembaga Tabung Angkatan Tentera (LTAT)

MANAGEMENT TEAM

devanesan@mswg.org.my

- FCCA (UK)
- LLB (Hons) University of London, United Kingdom
- C.A.(M) – Chartered Accountant (Malaysia)
- FIAM – Fellow Institute of Internal Auditors Malaysia
- Capital Market Services Representative's Licence holder

For more information on Mr Devanesan Evanson, please turn to page 7 of the Annual Report.



DEVANESAN EVANSON
Chief Executive Officer &
Executive Director



RITA FOO
Head, Corporate Monitoring

rita.foo@mswg.org.my

- BBus (Banking & Finance), Monash University, Melbourne
- Master of International Business, University of Melbourne, Australia
- Capital Market Services Representative's Licence holder



EMILY LIM
Head, Finance/HR & Admin

emily@mswg.org.my

- London Chamber of Commerce and Industry (LCCI) Third Level Group Diploma in Accounting, Institut Perkim Goon



PADMA DEVI SUBRAMANIAM
Head, Information Technology & Training

padmadevi@mswg.org.my

- B.Sc. Computing (Hons), Staffordshire University
- Master of Education (Internet Computing), Sultan Idris Education University (UPSI)



NORHISAM SIDEK
Manager, Corporate Monitoring

norhisam@mswg.org.my

- B. Accountancy (Hons.), Universiti Teknologi MARA
- C.A.(M) – Chartered Accountant Malaysia
- Associate of the Chartered Institute of Management Accountants, Chartered Global Management Accountant
- Capital Market Services Representative’s Licence holder



OOI BENG HOOI
Manager, Corporate Monitoring

ooi.benghooi@mswg.org.my

- B. Eng (Hons) Civil Engineering, Universiti Teknologi Malaysia
- MBA (Hons) Finance, Universiti Malaya
- Capital Market Services Representative’s Licence holder



LEE CHEE MENG
Manager, Corporate Monitoring

chee.meng@mswg.org.my

- C.A.(M) – Chartered Accountant Malaysia



ELAINE CHOO
Manager, Corporate Monitoring

elaine.choo@mswg.org.my

- Bachelor of Commerce (Hons) Accounting, Universiti Tunku Abdul Rahman



LIM CIAN YAI
Manager, Corporate Monitoring

cianyai@mswg.org.my

- Bachelor of Economics (Hons), Universiti Putra Malaysia
- BA (Hons) Mass Communication, Liverpool John Moores University
- Advanced Diploma in Journalism, Tunku Abdul Rahman University College



JACKSON TAN
Manager, Corporate Monitoring

jackson@mswg.org.my

- Bachelor of Finance (Hons), Universiti Tenaga Nasional
- Diploma in Business Studies, Universiti Tenaga Nasional



CLINT LOH
Manager, Corporate Monitoring

clint.loh@mswg.org.my

- Bachelor of Science in Physics, University of Mississippi, United States of America
- Bachelor of Arts in Economics, University of Mississippi, United States of America

CHAIRMAN'S STATEMENT



“ Our resilience and strength continued to be driven by our core activity in shareholder activism. We expanded our monitoring portfolio to cover 400 public listed companies (PLCs) compared to 318 PLCs in 2021. Our representatives covered 457 general meetings in 2022 whereby 76% of the meetings attended were held virtually. We continued to raise important issues of concern covering financial performance and corporate governance as well as encouraging PLCs to integrate sustainability and environmental, social and governance (ESG) considerations in their strategies. ”

Datuk Mohd Nasir Ali
Chairman

On behalf of your Board of Directors, I have the pleasure of presenting the Annual Report and Audited Financial Statements of your Company for the Financial Year Ended 31 December 2022.

Malaysia recorded a strong Gross Domestic Product (GDP) growth of 8.7% in 2022, far exceeding the GDP of 3.1% in the previous year and even surpassed the earlier projection of between 6.5% and 7.0% for 2022. The domestic economy which re-opened following two years of pandemic related restrictions showed signs of a gradual return to pre-pandemic normalcy. Nevertheless, against the backdrop of broad-based slowdown in the global economy, the Russia-Ukraine war, rising climate change concerns and lingering effects of the COVID-19 pandemic, 2022 turned out to be a relatively challenging year for many.

Malaysia's capital market and financial system remained stable and resilient in 2022. Total capital market grew by 2.2% from 2021 to RM3.6 trillion in 2022. The Exchange registered 35 new initial public offerings (IPOs) raising RM3.5 billion compared to 30 IPOs which raised RM2.7 billion in 2021. This comprised five Main Market listings, 25 ACE Market listings and five LEAP Market listings which contributed RM11.2 billion to the overall market capitalisation which stood at RM1.74 trillion by end of 2022.

FINANCIAL PERFORMANCE

The operating environment remained challenging in 2022 with our main revenue generating activities related to forums and events still impacted. Nevertheless, the Company was able to deliver a commendable performance for FY2022, recording a surplus for the financial year of RM0.86 million which was comparable to RM0.85 million achieved in FY2021.

HIGHLIGHTS OF ACTIVITIES

We entered 2022 guided by our new Strategic Roadmap 2022-2024 (Strategic Roadmap) which outlined our strategies and goals to be achieved under the key pillars of shareholder activism, corporate governance and investor education. We are grateful for the continued support from the Capital Market Development Fund (CMDf) for our funding needs, which enabled us to implement and execute the strategies set out for the year to ensure sustained growth and deliver value to our stakeholders.

Our resilience and strength continued to be driven by our core activity in shareholder activism. We expanded our monitoring portfolio to cover 400 public listed companies (PLCs) compared to 318 PLCs in 2021. Our representatives covered 457 general meetings in 2022 whereby 76% of the meetings attended were held virtually. We continued to raise important issues of concern covering financial performance and corporate governance as well as encouraging PLCs to integrate sustainability and environmental, social and governance (ESG) considerations in their strategies.

MSWG as the domestic ranking body for the ASEAN CG Scorecard (ACGS) assessment continued to be resolute and contributory in enabling PLCs to improve their corporate governance standards through the ACGS assessment and engagements with PLCs.

On 5 November 2022 we announced the results of the domestic ACGS assessment based on the assessment of 864 PLCs in 2021. The results showed an increase in the overall CG score which breached the 80 points mark for the first time – no small feat especially considering that PLCs encountered numerous business challenges presented by the COVID-19 pandemic. Top performers were awarded the CG Excellence award trophies to recognise their achievements under the assessment.

At the regional level, we were delighted and proud that 54 Malaysian PLCs were recognised as recipients of the ASEAN Asset Class award under the 2021 ACGS Awards held on 2 December 2022 and hosted by the Institute of Corporate Directors Philippines. This was a very encouraging improvement from 37 Malaysian PLCs being recognised as ASEAN Asset Class awardees in 2019.

The biennial event which was held virtually also saw three Malaysian PLCs named among the Top 20 ASEAN PLCs (being PLCs which garnered the highest points in the ACGS assessment). All these achievements clearly demonstrated our PLCs' seriousness and deep commitment to uphold high standards of corporate governance (CG) and improve their CG practices and disclosures as well as stamping their mark as companies with good CG practices in the ASEAN region.

This year we stepped up efforts on the investor education pillar through retail forums, webinars and training programmes which focused on shareholder matters and CG-related topics or issues. We also supported promotion of early understanding and CG awareness among our youths through participation as guest lecturers in universities and research collaboration on corporate governance topics.

NEW OFFICE PREMISES

In April 2022, we relocated to Menara AIA Sentral which is strategically located in the heart of Kuala Lumpur. The office relocation and transition process had been smooth and successful with minimal disruption to our day-to-day tasks and operations.

MOVING FORWARD

The operating environment in 2023 is anticipated to remain challenging yet exciting. We will strive hard to pursue our goals and targets set out for this year and continue to build on the foundations of our past strategies by exploring new opportunities aligned to the Company's next phase of growth.

Core areas of corporate monitoring will be strengthened and enhanced with expansion of monitoring portfolio supported by additional professional manpower. Given the increasing importance on ESG matters in recent times, we will also be advancing the ESG agenda through sustainability disclosures assessment of all PLCs in addition to the existing CG scorecard assessment to help promote and bring awareness on the importance of the sustainability agenda.

Seeing much potential in investor education and trainings, we will further explore new opportunities and collaborations in this area to supplement our income generating activities.

Moreover, the rapid shift towards a digital world necessitates us to rethink of the way we do business to meet the changing needs and expectations of our stakeholders. Thus, it is vital that we leverage technology to create a more vibrant shareholder activism landscape in the capital market. Plans are currently underway to revamp our corporate website and improve our social media platforms for us to be better equipped and be more accessible to our stakeholders.

FINAL REMARKS

This year was not without its ups and downs. But I am grateful that with the strong support of my fellow Board members, management, staff, associates and other stakeholders we were able to successfully navigate and overcome these challenges.

I would like to take this opportunity to thank our institutional, corporate and retail subscribers, strategic partners and the media, all of whom have been instrumental to MSWG's successes to date. My thanks and appreciation to my fellow Board members for their insights and contributions in steering our progress during the year.

Special thanks and gratitude to Dato' Wan Kamaruzaman Wan Ahmad, who resigned on 16 December 2022 after having served the Board for over six years. We wish him well in his future endeavours. Not forgetting, our thanks to the management, staff and associates of MSWG for their professionalism, commitment and hard work during this challenging period.

Finally, our deepest appreciation to the CMDF and the regulators, especially the Securities Commission Malaysia (SC) and Bursa Malaysia with whom we regularly engaged throughout the year for their valuable guidance and continued support.

DATUK MOHD NASIR ALI
Chairman

CORPORATE GOVERNANCE STATEMENT

The Board of Directors (“the Board”) is fully committed to achieve the desired standards of professionalism and ensure high standards of good governance are practiced throughout the Company as a fundamental part of discharging its responsibilities. The Board will ensure the Company continues to pursue its objectives of promoting shareholder activism and influencing good corporate governance practices among PLCs in the capital market.

The Group’s CG practices and procedures which are regularly reviewed by the Board 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 will adhere to the standards of loyalty, good faith and avoid/disclose conflict of interest situations.
- (3) The Board Members of MSWG will:
 - Act in the best interests of MSWG and fulfil their fiduciary duties to MSWG;
 - Act honestly, fairly, ethically and with integrity;
 - Conduct themselves 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 interests other than that of MSWG;
 - Maintain high ethical and moral character – both professionally and personally – and act in a manner that enhances and maintains 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 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.

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) as per the Company's Constitution.
- (3) 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) licence.
- (4) The members of the Board shall be persons of reputable character and standing.
- (5) The Chairman of the Board shall be elected by members of the Board.
- (6) The Securities Commission of Malaysia (SC) must be informed on the appointment of a potential member to the Board.

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 at 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 a 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 five (5) business days before the meeting.
- (6) Each Director must be in attendance for at least 50% of the Board Meetings per annum in person.
- (7) Directors are allowed to participate in the Board meetings virtually and shall be deemed present at the said meeting.

BOARD MEETING ATTENDANCE 2022

There were seven Board of Directors' Meeting held during the financial year ended 31 December 2022, out of which three were Special Board Meetings. Details of Board meeting attendance are as follows:

Name	Attendance	%
Datuk Mohd Nasir Ali	7/7	100%
Devanesan Evanson	7/7	100%
Datuk Gazali Haji Harun	7/7	100%
Dato' Abdul Alim Abdullah	7/7	100%
Puan Sharifatu Laila Syed Ali	6/7	86%
Puan Nik Amlizan Mohamed	4/7	57%
Encik Muhammad Fitri Othman	6/7	86%
Dato' Wan Kamaruzaman Wan Ahmad*	4/6	67%

Note:

* Resigned with effect from 16 December 2022.

MSWG Whistleblower Policy

The Company has in place a Whistleblower Policy to facilitate employees or any external party to report any improper conduct affecting the Company and to provide protection for employees who report such allegations.

A whistleblower will be accorded with protection of confidentiality of identity to the extent reasonably practicable. In addition, an employee who whistle blows internally will also be protected against any adverse and detrimental actions for disclosing any improper conduct committed or about to be committed within MSWG – to the extent reasonably practicable – provided that the disclosure is made in good faith.

Such protection is accorded even if the investigation later reveals that the whistleblower is mistaken as to the facts, rules and procedures involved.

The MSWG Whistleblower Policy and reporting procedures is available on the Company's website at www.mswg.org.my.

MSWG Anti-Bribery and Anti-Corruption Policy

The Company adopts a zero-tolerance policy against all forms of bribery and corruption. The MSWG Anti-Bribery and Anti-Corruption Policy outlines the Company's commitment to conduct business ethically as well as complying with all applicable laws, including the Malaysian Anti-Corruption Commission Act 2009 and any of its amendments made by the relevant authority from time to time. It incorporates MSWG's core principles and aims to provide guidance to employees and third parties on how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in business.

We are pleased to report that no incidences of bribery or corruption were reported during the year. The MSWG Anti-Bribery and Anti-Corruption Policy is available on the Company's website at www.mswg.org.my.

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.

CEO'S REVIEW



“

During the year we focused on the delivery and execution of our core strategies under our brand new 2022-2024 Strategic Roadmap (Strategic Roadmap) and stayed on course towards the set targets and Key Performance Indicators. The past year also threw some curve balls which we successfully navigated, closing the year with a commendable performance.

”

Devanesan Evanson
Chief Executive Officer
& Executive Director

Looking back, 2022 was a year which posed many challenges for the Company. The operating environment remained challenging with the gradual re-opening of the economy and lingering pandemic effects. During the year we focused on the delivery and execution of our core strategies under our brand new 2022-2024 Strategic Roadmap (Strategic Roadmap) and stayed on course towards the set targets and Key Performance Indicators. The past year also threw some curve balls which we successfully navigated, closing the year with a commendable performance.

I am pleased to present a review of our financial performance and activities for the financial year ended 31 December 2022.

FINANCIAL PERFORMANCE

MSWG successfully secured total funding of RM13.97 million from the Capital Market Development Fund (CMDf) to fund our operational and capital expenditure for the next three (3) years under our Strategic Roadmap 2022-2024. The first tranche of the grant amounting to RM4.782 million was disbursed in 2022.

The Company's revenue for FY2022 contracted by 22.0% to RM0.67 million as compared to RM0.86 million in FY2021. The decrease in revenue was mainly contributed by the cessation of secretariat services provided to the Institutional Investors Council Malaysia (IIC), lower advertisement revenue from the publication of our Corporate Governance (CG) Report as well as a decrease in subscriber services fee.

Revenue in FY2021 was also boosted by a one-off fee earned from consultancy management services provided to the Asian Development Bank.

We remained prudent in managing our costs. This resulted in lower total expenditure of RM4.48 million, a 2.1% decrease compared to RM4.57 million in FY2021. For FY2022, the Company recorded a surplus of RM0.86 million for the financial year which was comparable to the RM0.85 million achieved in FY2021.

ACTIVITIES REVIEW

CORPORATE MONITORING

In 2022, we expanded our monitoring portfolio to **400** PLCs from the 318 PLCs covered in 2021. This represented approximately 41% of the total number of companies listed on Bursa Securities and about 85% of Bursa Malaysia's total market capitalisation as of 30 December 2022.

MSWG Monitoring Portfolio Selection criteria:

- FBM KLCI component companies
- Top 100 by market capitalisation
- A stratified sample of mid-cap and small-cap PLCs
- Companies that warrant monitoring based on complaints received from shareholders and based on negative developments of the PLCs

Our representatives attended **457** general meetings in 2022 comprising **377** Annual General Meetings (AGMs) and **80** Extraordinary General Meetings/Court-Convened Meetings (EGMs/CCMs).

Of the above meetings, **346 (76%)** were virtual meetings while **107 (23%)** were physical meetings. Hybrid meetings were the least popular with only **four (4)** PLCs under our monitoring portfolio opting for such mode in 2022. Virtual AGMs may become the new norm due to their cost and time-effectiveness. They also enable participation by shareholders from remote locations.

In this era where climate change is of serious concern, virtual AGMs also help reduce the carbon footprint for companies. Virtual AGMs seem to be the preferred mode for conducting AGMs in 2022 despite the easing of restrictions and gradual return to near pre-pandemic normalcy. Our preference continues to be for hybrid AGMs and if not, for physical AGMs.

Enquiries & Complaints Cases

Our corporate monitoring unit handled **71** enquiries and complaints cases in 2022, mostly from retail investors.

Pre-Voting Decisions Report

The pre-Voting Decisions Report provided our independent views on voting stances. These were made accessible to our corporate and institutional subscribers. Our **Key Principles and Voting Guidelines** is available on MSWG website at www.mswg.org.my.

AGM/EGM Weekly Watch

The MSWG AGM/EGM Weekly Watch highlights key points to be raised at forthcoming general meetings and is available on the MSWG website. **50** Weekly Watch editions were issued in 2022 and published in the *New Straits Times* and *Nanyang Siang Pau* (Mandarin) newspapers. A useful source of information to alert shareholders on issues of concern prior to the general meetings, the *Weekly Watch* covers financial performance, corporate governance and/or ESG matters.

E-Newsletter



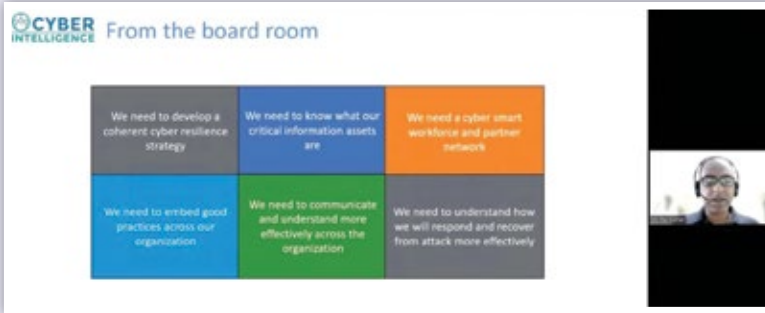
In 2022 we published **49** editions of our weekly e-newsletter, *The Observer*, which is circulated to over 2,000 recipients including subscribers, institutional investors, fund managers, brokerage firms, universities, boards of PLCs, regulators and the media. Readers could also obtain the Bahasa Melayu version which is uploaded on our website.

The Observer provides readers with MSWG's insights on investment approaches, current issues and key corporate happenings on both local and international front on a weekly basis. The in-house team also contributed write-ups on a wide range of topical issues relating to regulatory measures, shareholder activism, corporate governance, ESG and issues affecting minority interests. The e-newsletter also contains the "Weekly Watch" section which highlights some of the issues to be raised at forthcoming general meetings.

INVESTOR EDUCATION & FORUMS

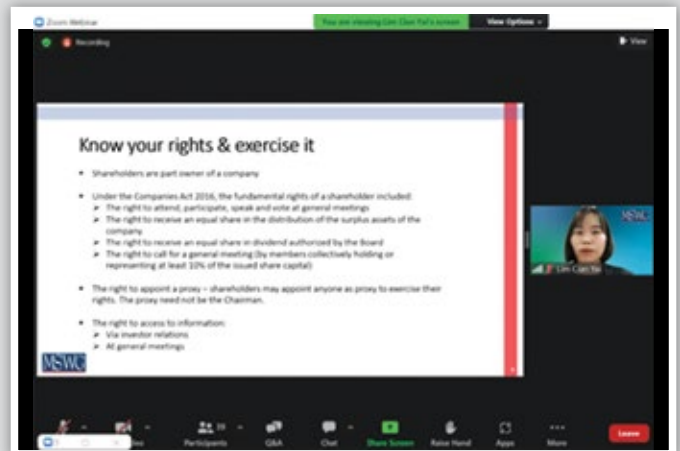
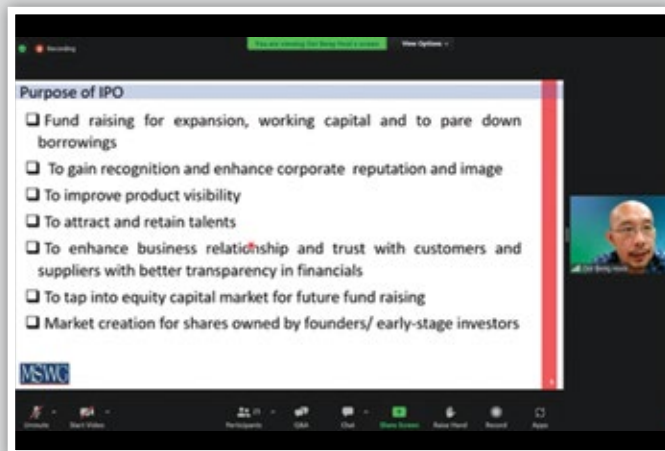
Investor Education Programmes

MSWG conducted **five(5)** webinars and **one(1)** in-person seminar targeted at the Board and management of PLCs as well as the general public in 2022. The in-person seminar on *How to Conduct a Better AGM* was well attended by close to 70 participants. Participants were charged a fee and this in turn contributed to our income generating efforts.



MSWG Investor Education Programmes

MSWG is committed toward enhancing investor education targeted at the retail investors’ segment. In 2022, two (2) free-of-charge virtual sessions were conducted for retail investors to enhance their financial literacy and understanding of annual reports, including shareholder rights and corporate governance areas. These sessions were led by our Head of Corporate Monitoring together with our analysts’ team.



MSWG Retail Investors' Virtual Sessions

Investor Forums

Investor forums are organised by MSWG, usually on a request basis by small groups of minority shareholders to encourage shareholder activism. Such forums act as a platform for shareholders to share their concerns as a group and to bring up their issues collectively to the companies concerned. In addition, the forums also provide them with a better understanding of issues at hand, hence enabling them to better coordinate their actions before making their respective investment decisions.

In 2022, **one (1)** virtual forum was held on an unconditional voluntary take-over to discuss the offer price and the implications to minority shareholders as well as the possible courses of action available to minority shareholders.



MSWG Virtual Investor Forum

ASEAN CG SCORECARD ASSESSMENT

The ASEAN CG Scorecard (Scorecard) assessment was developed by the Asian Development Bank (ADB) in partnership with the ASEAN Capital Market Forum (ACMF) with six participating ASEAN countries involved in this initiative, namely Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. MSWG is the Domestic Ranking Body appointed by the SC since 2012 to undertake the annual CG assessment of Malaysian PLCs using the Scorecard.

Domestic CG Assessment

On 5 November 2022, MSWG announced the results of the 2021 Scorecard assessment covering 864 PLCs. We were encouraged to see that the overall CG Score had shown a commendable 5.4% increase to 83.58 points (out of a maximum attainable score of 130 points) from 79.28 points in the 2020 assessment.

The consistent improvement in the average CG scores over the last five years also suggested that more and more companies are aligning their CG best practices with international and regional best practices, beyond the requirements of national legislation and rules as measured by the Scorecard. An upward trend was also observed in both the Top 100 PLCs* and ACE Market PLCs.

(*note: classification of the Top 100 PLCs is by CG scores ranking and not by market capitalisation)

Top performers were presented with CG Excellence Award trophies under the MSWG-ASEAN Corporate Governance Award 2021 as a recognition of their excellence in CG disclosures and practices as measured by the Scorecard. No physical award ceremony event was held after taking into consideration among others, logistics, health and safety considerations to host a large award ceremony in an environment that was still overshadowed by the lingering effects of the COVID-19 pandemic.

There were two categories of awards namely the Excellence Award for CG Disclosure and Industry Excellence Award for CG Disclosure. The list of award winners, including the list to Top 100 Companies for CG Disclosure 2021 (By Rank), are available on the MSWG website at <https://www.mswg.org.my/asean-cg-2021>.

The domestic Scorecard assessment experienced a hiatus in 2022 as several key corporate governance stakeholders in the capital market had mooted a plan to streamline existing CG and sustainability awards for listed companies in Malaysia under one umbrella body. A separate working group comprising regulators, CG-related bodies and MSWG was formed to review the existing awards and develop a new assessment framework for CG and sustainability.

Following several rounds of discussions, it was decided that the new assessment framework will continue to be carried out by MSWG with MSWG assuming full responsibility and ownership of the project. The assessments under the new framework will commence in year 2023 with the final results expected to be announced by the third quarter of 2024.

Regional CG Assessment

As the Domestic Ranking Body, we were actively involved in the various CG Experts' meetings held at the regional level throughout the year, which among others included peer review exercises, finalisation of the 2021 ACGS assessment and coordination of the 2021 ASEAN Corporate Governance Scorecard Awards ceremony.

The biennial ASEAN Corporate Governance Scorecard Awards was held on 1 December 2022 and hosted by the Institute of Directors Philippines in Manila. The virtual awards event saw 54 Malaysian PLCs being recognised as recipients of the ASEAN Asset Class Award for their outstanding and exemplary corporate governance practices.



2021 ASEAN Corporate Governance Scorecard Awards Ceremony (Virtual)

We were also delighted that **three (3)** Malaysian PLCs were named in the Top 20 ASEAN PLCs, which comprise the top 20 PLCs having the highest scores under the 2021 ACGS assessment. The top three (3) PLCs which garnered the highest scores for each country were also recognised with the Top 3 PLCs per Country Award. The regional assessment covered the top 100 PLCs by market capitalisation for each participating ASEAN country. The list of the 2021 ASEAN Corporate Governance Scorecard Awards winners is available on MSWG website at <https://www.mswg.org.my/press-release>.

SUSTAINABILITY ASSESSMENT

MSWG conducted the sustainability assessment of 869 PLCs in 2021 in collaboration with Bursa Malaysia, including an analysis on the overall compliance and quality of sustainability disclosures which was completed in the second quarter of 2022. The key observations and findings published by Bursa Malaysia in terms of overall compliance and quality based on the 2021 disclosure review can be accessed in the BURSASUSTAIN platform at <https://bursasustain.bursamalaysia.com/droplet-details/sustainability/bursa-malaysia-sustainability-disclosure-review-2021-key-observations-recommendations-2022-5-may>.

Similar to the CG assessment, there was also a hiatus in sustainability assessments in 2022 which will resume accordingly in 2023.

PUBLICATIONS & RESEARCH

In March 2022 MSWG published the **Report on 2020 Annual General Meetings of Public Listed Companies**. This report which focused on the conduct of AGMs was the outcome of a strategic collaboration with the Centre of Governance Resilience and Accountability Studies, Faculty of Economics & Management, Universiti Kebangsaan Malaysia (UKM) based on the compiled data and observations of MSWG representatives attending AGMs. MSWG will continue to explore topics of interest and welcomes collaborations with institutions of higher learning or corporate governance bodies on joint research publications.

The **Malaysia-ASEAN Corporate Governance Report 2021** was published in November 2022. This 10th edition of our report highlighted findings from our assessment of 864 PLCs using the ASEAN CG Scorecard.

Both publications are accessible at <https://www.mswg.org.my/publications>.

HUMAN CAPITAL

Staff Strength

MSWG has established robust workplace policies and practices to create a conducive working environment for our employees. As the country entered the transition to the COVID-19 endemic phase, we remained vigilant and committed to prioritising employees' safety. As at end December 2022, MSWG had a total of 18 employees.

We continue to engage external associates who are professionals as they provide key support for specific projects or tasks such as the corporate governance and sustainability assessment projects. They play an important role in complementing our workforce and at the same time help us to keep overheads low.

Talent Development

MSWG is committed to cultivating a learning mindset among employees to foster personal and professional growth. In this regard, our analysts are highly encouraged to obtain the Investment Representative Licence under the Capital Markets and Services Act 2007 and/or pursue other professional qualifications. We currently have **two (2)** analysts who are Capital Markets Services Representative Licence holders in addition to the Head of Corporate Monitoring and myself.

Personal development and training opportunities were made available to staff across all job levels. Employees are encouraged to participate in professionally conducted training courses, seminars and conferences to widen and enhance their work knowledge and competencies. We also arrange relevant trainings for all employees from time to time. In 2022, two training sessions were conducted for all employees, facilitated by external trainers.

Staff Activities & Well-being

MSWG offers fair compensation, family-friendly policies and competitive benefits packages to attract and meet the needs of our employees. We embraced hybrid working arrangements with the flexibility to work from home, taking into consideration the new norm.

During the year, we continued to take the necessary measures to ensure the safety and well-being of our people through adherence to guidelines for employers as issued by the National Security Council, work rotations as well as requiring visitors to observe the Standard Operating Procedures (SOPs) prescribed by the Government and office building manager.

We aim to foster a healthy work-life balance culture and build camaraderie among employees through staff activities. During the year, the Company organised a small-scale company dinner to foster closer bonds among employees across all levels and divisions.

MOVING FORWARD

Moving into 2023, we will continue to focus on the strategies outlined in our Strategic Roadmap and build upon this year's achievements. The operating environment for 2023 is anticipated to remain challenging with an anticipated slowdown of the domestic economy compared to 2022. Nevertheless, I am confident that MSWG is well-positioned to achieve its set targets and continue to deliver long-term value to our stakeholders.

This will entail expansion of our monitoring capabilities to cover a larger number of companies in line with our goal to create a more vibrant shareholder activism landscape in the Malaysian capital market. Our target is to monitor 450 PLCs by end-2024, representing approximately 50% of the total listed companies on the Exchange.

2023 will also be a busy year for our corporate governance arm as close to 900 PLCs will be assessed under both corporate governance and sustainability scorecards. In addition, we will also be deeply involved in discussions relating to the revision of the ASEAN CG Scorecard at the regional level as the CG Experts in the six participating jurisdictions get together to craft a revised Scorecard taking into consideration how the global CG principles and practices have evolved since the last Scorecard revision in 2016.

MSWG is a HRD Corp Registered Training Provider and we are currently in the process of obtaining accreditation and recognition of identified employee(s) as a HRD Corp Accredited Trainer.

We will continue to strengthen our advocacy efforts through company engagements, articles in the media as well as providing feedback on consultation papers issued by regulators. Efforts will also be stepped up to increase our subscribers' base to widen our reach to the listed companies and retail investors.

ACKNOWLEDGEMENT

In closing, I would like to take this opportunity to acknowledge my Management, staff and associates for their commitment and hard work this past year. I would like to also express my personal thanks and gratitude to the Board for their guidance and advice during this challenging year.

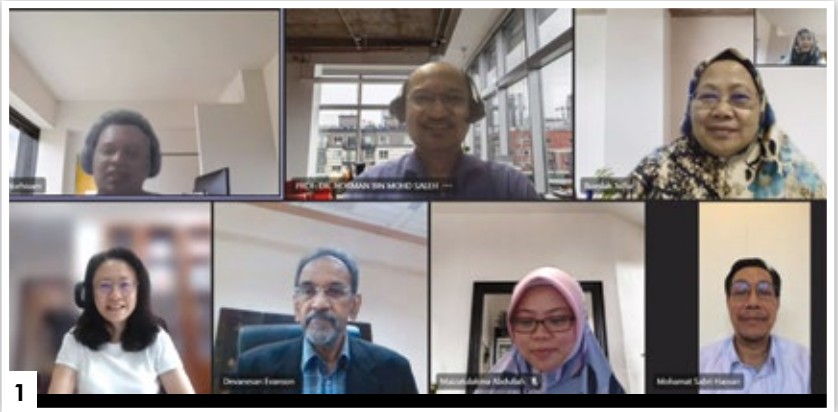
Special thanks also to our subscribers, partners and the media for their unwavering support. Last but not least, my deep gratitude and appreciation to the CMDF for their confidence in us and the provision of substantial funding, and the SC and Bursa Malaysia for their continued guidance and support throughout the year.

DEVANESAN EVANSON

Chief Executive Officer & Executive Director

CORPORATE GALLERY

1 Collaboration with the Centre of Governance Resilience and Accountability Studies, Faculty of Economics & Management, Universiti Kebangsaan Malaysia (UKM)
11 February 2022



2 MSWG Office Warming
11 May 2022



3 MSWG 21st Annual General Meeting
24 June 2022

4 MSWG 21st Annual General Meeting
24 June 2022

5 AGM of United Malacca Berhad
28 September 2022

6 ASEAN CG Experts' Meeting in Hanoi, Vietnam
21 October 2022



7 Meeting with Securities Industry Dispute Resolution Center (SIDREC)
9 December 2022

8 MSWG Staff Dinner
9 December 2022

9 MSWG Staff Training
13 December 2022

10 MSWG Staff Training
13 December 2022





MSWG IN THE NEWS

StarBiz Special
22nd Annual Bursa Malaysia (FOMM)

Preventing an ESG washout

Greenwashing among firms must stop, say observers

CORPORATE

“Sustainable investors will sell down companies that do not adopt ESG practices and this can hurt both the share price and prestige of the company.”
— **Sumner Hwang**

As the ESG movement gains momentum, firms are being scrutinized for their environmental, social and governance (ESG) practices. Sumner Hwang, Chairman of the Minority Shareholders Watch Group (MSWG), warns that greenwashing is a common tactic used by firms to mislead investors. He states that sustainable investors are increasingly using ESG criteria to make investment decisions, and firms that do not adopt genuine ESG practices risk being sold down, which can significantly impact their share price and reputation.

CASHING A BILLING BAIT?

PERILS OF SHARE BUYBACKS

It is a well-known fact that share buybacks can be used as a tool to boost a company's share price. However, Sumner Hwang, Chairman of the MSWG, cautions that buybacks can also be used to mislead investors. He notes that some companies use buybacks to create a false impression of financial strength, while in reality, they are using the funds to cover up underlying issues. He argues that investors should be wary of companies that announce buybacks without providing clear reasons and financial data to support their decision.

Shareholder

HAVING A DIVERSE BOARD

“A diverse board is essential for a company to succeed in the long term. It brings different perspectives and helps the company to make better decisions.”
— **Sumner Hwang**

Sumner Hwang, Chairman of the MSWG, emphasizes the importance of having a diverse board of directors. He states that a board with members from different backgrounds, industries, and cultures is better equipped to handle the challenges of a global market. He notes that diversity on the board leads to more innovative solutions and better risk management. He calls on companies to actively seek out diverse talent for their boards to ensure long-term success.

Call for globally recognised ESG measures to reduce greenwashing

“The current market regulations are not sufficient to prevent greenwashing. We need globally recognised ESG measures to ensure that companies are held accountable for their actions.”
— **Sumner Hwang**

Sumner Hwang, Chairman of the MSWG, calls for the implementation of globally recognised ESG measures to reduce greenwashing. He argues that the current market regulations are not sufficient to prevent companies from making false claims about their ESG practices. He suggests that there should be a set of standardised metrics and reporting requirements that are accepted worldwide. This would help investors to make more informed decisions and hold companies accountable for their actions.

NWP's boardroom issues dampen investor sentiment

“The boardroom issues at NWP have caused significant concern among investors. This has led to a decline in the company's share price and a loss of confidence in the management team.”
— **Sumner Hwang**

Sumner Hwang, Chairman of the MSWG, discusses the boardroom issues at NWP and their impact on investor sentiment. He notes that the recent changes in the board and the actions of the management team have caused significant concern among investors. He states that this has led to a decline in the company's share price and a loss of confidence in the management team. He calls for greater transparency and accountability from the company to restore investor confidence.

Public-listed companies' corporate governance improves in 2021

“This steady improvement is indeed encouraging. It shows that public-listed companies are becoming more responsible and transparent in their operations.”
— **Sumner Hwang**

Sumner Hwang, Chairman of the MSWG, reports on the improvement in corporate governance among public-listed companies in 2021. He notes that there has been a steady improvement in various areas, including board diversity, executive remuneration, and shareholder engagement. He states that this is indeed encouraging and shows that public-listed companies are becoming more responsible and transparent in their operations.

'RETURN CONTRIBUTIONS TO INVESTORS'

“Don't go for listing if there are no solid assets to acquire, MSWG tells SPACs.”

Sumner Hwang, Chairman of the MSWG, advises Special Purpose Acquisition Companies (SPACs) to focus on returning contributions to investors. He states that SPACs should not go for listing if there are no solid assets to acquire. He emphasizes that the primary responsibility of a SPAC is to return the investment to its subscribers. He calls for SPACs to be more transparent and accountable to their investors.

Weekly Watch

线上线下一两全其美

ICM 集团盛典

Sumner Hwang, Chairman of the MSWG, discusses the ICM Group's annual gala event. He notes that the event was a success and that the group has achieved significant milestones in 2021. He highlights the group's commitment to social responsibility and its efforts to support the community. He also mentions the group's plans for the future and its focus on digital transformation.

云顶香港溢出风险引关注

Sumner Hwang, Chairman of the MSWG, discusses the risks associated with the expansion of云顶集团 (Arenas Group) into Hong Kong. He notes that the group's expansion has raised concerns among investors and regulators. He states that the group's aggressive expansion strategy could lead to financial instability and a loss of focus on its core business. He calls for a more cautious approach to expansion.

BENEFITS OF ATTENDING AGMs

Sumner Hwang, Chairman of the MSWG, lists the benefits of attending Annual General Meetings (AGMs). He states that attending AGMs allows shareholders to voice their concerns, ask questions, and influence the company's direction. He notes that AGMs are an important part of corporate governance and that shareholders should take advantage of this opportunity to engage with the management team.

Weekly Watch

政府关联投资公司 须透明

ESG 一马当先

Sumner Hwang, Chairman of the MSWG, discusses the need for transparency in government-linked investment companies. He states that these companies should be held to the same ESG standards as public-listed companies. He calls for greater disclosure and accountability from these companies to ensure that they are using public funds responsibly.

加大力度制止屠猪

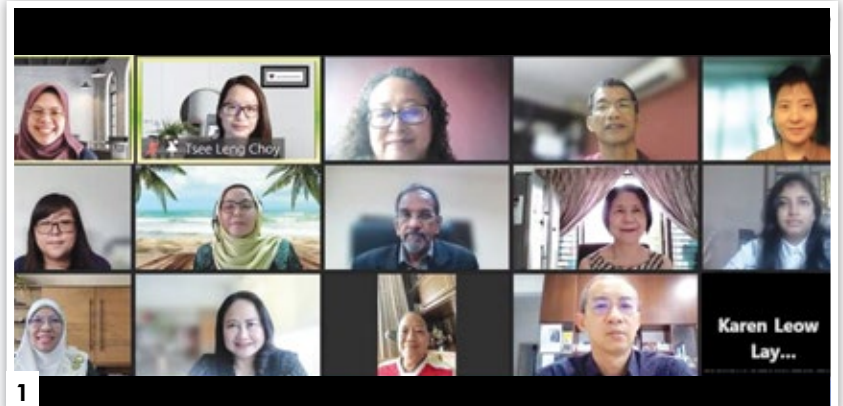
Sumner Hwang, Chairman of the MSWG, discusses the issue of pig slaughter and the need for the government to take stronger action. He notes that the pig slaughter industry has been a source of controversy and that the government should take steps to protect the welfare of the animals. He calls for the implementation of stricter regulations and the use of force to ensure compliance.

应授权董事配发新股吗?

Sumner Hwang, Chairman of the MSWG, discusses the issue of authorizing directors to issue new shares. He states that this is a complex issue that requires careful consideration. He notes that authorizing directors to issue new shares can be a useful tool for companies, but it must be done in a transparent and accountable manner. He calls for clear guidelines and oversight to ensure that this power is used responsibly.

SPEAKING ENGAGEMENTS

1 Speaker for Board of Directors 101 Series organised by BoardRoom Corporate Services and LeadWomen
5 April 2022



2 Panelist at the MIA Virtual Conference Series: Corporate Board Leadership Symposium 2022 on the topic "The Evolution of Shareholder Activism"
30 May 2022



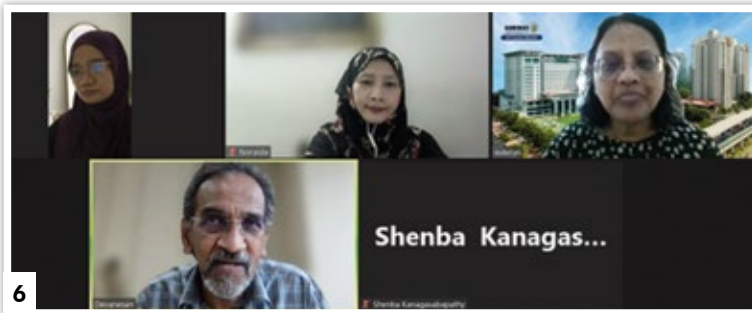
3 Speaker for "Program Sesi Perkongsian Profesor Adjung Pusat Kajian GRACE", Universiti Kebangsaan Malaysia (UKM)
9 August 2022



4 Panelist at the IIA-MICG Governance in Audit Conference 2022 themed Auditing in This New Governance Era on the topic "ESG Audits: Sound Governance, Control Paramount"
6 September 2022



5 Guest speaker at the Tunku Abdul Rahman University College's Inaugural Corporate Governance Awareness Campaign
19 September 2022



6

Interview session by Sunway University on a research project entitled “Developing a Sustainability Reporting Framework to Manage the Drivers of Social and Economic Performance in the Malaysian Context: An Action Research”
26 September 2022



7

Speaker on the topic “Unethical Behaviour Among Malaysian Companies and the Need for Training in Ethics” organised by the School of Accounting and Finance, Taylor’s Business School
29 September 2022



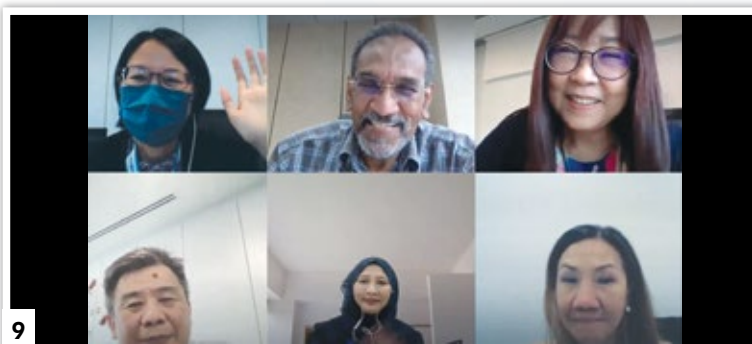
8

Panelist at the 2022 OECD-ASIA Roundtable on Corporate Governance on the topic “Corporate Ownership, Increased Concentration and Company Groups” in Hanoi, Vietnam
20 October 2022



9

Plenary moderator at the ACGA 21st Annual Conference on the topic “Are Stewardship Codes Working in Asia?” in London, United Kingdom
10 November 2022



10

CG Scorecard Engagement with Paramount Corporation Bhd
23 November 2022

Registration No.

200001022382 (524989-M)

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 2022

Registration No.

200001022382 (524989-M)

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

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Registration No.

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

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31 December 2022.

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to date of the report are:

Datuk Mohd Nasir Bin Ali (Chairman)
Datuk Gazali bin Haji Harun
Devanesan J.A. Evanson
Puan Sharifatu Laila Syed Ali
Dato' Abdul Alim Bin Abdullah
Puan Nik Amlizan Binti Mohamed
Muhammad Fitri Bin Othman
Dato' Wan Kamaruzaman Bin Wan Ahmad (resigned on 16 December 2022)

In accordance with Article 61 of the Company's Constitution, Dato' Abdul Alim bin Abdullah and Puan Nik Amlizan binti Mohamed retire at the forthcoming 22nd Annual General Meeting and being eligible, have offered themselves for re-election at the 22nd Annual General Meeting.

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	<u>856,795</u>

RESERVES AND PROVISIONS

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

Registration No.

200001022382 (524989-M)

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

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits shown under Directors' Remuneration) by reason of a contract made by the Company or by 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.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object was to enable Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act, 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company. 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.

DIVIDENDS

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Company were prepared, 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 including the values of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.

Registration No.

200001022382 (524989-M)

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:

- (a) there are no charges on the assets of the Company which have arisen since the end of the financial year which secures the liability of any other person; and
- (b) there are no contingent liabilities of the Company which have 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.

Registration No.

200001022382 (524989-M)

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

DIRECTORS' REPORT (CONTINUED)

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 7 to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

This report was approved by the Board of Directors on 29 March 2023. Signed on behalf of the Board of Directors:



DATUK MOHD NASIR BIN ALI
DIRECTOR



DEVANESAN J.A. EVANSON
DIRECTOR

Kuala Lumpur
29 March 2023

Registration No.

200001022382 (524989-M)

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 2022**

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
Revenue	2	667,488	855,473
Grant	3	4,391,117	4,412,623
Other operating income	4	146,533	208,946
Staff costs	5	(3,095,849)	(2,721,742)
Depreciation of property and equipment		(268,069)	(245,172)
Amortisation of intangible assets		-	(79,930)
Finance cost		(19,911)	(9,163)
Other operating expenses	6	(1,093,872)	(1,516,112)
Total expenditure		(4,477,701)	(4,572,119)
Surplus before taxation	7	727,437	904,923
Taxation	8	129,358	(57,625)
Surplus for the financial year		856,795	847,298
Other comprehensive income:			
Items that may be reclassified subsequently to the profit or loss:			
Fair value change on financial investments at fair value through other comprehensive income			
Gross fair value charge		(18,251)	(32,916)
Net realized gain on disposal of equity instruments		151	925
Net fair value change		(18,100)	(31,991)
Total comprehensive income for the financial year		838,695	815,307

Registration No.

200001022382 (524989-M)

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
NON-CURRENT ASSETS			
Property and equipment	9	295,522	79,044
Intangible assets	10	1	1
Right-of-use asset	11	483,185	70,469
Financial investments at fair value through other comprehensive income (FVOCI)	12	175,672	185,485
Deferred tax asset	13	232,530	86,132
		<u>1,186,910</u>	<u>421,131</u>
CURRENT ASSETS			
Other receivables, deposits and prepayments	14	329,958	228,630
Cash and cash equivalents	15	6,466,353	5,882,411
Tax recoverable		-	214
		<u>6,796,311</u>	<u>6,111,255</u>
LESS: CURRENT LIABILITIES			
Other payables and accruals		1,146,371	1,357,144
Lease liability	11	494,073	70,924
Deferred grant	3	390,883	-
Tax Liability		8,562	-
		<u>2,039,889</u>	<u>1,428,068</u>
NET CURRENT ASSETS		<u>4,756,422</u>	<u>4,683,187</u>
		<u>5,943,332</u>	<u>5,104,318</u>
REPRESENTED BY:			
General fund		5,801,000	5,801,000
Accumulated surplus/(loss)		78,807	(778,458)
FVOCI reserve		63,525	81,776
		<u>5,943,332</u>	<u>5,104,318</u>

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200001022382 (524989-M)

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 2022**

	General fund RM	Accumulated surplus/ (loss) RM	FVOCI reserve RM	Total RM
At 1 January 2022	5,801,000	(778,458)	81,776	5,104,318
Comprehensive income:				
- Surplus for the financial year	-	856,795	-	856,795
Other comprehensive income:				
- Financial investments at FVOCI	-	-	(18,100)	(18,100)
Net realised gain on disposal of equity instruments	-	470	(151)	319
At 31 December 2022	<u>5,801,000</u>	<u>78,807</u>	<u>63,525</u>	<u>5,943,332</u>
At 1 January 2021	5,801,000	(1,626,681)	114,692	4,289,011
Comprehensive income:				
- Surplus for the financial year	-	847,298	-	847,298
Other comprehensive income:				
- Financial investments at FVOCI	-	-	(31,991)	(31,991)
Net realised gain on disposal of equity instruments	-	925	(925)	-
At 31 December 2021	<u>5,801,000</u>	<u>(778,458)</u>	<u>81,776</u>	<u>5,104,318</u>

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BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 RM	2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus before taxation		727,437	904,923
Adjustments for non-cash items:			
Subscriber services fee		(348,808)	(366,114)
Depreciation of right-of-use asset		208,522	211,409
Depreciation of property and equipment		59,547	33,763
Amortisation of intangible assets		-	79,930
Dividend income		(7,566)	(9,108)
Interest income		(127,055)	(86,354)
Finance cost		19,911	9,163
Loss on disposal of financial investments		294	348
Gain on disposal of property and equipment		(7,170)	(5,099)
Gain on lease modification		-	(1,477)
		<u>525,112</u>	<u>771,384</u>
Changes in working capital:			
Receivables		(101,327)	(36,310)
Payables		(255,967)	(5,625)
Cash generated from operating activities		167,818	729,449
Subscriber services fee received		394,000	315,500
Dividend income received		7,566	9,108
Grant utilised		(4,391,117)	(4,412,623)
Tax paid		(8,264)	(12,827)
Net cash used in operating activities		<u>(3,829,997)</u>	<u>(3,371,393)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income received		127,055	86,354
Purchase of financial investments at FVOCI		(8,734)	(2,876)
Proceeds from disposal of financial investments at FVOCI		472	925
Purchase of property and equipment		(276,490)	(63,339)
Payment of lease liabilities		(217,999)	(214,993)
Proceeds from disposal of property and equipment		7,635	5,110
Net cash used in investing activities		<u>(368,061)</u>	<u>(188,819)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Grant received		4,782,000	4,270,000
Tax refund		-	21,736
Net cash generated from financing activities		<u>4,782,000</u>	<u>4,291,736</u>
Increase in cash and cash equivalents during the financial year		583,942	731,524
Cash and cash equivalents at beginning of the financial year		<u>5,882,411</u>	<u>5,150,887</u>
Cash and cash equivalents at end of the financial year	15	<u>6,466,353</u>	<u>5,882,411</u>

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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, 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention, unless otherwise indicated in this summary of significant accounting policies.

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 Company has applied the following amendments for the first time for the financial year beginning on 1 January 2022:

- i. Amendments to MFRS 116 on proceeds before intended use, effective for annual period beginning on or after 1 January 2022

The amendments prohibit an entity from deducting from the cost of a property, plant and equipment (“PPE”) the proceeds received from selling items produced by the PPE before it is ready for its intended use. The sales proceeds should instead be recognised in profit or loss.

- ii. Annual Improvements to MFRSs 2018 - 2021 - effective 1 January 2022

- MFRS 16 “Leases” Illustrative Example 13

The amendments removed the illustration on the reimbursement relating to leasehold improvements by the lessor to avoid potential confusion as the example had not explained clearly enough the conclusion as to whether the reimbursement would meet the definition of a lease incentive in MFRS 16.

- Amendments to MFRS 9 – Fees in the 10% test for derecognition of financial liabilities

When entities restructure their loans with the existing lenders, MFRS 9 requires management to quantitatively assess the significance of the difference between cash flows of the existing and new loans (commonly known as the ‘10% test’).

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

A BASIS OF PREPARATION (CONTINUED)

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

The Company has applied the following amendments for the first time for the financial year beginning on 1 January 2022: (continued)

- ii. Annual Improvements to MFRSs 2018 - 2021 - effective 1 January 2022 (continued)
- Amendments to MFRS 9 – Fees in the 10% test for derecognition of financial liabilities (continued)

This amendment to MFRS 9 clarifies that only fees paid or received between the borrower and the lender are included in the 10% test. Any fees paid to third parties should be excluded. This amendment will impact the result of the 10% test and accordingly affect the amount of gain or loss recognised in the profit or loss.

An entity shall apply the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

- iii. Amendments to MFRS 137 ‘Onerous Contracts – Cost of Fulfilling a Contract’ - effective 1 January 2022

The amendments clarify that direct cost of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts. The amendments also clarify that before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

The amendments shall be applied to contracts for which the entity has yet to fulfil all its obligations at the beginning of annual reporting period in which the amendments are first applied. Comparative information is not restated.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

A BASIS OF PREPARATION (CONTINUED)

(b) Standards and amendments that have been issued but not yet effective

i. Financial year beginning on/after 1 January 2023

- Amendments to MFRS 112 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction' (effective 1 January 2023) clarify that the initial exemption rule does not apply to transactions where both an asset and a liability are recognised at the same time such as leases and decommissioning obligations. Accordingly, entities are required to recognise both deferred tax assets and liabilities for all deductible and taxable temporary differences arising from such transactions.
- Amendments to classification of liabilities as current or non-current (Amendments to MFRS 101), effective for annual period beginning on or after 1 January 2023

The MFRS 101 classification principle requires an assessment of whether an entity has the substantive right to defer settlement of a liability at the end of the reporting period.

The amendments clarify that when the right to defer settlement is subject to complying with specified conditions, the right only exists at the end of the reporting period if the entity complies with those conditions at that date. The entity must comply with the conditions at the end of the reporting period even if the lender does not test compliance until a later date.

Also, classification is unaffected by the expectations of the entity or events after the reporting date (e.g. waiver obtained or breach of loan covenant).

In addition, the amendments clarify that when a liability could be settled by the transfer of an entity's own equity instruments (e.g. a conversion option in a convertible bond), the conversion option does not affect the classification of the convertible bond if the option meets the definition of an equity instrument in accordance with MFRS 132 "Financial Instruments: Presentation". Conversion option that is not an equity instrument should therefore be considered in the current or non-current classification of a convertible instrument.

These amendments should be applied retrospectively for annual periods beginning on or after 1 January 2023. Earlier application is permitted. If an entity applies those amendments for an earlier period, it should disclose that fact.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

A BASIS OF PREPARATION (CONTINUED)

(b) Standards and amendments that have been issued but not yet effective (continued)

ii. Financial year beginning on/after 1 January 2024

- Amendments to MFRS 101 - Classification of liabilities as current or noncurrent (effective 1 January 2024) clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

In addition, the amendments clarify that when a liability could be settled by the transfer of an entity's own equity instruments (e.g. a conversion option in a convertible bond), conversion option meeting the definition of an equity instrument in MFRS 132 'Financial Instruments: Presentation' does not impact the current or non-current classification of the convertible instrument.

The amendments shall be applied retrospectively.

- Amendments to MFRS 101 - Non-current liabilities with covenants (effective 1 January 2024) specify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification of a liability as current or non-current, even if the covenant is only assessed after the reporting date.

The amendments shall be applied retrospectively.

The adoption of the accounting standards and amendments to published standards that are applicable to the Company but not yet effective are not expected to give rise to any material impact on the financial statements of the Company.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (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%
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.

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.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

C INCOME TAXES (CONTINUED)

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 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 upon performance of services.
- (iv) Income from subscriber services is recognised on an accrual basis.
- (v) Interest income is recognised based on the effective interest method on an accrual basis.
- (vi) Dividend income from investments in quoted shares is recognised on the ex-dividend date

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

F GRANT

Grant relating to costs are deferred and recognised in the statement of comprehensive income 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.

H FINANCIAL ASSETS

(a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured at fair value (either through other comprehensive income ('OCI') or through profit or loss); and
- those to be measured at amortised cost.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

H FINANCIAL ASSETS (CONTINUED)

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ('FVTPL'), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ('SPPI').

Debt instruments

Subsequent measurement of the Company's debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company reclassifies its financial assets when and only when its business model for managing those assets changes.

There are three measurement categories into which the Company classifies its debt instruments: -

(i) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

H FINANCIAL ASSETS (CONTINUED)

(c) Measurement (continued)

(ii) Fair value through other comprehensive income ('FVOCI')

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.

(iii) Fair value through profit or loss ('FVTPL')

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes is recognised in profit or loss and presented net within other gains/(losses) in the period which it arises.

Equity Instruments

Equity instruments are measured at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of comprehensive income.

(d) Subsequent measurement – Impairment

The Company assesses on a forward looking basis the expected credit loss ('ECL') associated with its financial assets carried at amortised cost and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company applies the MFRS 9 simplified approach to measure ECL which uses lifetime ECL for all trade receivables and other financial assets.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

I LEASES

Leases are recognised as right-of-use ('ROU') asset and a corresponding liability at the date on which the leased asset is available for use by the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Company has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

(a) Lease term

In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Company and affects whether the Company is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy below on reassessment of lease liabilities.

(b) Right-of-use ('ROU')

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

I LEASES (CONTINUED)

(c) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Amounts expected to be payable by the Company under residual value guarantees;
- The exercise price of a purchase and extension options if the Company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The Company presents the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in profit or loss in the statement of comprehensive income.

(d) Short term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of office equipment. Payments associated with short-term leases vehicles and all leases of low-value assets are recognised on a straight-line bases as an expense in profit or loss.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (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 intangible assets not ready for 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 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. 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.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

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.

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.

N INTANGIBLE ASSETS

DMS and website integration

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation year and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the date of each statement of financial position. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

The costs of acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful life, generally not exceeding a year of 5 years.

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(Incorporated in Malaysia as a company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

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 18 (2021: 17).

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

Level 23, Unit 23-2
Menara AIA Sentral
No.30, Jalan Sultan Ismail
50250 Kuala Lumpur.

2 REVENUE

	<u>2022</u> RM	<u>2021</u> RM
Forums and events	318,680	489,359
Subscriber services fee	348,808	366,114
	<u>667,488</u>	<u>855,473</u>

3 GRANT

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

	<u>2022</u> RM	<u>2021</u> RM
Balance as at 1 January	-	142,623
Grant received during the financial year	4,782,000	4,270,000
Grant utilised during the financial year	(4,391,117)	(4,412,623)
Balance as at 31 December	<u>390,883</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

4	OTHER OPERATING INCOME	<u>2022</u> RM	<u>2021</u> RM
	Dividend income	7,566	9,108
	Gain in foreign exchange	-	982
	Interest income	127,055	86,354
	Other income	11,912	112,502
		<u>146,533</u>	<u>208,946</u>
5	STAFF COSTS	<u>2022</u> RM	<u>2021</u> RM
	Salaries and bonus	2,464,926	2,186,605
	Defined contribution plan ('EPF')	367,285	328,715
	Staff gratuity / Compensation	156,919	129,680
	Other employee benefits	106,719	76,742
		<u>3,095,849</u>	<u>2,721,742</u>

The Chief Executive Officer has received salary and bonus of RM630,375 (2021: RM613,274) while contribution to EPF amounted to RM89,502 (2021: RM86,142).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

6 OTHER OPERATING EXPENSES

	<u>2022</u>	<u>2021</u>
	RM	RM
Directors' fees	132,500	116,000
Associate Consultants	165,750	133,650
Malaysia-ASEAN Corporate Governance	20,525	540,447
- Reversal of expense on Malaysia-ASEAN Corporate Governance	(84,660)	-
DOMESTIC Sustainability Scorecard Assessment	-	260,510
DOMESTIC Sustainability Report	-	37,280
MSWG's Annual Report	25,000	31,000
Rental expenses	17,806	10,987
Travelling, accommodation and promotion expenses	118,200	9,567
Telecommunication expenses	92,265	71,373
Insurance	159,563	149,749
Professional fees	123,800	75,680
Office expenses	97,493	66,198
Relocation of office expenses	189,982	-
Others	35,648	13,671
	<u>1,093,872</u>	<u>1,516,112</u>

During the financial year, Directors of the Company are covered under the Directors' & Officers' Liability Insurance in respect of liabilities arising from acts committed in their capacity as, inter alia, Directors of the Company subject to the terms of the policy. The total amount of premium paid for the Directors' & Officers' Liability Insurance by the Company was RM25,500 (2021: RM25,500).

7 SURPLUS BEFORE TAXATION

	<u>2022</u>	<u>2021</u>
	RM	RM
Surplus before taxation is arrived at after (charging)/ crediting:		
Auditors' remuneration		
- Statutory audit	(15,000)	(15,000)
- Tax compliance	(6,000)	(8,000)
Directors' meeting attendance allowance	(50,000)	(35,000)
Interest income	127,055	86,354
Dividend income	7,566	9,108
	<u>1,093,872</u>	<u>1,516,112</u>

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BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

8 TAXATION	<u>2022</u> RM	<u>2021</u> RM
Current year tax	17,250	8,050
Over provision of prior years' tax	(210)	(437)
Deferred tax (Note 13)	(146,398)	50,012
	<u>(129,358)</u>	<u>57,625</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>2022</u> RM	<u>2021</u> RM
Surplus before taxation	<u>727,437</u>	<u>904,923</u>
Tax calculated at the Malaysian tax rate of 26% (2021: 26%)	189,134	235,280
Tax effects of:		
- expenses not deductible for tax purposes	99,220	51,947
- income not subject to tax	(1,949)	(2,357)
- utilisation of previously unrecognised tax losses	(253,352)	(262,407)
- unrecognised deferred tax (assets)/liabilities	(146,398)	50,012
- effects of different tax rate	(15,803)	(14,413)
- over provision of prior years' tax	(210)	(437)
Taxation	<u>(129,358)</u>	<u>57,625</u>

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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 2022 (CONTINUED)

9 PROPERTY AND EQUIPMENT

	Computer and electronic equipment RM	Furniture and fittings RM	Office equipment RM	Renovations RM	Total RM
<u>2022</u>					
<u>Cost</u>					
At 1 January 2022	171,002	115,934	107,190	230,899	625,025
Additions	71,774	110,512	16,760	77,444	276,490
Disposals	-	(101,834)	(59,919)	(230,899)	(392,652)
At 31 December 2022	<u>242,776</u>	<u>124,612</u>	<u>64,031</u>	<u>77,444</u>	<u>508,863</u>
<u>Accumulated depreciation</u>					
At 1 January 2022	99,811	115,773	99,518	230,879	545,981
Charge for the financial year	29,682	14,297	5,242	10,326	59,547
Disposals	-	(101,715)	(59,593)	(230,879)	(392,187)
At 31 December 2022	<u>129,493</u>	<u>28,355</u>	<u>45,167</u>	<u>10,326</u>	<u>213,341</u>
<u>Net book value</u>					
At 31 December 2022	<u><u>113,283</u></u>	<u><u>96,257</u></u>	<u><u>18,864</u></u>	<u><u>67,118</u></u>	<u><u>295,522</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

9 PROPERTY AND EQUIPMENT (CONTINUED)

	Computer and electronic equipment RM	Furniture and fittings RM	Office equipment RM	Renovations RM	Total RM
<u>2021</u>					
<u>Cost</u>					
At 1 January 2021	217,098	115,934	102,991	230,899	666,922
Additions	59,140	-	4,199	-	63,339
Disposals	(105,236)	-	-	-	(105,236)
At 31 December 2021	<u>171,002</u>	<u>115,934</u>	<u>107,190</u>	<u>230,899</u>	<u>625,025</u>
<u>Accumulated depreciation</u>					
At 1 January 2021	181,367	112,312	95,946	227,818	617,443
Charge for the financial year	23,669	3,461	3,572	3,061	33,763
Disposals	(105,225)	-	-	-	(105,225)
At 31 December 2021	<u>99,811</u>	<u>115,773</u>	<u>99,518</u>	<u>230,879</u>	<u>545,981</u>
<u>Net book value</u>					
At 31 December 2021	<u>71,191</u>	<u>161</u>	<u>7,672</u>	<u>20</u>	<u>79,044</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

10 INTANGIBLE ASSETS

	<u>DMS and website integration</u>	
	<u>2022</u>	<u>2021</u>
	RM	RM
<u>Cost</u>		
At 1 January/ 31 December	399,662	399,662
<u>Accumulated Amortisation</u>		
At 1 January	399,661	319,731
Charge for the financial year	-	79,930
At 31 December	<u>399,661</u>	<u>399,661</u>
<u>Net book value</u>		
At 31 December	<u>1</u>	<u>1</u>

11 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The statement of financial position shows the following amounts relating to leases:

	<u>2022</u>	<u>2021</u>
	RM	RM
Right-of-use assets:		
Property	<u>483,185</u>	<u>70,469</u>
Lease liabilities	<u>494,073</u>	<u>70,924</u>

The statement of profit or loss as at 31 December 2022 shows the following amounts relating to leases:

	RM
Depreciation charge on right-of-use assets:	
Finance cost	19,911
Expenses relating to short-term leases	<u>208,522</u>

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11 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Future minimum lease payments at 31 December 2022 are as follows:

	Minimum lease payment due		Total RM
	Within 1 year RM	1 – 3 years RM	
31 December 2022			
Lease payment	250,860	271,765	522,625
Finance cost	19,448	9,104	28,552
Net present value	231,412	262,661	494,073
1 January 2022			
Lease payment	71,664	-	71,664
Finance cost	740	-	740
Net present value	70,924	-	70,924

12 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>2022</u> RM	<u>2021</u> RM
At fair value:		
Quoted shares in Malaysia	175,672	185,485

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”.

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13 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>2022</u> RM	<u>2021</u> RM
<u>Subject to income tax:</u>		
Deferred tax assets	243,726	100,061
Deferred tax liabilities	(11,196)	(13,929)
	<u>232,530</u>	<u>86,132</u>

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

	<u>2022</u> RM	<u>2021</u> RM
At 1 January	86,132	136,144
Charged to profit or loss (Note 8)	146,398	(50,012)
- Property and equipment	(10,427)	(1,445)
- Right-of-use	2,713	1,067
- Subscriber fees	24,910	(17,065)
- Deferred grant	101,630	(37,082)
- Provisions	27,572	4,513
Charge to comprehensive income	-	-
At 31 December	<u>232,530</u>	<u>86,132</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

13 DEFERRED TAX ASSET/DEFERRED TAX LIABILITY (CONTINUED)

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

	<u>2022</u> RM	<u>2021</u> RM
Deferred tax assets (before offsetting)		
- Provisions	127,515	99,943
- Deferred grant	101,630	-
- Right-of-use	2,831	118
- Subscriber fees	11,750	-
	<u>243,726</u>	<u>100,061</u>
Deferred tax liabilities (before offsetting)		
- Property and equipment	(11,196)	(769)
- Subscriber fees	-	(13,160)
	<u>(11,196)</u>	<u>(13,929)</u>

The unabsorbed tax losses of the Company is RM326,699 (2021: RM948,908) and no deferred tax assets are recognised as it is not probable that sufficient taxable profits will be available in the future. The deductible temporary differences have an expiry date of 7 years which is in line with Section 44(5F) of the Income Tax Act 1967 that comes into operation from year of assessment 2021 and subsequent years of assessment.

14 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<u>2022</u> RM	<u>2021</u> RM
Other receivables	64,305	35,899
Deposits and prepayments	265,653	192,731
	<u>329,958</u>	<u>228,630</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

15 CASH AND CASH EQUIVALENTS

	<u>2022</u> RM	<u>2021</u> RM
Cash and bank balances	367,801	454,280
Deposits with a financial institution	6,098,552	5,428,131
	<u>6,466,353</u>	<u>5,882,411</u>

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

	<u>2022</u> %	<u>2021</u> %
Deposits with a financial institution	<u>2.90</u>	<u>1.85</u>

Deposits with a financial institution have an average maturity of 64 days (2021: 18 days).

16 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.

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>2022</u> RM	<u>2021</u> RM
Other receivables, deposits and prepayments	329,958	228,630
Cash and cash equivalents	6,466,353	5,882,411

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

16 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

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

	<u>Financial institutions</u> RM	<u>Others</u> RM
<u>2022</u>		
Other receivables, deposits and prepayments	-	329,958
Cash and cash equivalents	<u>6,466,353</u>	<u>-</u>
<u>2021</u>		
Other receivables, deposits and prepayments	-	228,630
Cash and cash equivalents	<u>5,882,411</u>	<u>-</u>

(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, intangible assets, right-of-use asset, tax recoverable and deferred taxation.

The carrying amounts of the Company's financial assets and financial liabilities as at 31 December 2022 and 31 December 2021 approximate their fair values due to the limited term to maturity of these instruments or limited sensitivity to interest rates.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

16 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Capital risk management

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.

17 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 29 March 2023.

Registration No.

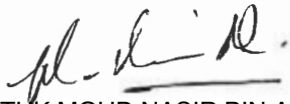
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BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, Datuk Mohd Nasir Bin Ali and Devanesan J.A. Evanson, two of the Directors of Badan Pengawas Pemegang Saham Minoriti Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 5 to 34 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2022 and financial performance of the Company for the financial year ended 31 December 2022 in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of Companies Act, 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 29 March 2023.



DATUK MOHD NASIR BIN ALI
DIRECTOR



DEVANESAN J.A. EVANSON
DIRECTOR

Kuala Lumpur

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT, 2016

I, Devanesan J.A. Evanson, 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 34 are, to the best of my knowledge, 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.



DEVANESAN J.A. EVANSON
(MIA Membership No: 2992)

Subscribed and solemnly declared by the abovenamed at Wilayah Persekutuan Kuala Lumpur on 29 March 2023.

Before me:



COMMISSIONER FOR OATH

LEVEL 29, MENARA HONG LEONG,
NO 6, JALAN DAMANLELA, BUKIT DAMANSARA



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BADAN PENGAWAS PEMEGANG SAHAM MINORITI
BERHAD (CONTINUED)**
(Incorporated in Malaysia)
(Registration No. 200001022382 (524989-M))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Badan Pengawas Saham Minoriti Berhad (“the Company”) give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Company, which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 34.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

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

Independence and other ethical responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

*PricewaterhouseCoopers PLT (LLP0014401-LCA & 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
TO THE MEMBERS OF BADAN PENGAWAS PEMEGANG SAHAM MINORITI
BERHAD (CONTINUED)
(Incorporated in Malaysia)
(Registration No. 200001022382 (524989-M))**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Director's Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BADAN PENGAWAS PEMEGANG SAHAM MINORITI
BERHAD (CONTINUED)**
(Incorporated in Malaysia)
(Registration No. 200001022382 (524989-M))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BADAN PENGAWAS PEMEGANG SAHAM MINORITI
BERHAD (CONTINUED)
(Incorporated in Malaysia)
(Registration No. 200001022382 (524989-M))**

OTHER MATTERS

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to be 'PWC' followed by some less legible characters.

**PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants**

A handwritten signature in black ink, appearing to be 'OCC' with a long vertical stroke extending downwards.

**ONG CHING CHUAN
02907/11/2023 J
Chartered Accountant**

Kuala Lumpur
29 March 2023

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NOTICE OF 22nd ANNUAL GENERAL MEETING



MINORITY SHAREHOLDERS WATCH GROUP
Shareholder Activism and Protection of Minority Interest
BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia . Registration No: 200001022382 (524989-M))

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **22nd Annual General Meeting** (“AGM”) of the Company will be held at the Meeting Room, Level 23, Unit 23-2, Menara AIA Sentral, No. 30, Jalan Sultan Ismail, 50250 Kuala Lumpur on **Thursday, 22 June 2023** at **10.00 a.m.** to transact the following ordinary and special business:

AGENDA

1. To receive and adopt the Company's Audited Financial Statements for the financial year ended 31 December 2022, together with the Directors' and Auditors' Reports thereon.
2. To approve the payment of Directors' Fee for the financial year ending 31 December 2023 as follows: **Ordinary Resolution 1**
 - (a) RM18,000 for the Chairman; and
 - (b) RM12,000 for each Non-Executive Director
3. To approve the payment of Directors' Meeting Allowance for the period from 23 June 2023 up to the date of the next AGM as follows: **Ordinary Resolution 2**
 - (i) Board Meetings:
 - (a) RM1,500 per meeting for the Chairman; and
 - (b) RM1,000 per meeting for each Non-Executive Director
 - (ii) Board Committee Meetings:
 - (a) RM800 per meeting for the Chairman; and
 - (b) RM500 per meeting for each Non-Executive Director
4. To re-elect the following Directors who retire in accordance with Article 61 of the Constitution of the Company as Directors of the Company:
 - (a) Dato' Abdul Alim bin Abdullah **Ordinary Resolution 3**
 - (b) Puan Nik Amlizan binti Mohamed **Ordinary Resolution 4**
5. To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

Badan Pengawas Pemegang Saham Minoriti Berhad
- Notice of 22nd Annual General Meeting

6. **Special Business**

To consider and if deemed fit to pass the following special resolutions:

Special Resolution 1:

**AMENDMENTS TO SUB-CLAUSE 3 OF THE COMPANY'S MEMORANDUM OF ASSOCIATION
(known as the Company's Constitution pursuant to the Companies Act 2016)**

THAT subject to the approval of the Minister charged with the responsibility for companies / Registrar, Companies Commission of Malaysia, the following new sub-clause 3 (u) which read as follows be inserted after sub-clause 3 (t) and the existing sub-clauses 3 (u) and 3 (v) be renumbered as 3 (v) and 3 (w) respectively of the Company's Memorandum of Association (known as the Company's Constitution pursuant to the Companies Act 2016):

- 3 (u) To carry on activities as a registered corporate training provider with the Human Resource Development Corporation under the Malaysian Ministry of Human Resources, to provide forum of interactions, conduct physical and online training courses, seminars, classes, workshops, dialogues and programmes to impart skills, knowledge and education to promote excellence, best practices and leadership by companies on corporate governance and to provide the support and consultancy services in relation thereto.

Special Resolution 2:

**AMENDMENTS TO CLAUSE 6A OF THE COMPANY'S MEMORANDUM OF ASSOCIATION
(known as the Company's Constitution pursuant to the Companies Act 2016)**

THAT subject to the approval of the Minister charged with the responsibility for companies / Registrar, Companies Commission of Malaysia, the following clause 6A of the Company's Memorandum of Association (known as the Company's Constitution pursuant to the Companies Act 2016) be amended to read as follows:

- 6A. The members of the Board appointed by the Board or Members of the Company may be paid salaries, fees, fixed allowances and other benefits of not more than RM950,000 per year but not excessively given which shall be approved by the members of the Company and Minister charged with the responsibility for companies / Registrar.

By Order of the Board



Chew Phye Keat
Secretary

Dated: 30 May 2023

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 shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, either under seal or under hand of the officer or attorney duly authorised. The instrument appointing a proxy must be deposited at the Registered Office, Level 23, Unit 23-2, Menara AIA Sentral, No. 30, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time appointed for holding the Meeting.

Explanatory Notes:

(a) Agenda 1 – Audited Financial Statements

This agenda item is meant for discussion only. It does not require members to vote.

(b) Special Business

(i) Special Resolution 1

This resolution if passed, will be submitted to the Minister/ Registrar, Companies Commission of Malaysia for approval.

(ii) Special Resolution 2

The resolution, if passed, will be submitted to the Minister/Registrar, Companies Commission of Malaysia for approval.

This resolution is to seek approval to revise the present limit of salaries, fees, fixed allowances and other benefits payable to Directors of RM850,000 per year to RM950,000 per year after taking into consideration of the renewal of the employment of the Director cum Chief Executive Officer (“CEO”) and the potential increment in salaries, fees, fixed allowances and other benefits to the CEO including the payment of performance bonus and other incentives and the potential increase in the number of Directors and the payment of Directors’ fee and meeting allowance for Board meetings and Board Committee meetings.

The proposed amendments are printed in bold for your easy reference:

Existing Clause	Amendment to Clause
6A. The member of the Board appointed by the Board or Members of the Company may be paid salaries, fees, fixed allowances and other benefits of not more than RM850,000 per year but not excessively given which shall be approved by the members of the Company and Minister charged with the responsibility for companies / Registrar.	The member of the Board appointed by the Board or Members of the Company may be paid salaries, fees, fixed allowances and other benefits of not more than RM950,000 per year but not excessively given which shall be approved by the members of the Company and Minister charged with the responsibility for companies / Registrar.

PROXY FORM



MINORITY SHAREHOLDERS WATCH GROUP
Shareholder Activism and Protection of Minority Interest
BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia . Registration No: 200001022382 (524989-M))

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 22nd Annual General Meeting of the said Company
to be held on **Thursday, 22 June 2023 at 10.00 a.m.** and at any adjournment thereof.

(Please indicate with an "X" below on how you wish to cast your vote)

		For	Against
Payment of Directors' Fees for year ending 31 December 2023	Ordinary Resolution 1		
Payment of Directors' Meeting Allowance for Board meetings and Board Committee meetings for the period from 23 June 2023 up to the date of the next AGM	Ordinary Resolution 2		
Re-election of Directors who retire in accordance with Article 61 of the Company's Constitution:			
(a) Dato' Abdul Alim bin Abdullah	Ordinary Resolution 3		
(b) Puan Nik Amlizan binti Mohamed	Ordinary Resolution 4		
Re-appointment of Messrs PricewaterhouseCoopers PLT as Auditors and to authorise the Directors to fix their remuneration	Ordinary Resolution 5		
Amendments to Sub-Clause 3 of the Company's Constitution	Special Resolution 1		
Amendments to Clause 6A of the Company's Constitution	Special Resolution 2		

Dated:

Director

Director/Secretary

www.mswg.org.my

MINORITY SHAREHOLDERS WATCH GROUP

**Level 23, Unit 23-2
Menara AIA Sentral
No.30, Jalan Sultan Ismail
50250 Kuala Lumpur**

Tel: (603) 2732 0010