

ANNUAL  
REPORT

2018



## FACTS AT A GLANCE



**284**  
Companies Monitored



**306**  
Shareholder Meetings  
Covered in 2018



**866**  
PLCs Assessed Using the  
ASEAN CG Scorecard in 2018



**53**  
Institutional &  
Corporate Subscribers



**1,192**  
Retail Subscribers

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## ABOUT US



### MINORITY SHAREHOLDERS WATCH GROUP (MSWG)

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 predominantly by the Capital Market Development Fund (CMDf). It is an important channel of market discipline, encouraging good governance with the objective of creating sustainable value.

Since 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.

#### “ VISION

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

#### “ MISSION

To increase sustainable shareholder value creation in companies through engagement with relevant stakeholders, with focus on minority shareholder interests”



## 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).
- » 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

- » **Tan Sri Dato' Seri Dr Sulaiman Mahbob**  
Chairman
- » **Devanesan Evanson**  
Chief Executive Officer & Executive Director
- » **Dato' Larry Gan**  
Director
- » **Dato' Wan Kamaruzaman Wan Ahmad**  
Director
- » **Mr Philip Koh Tong Ngee**  
Director
- » **Encik Nor Hizam Hashim**  
Director
- » **Datuk Gazali bin Haji Harun**  
Director
- » **Puan Sharifatu Laila Syed Ali**  
(appointed with effect from 17 April 2018)  
Director
- » **Tan Sri Dato' Seri Lodin Wok Kamaruddin**  
(resigned with effect from 15 September 2018)  
Director
- » **Datuk Zakaria Sharif**  
(resigned with effect from 15 September 2018)  
Alternate Director to Tan Sri Dato' Seri Lodin Wok Kamaruddin

### COMPANY SECRETARY

**Mr Chew Phye Keat** (BC/C/282)  
Messrs Raja, Darryl & Loh  
Level 26, Menara Hong Leong  
No. 6, Jalan Damanlela  
Bukit Damansara  
50490 Kuala Lumpur

### REGISTERED OFFICE

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

### AUDITORS

**PricewaterhouseCoopers Malaysia**  
Level 10, 1 Sentral  
Jalan Travers  
Kuala Lumpur Sentral  
P O Box 10192  
50706 Kuala Lumpur  
» Tel: (603) 2173 1188  
» Fax: (603) 2173 1288

### BANKERS

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

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

### CONTACT PERSON

**Devanesan Evanson**  
Chief Executive Officer  
[devanesan@mswg.org.my](mailto:devanesan@mswg.org.my)

## PROFILE OF DIRECTORS



### TAN SRI DATO' SERI DR SULAIMAN MAHBOB Chairman

- » Malaysian, Age 71

#### Date of Appointment

- » 16 April 2012
- » 11 April 2013 (appointed as Chairman of the Board)

#### Academic / Professional Qualification(s)

- » Degree (Hons) in Economics, University of Malaya
- » Master of Science, University of London
- » PhD, Syracuse University, USA

#### Present Directorship(s)

##### *Directorship in PLC(s):*

- » Nil

##### *Other Public Companies/Institutions:*

- » Board of Trustees, Malaysian Institute of Economic Research
- » Board of Directors, Bank Negara Malaysia
- » Board of Directors, Institute of Strategic and International Studies (ISIS)

#### Present Appointment(s)

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



### DEVANESAN EVANSON

#### Chief Executive Officer & Executive Director

- » Malaysian, Age 64

#### Date of Appointment

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

#### Academic / Professional Qualification(s)

- » FCCA (UK)
- » LLB (Hons) University of London
- » CA (M) – Chartered Accountant (Malaysia)
- » FIIAM – Fellow Institute of Internal Auditors Malaysia
- » Capital Market Services Representative's License

#### Present Directorship(s)

##### *Directorship in PLC(s):*

- » Nil

#### Present Appointment(s)

- » Nil

## DATO' LARRY GAN

Director

- » Malaysian, Age 65

Date of Appointment

- » 20 July 2005

Academic / Professional Qualification(s)

- » Certified Management Consultant
- » Chartered Accountant

Present Directorship(s)

*Directorship in PLC(s):*

- » Chairman, Claudaron Group Berhad
- » Chairman, Rev Asia Berhad

Present Appointment(s)

*Other Public Companies/Institutions:*

- » Director, Graphene Nanochem Ltd (UK)
- » Director, British Malaysian Chamber of Commerce
- » Trustee, JC Jacobsen Foundation
- » Chairman, Fatfish Internet Group Ltd (Australia)
- » Chairman, Fatfish Global Ventures
- » Director, 8 Common Ltd (Australia)
- » Director, Flexiroam Ltd (Australia)
- » Director, Saujana Resort (M) Berhad



## DATO' WAN KAMARUZAMAN WAN AHMAD

Director

- » Malaysian, Age 60

Date of Appointment

- » 1 September 2016

Academic / Professional Qualification(s)

- » Bachelor of Economics, University of Malaya

Present Directorship(s)

*Directorship in PLC(s):*

- » Nil

Present Appointment(s)

- » Nil







## MR. PHILIP KOH TONG NGEE

### Director

- » Malaysian, Age 64

### Date of Appointment

- » 2 June 2005

### Academic / Professional Qualification(s)

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

### Present Directorship(s)

#### *Directorship in PLC(s):*

- » Nil

### Present Appointment(s)

- » Advocate & Solicitor, High Court of Malaya
- » Member of Panel of Arbitrators of Kuala Lumpur Regional Centre for Arbitration
- » Senior Partner, Mah-Kamariyah & Philip Koh
- » Member, Private Sector Advisory Group, International Finance Corporation/World Bank



## ENCIK NOR HIZAM HASHIM

### Director

- » Malaysian, Age 71

### Date of Appointment

- » 2 December 2009

### Academic / Professional Qualification(s)

- » Bachelor of Jurisprudence (BoJ) (External) with Honours, University of Malaya
- » Bachelor of Commerce, University of Western Australia (majoring in Finance Accounting and Economics)
- » Chartered Accountant

### Present Directorship(s)

#### *Directorship in PLC(s):*

- » Independent Non-Executive Director, Malayan Banking Berhad (Maybank)
- » Non-Executive Director, MCB Bank Limited (Pakistan)

#### *Other Public Companies/Institutions:*

- » Independent Non-Executive Director, Maybank Islamic Berhad

### Present Appointment(s)

- » Nil

## DATUK GAZALI BIN HAJI HARUN

Director

» Malaysian, Age 61

### Date of Appointment

» 26 October 2016

### Academic / Professional Qualification(s)

- » MBA, Governors State University, Illinois, USA (1984)
- » Bachelor of Science, Northern Illinois University, USA (1982)
- » Diploma in Accountancy, University Teknologi MARA, Malaysia
- » Chartered Accountant
- » Member, Malaysian Institute of Accountants

### Present Directorship(s)

*Directorship in PLC(s):*

» Nil

### Present Appointment(s)

» Nil



## PUAN SHARIFATU LAILA SYED ALI

Director

» Malaysian, Age 57

### Date of Appointment

» 17 April 2018

### Academic / Professional Qualification(s)

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

### Present Directorship(s)

*Directorship in PLC(s):*

» Independent Non-Executive Director, RHB Bank Berhad

### *Other Public Companies/Institutions:*

- » Independent Non-Executive Director, RHB Investment Bank Berhad
- » Independent Non-Executive Director, RHB Islamic International Asset Management Berhad

### Present Appointment(s)

» Nil





## MANAGEMENT TEAM



**MR DEVANESAN EVANSON**  
 CHIEF EXECUTIVE OFFICER  
 » LLB (Hons) University of London  
 » CA (M), FCCA (UK)  
*devanesan@mswg.org.my*



**SIVA YAMINI**  
 HEAD  
 Corporate Services  
 » MSc Corporate Governance & Grad ICSA, London South Bank University  
 » Bachelor Accounting, Universiti Putra Malaysia  
 » CA (M)  
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*yamini@mswg.org.my*



**QUAH BAN AIK**  
 HEAD  
 Corporate Monitoring & Investor Complaints  
 » MBA (Finance), Universiti Putra Malaysia  
 » LLB (London), UK  
 » Certificate of Legal Practice (CLP)  
*banaik.quah@mswg.org.my*



**LINNERT HOO**  
 HEAD  
 Research & Development  
 » BAcc (Hons), University of Malaya  
 » CA (M)  
 » Associate Member of the Chartered Tax Institute of Malaysia (CTIM)  
 » CFP qualification holder  
*linnert.hoo@mswg.org.my*



**NORHISAM SIDEK**  
MANAGER

Corporate Monitoring  
» B. Accounting (Hons.),  
UITM  
» CA (M)  
» Holder of Capital Market  
Services Representative's  
License

*[norhisam@mswg.org.my](mailto:norhisam@mswg.org.my)*



**LEE CHEE MENG**  
MANAGER

Corporate Monitoring  
» CA (M)

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**ELAINE CHOO**  
MANAGER

Corporate Monitoring  
» Bachelor of Commerce  
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Universiti Tunku Abdul  
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**LIM CIAN YAI**  
SENIOR ANALYST  
Corporate Monitoring

» BA (Hons) Mass  
Communication,  
Liverpool John Moores  
University  
» Advanced Diploma in  
Journalism, Tunku Abdul  
Rahman University  
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**NOR KHALIDAH  
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» BBA (Marketing) (Hons),  
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**EMILY LIM**  
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**PADMA DEVI  
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MANAGER  
Information Technology  
Division  
» Master of Education  
(Internet Computing),  
Sultan Idris Education  
University (UPSI)  
» B.Sc. Computing (Hons),  
Staffordshire University  
*padmadevi@mswg.org.my*

## ASSOCIATES



**CHONG CHEE FERN**  
» B. Econs. (Accounting),  
University of Malaya  
» CA (M)  
» CFP qualification holder



**NORAIDA MARIA  
MOHD HATTA**  
» BA (Hons) Accounting  
& Finance, University of  
Strathclyde, Scotland  
» FCA (ICAEW)



**LIM SIEW PIN**  
» MBA (International  
Business), University of  
East London, UK  
» BSocSc, University of  
Waikato, New Zealand

## CHAIRMAN'S STATEMENT



On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of the Minority Shareholders Watch Group (MSWG) for the financial year ended 31 December 2018.

## HIGHLIGHTS OF ACTIVITIES

The year 2018 saw challenges and volatilities in the local and global economic environment. Malaysia's gross domestic product (GDP) grew at 4.7% in 2018, lower than the 5.9% growth in 2017. The capital market nevertheless stayed resilient with a moderate level of fundraising activities by remaining above RM3 trillion as at end-2018. Meanwhile, the benchmark FBMKLCI fell 5.9% to 1,690.58 points while equity market capitalisation declined by 10.8% to RM1.7 trillion as at 31 December 2018.

Continuing from our work in 2017, our primary focus was centred on monitoring activities, corporate governance scorecard assessments and advocacy programmes. Our analysts and corporate representatives attended over 300 general meetings in 2018, highlighting issues on financial performance and corporate governance, as well as matters which were detrimental to the interest of the minority shareholders. We allotted more focus during the year under review to corporate governance reporting of public listed companies (PLCs) as many were unfamiliar or unclear with the expectations of the new Malaysian Code on Corporate Governance under the Comprehend, Apply and Report (CARE) approach.

In 2018, we conducted advocacy programmes on the CG Assessment using the revised ASEAN CG Scorecard Methodology for Top 100 PLCs with the support of Bursa Malaysia. As the programmes received strong support from the corporates, MSWG will continue to conduct these sessions as one of our ways to promote better corporate governance practices in the Malaysian capital market.

MSWG continued to play an active role as a Board member of the Institutional Investors Council Malaysia (IIC) as well as providing secretariat services to IIC. In addition, we contributed towards driving institutional stewardship and participated in company engagements as well as dialogues with regulators under the IIC platform. Institutional investors play a critical role in promoting corporate governance and in this regard, the IIC has taken the lead to engage with board of PLCs as well as highlighting issues of concerns in the media.

The highlight for the year was the 2nd ASEAN Corporate Governance Awards Ceremony hosted by MSWG on 21 November 2018 at the Kuala Lumpur Convention Centre. We were deeply honoured to be given the trust and honour to host this prestigious regional event which was attended by more than 650 guests comprising recipients of the awards from top ASEAN listed companies, ASEAN capital market regulators and ASEAN CG Experts as well as representatives of the Malaysian companies, professional bodies and media. YB Dato' Haji Amiruddin bin Haji Hamzah, the Deputy Finance Minister, delivered the Keynote Address on behalf of the Finance Minister, YB Tuan Lim Guan Eng, and presented the recognition awards to the Top 50 ASEAN PLCs and outstanding PLCs from each participating country in terms of corporate governance practices based on assessment using the ASEAN Corporate Governance Scorecard in 2017.

## CONTINUING OUR MOMENTUM

We have crafted our 3-Year Strategic Business Plan for 2019-2021 and moving forward, we are committed to executing our business plans in a timely and effective manner to ensure that MSWG continues to meet the expectations of its key stakeholders.

## ACKNOWLEDGEMENTS

On behalf of the Board of Directors and Management team, I would like to extend my sincere gratitude and humble appreciation to our institutional, corporate and retail subscribers, partners and media for their continued support.

My gratitude goes to my fellow Board members for their counsel and insights in steering MSWG. I wish to express my sincerest appreciation to YBhg Tan Sri Dato' Seri Lodin Wok Kamaruddin, our former Director, and YBhg Datuk Zakaria Sharif (alternate director to YBhg Tan Sri Dato' Seri Lodin Wok Kamaruddin) who had served us well during their tenure. Special thanks also goes to the employees and Associates of MSWG for their dedication and commitment to realise our objectives.

Last but not least, we also extend our thanks to the Capital Market Development Fund, Securities Commission and Bursa Malaysia for the guidance and support throughout the year.



Tan Sri Dato' Seri Dr Sulaiman Mahbob  
Chairman

## CORPORATE GOVERNANCE STATEMENT

The Board recognises the importance of corporate governance and is committed to uphold high standards of corporate governance throughout the Company. The Board remains firm in its stand on uncompromised integrity and professionalism in pursuing the Company's main objectives of promoting shareholder activism and influencing good corporate governance practices amongst the PLCs.

The Board of Directors is guided by the following:

### Code of Conduct & Ethics

- (1) The Directors acknowledge and accept the scope and extent of their duties as Directors. The Board has a responsibility to carry out an oversight function in the interests of MSWG within the scope of its authority and consistent with its fiduciary duties.
- (2) The Board is expected to adhere to the standards of loyalty, good faith, and to 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 other interests other than that of MSWG;
  - » maintain high ethical and moral character, both professionally and personally, and act in a manner to enhance and maintain the reputation of MSWG;
  - » disclose any potential conflicts of interest, including those that they may have regarding any matters that may come before the Board, and abstain from discussion and voting on any matters in which they have or may have a conflict of interest;
  - » make available to and share with fellow Directors information as may be appropriate to ensure proper conduct and sound operation of MSWG and its Board of Directors;
  - » respect the confidentiality of information relating to the affairs of the Company acquired in the course of service as Directors, except when authorised or legally required to disclose such information; and
  - » not use confidential information acquired in the course of their service as Directors for their personal advantage.

### 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 Articles of Association.
- (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) license.
- (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 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 seven (7) 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 Board meetings via telephone conferencing and shall be deemed present at the said meeting.

The Board met four (4) times during the financial year ended 31 December 2018. Details of the directors' attendance are as follows:

DIRECTORS	ATTENDANCE	%
Tan Sri Dato' Seri Dr Sulaiman Mahbob	4/4	100
Devanesan Evanson	4/4	100
Tan Sri Dato' Seri Lodin Wok Kamaruddin (Alternate Director Datuk Zakaria Sharif) (resigned with effect from 15 September 2018)	3/3	100
Dato' Larry Gan	2/4	50
Dato' Wan Kamaruzaman Wan Ahmad	2/4	50
Mr Philip Koh Tong Ngee	2/4	50
Encik Nor Hizam Hashim	4/4	100
Datuk Gazali bin Haji Harun	4/4	100
Puan Sharifatu Laila Syed Ali (appointed with effect from 17 April 2018)	2/3	66.7

The Board is satisfied with the level of commitment given by each Director towards fulfilling their roles and responsibilities as evidenced by satisfactory attendance record at each Board meeting.

## MSWG WHISTLEBLOWER POLICY

MSWG has adopted a WhistleBlower Policy and is committed to transparency, integrity and accountability in the conduct of its business and affairs.

### Objective of the Policy

This policy is to provide an avenue for all MSWG employees and members of the public to disclose any improper conduct and to provide protection for employees who report such allegations.

### Scope of the Policy

This policy is designed to facilitate employees and members of the public to disclose any improper conduct (misconduct or criminal offence) through an internal channel. Such misconduct or criminal offences include the following:

- i. Fraud
- ii. Bribery
- iii. Abuse of Power
- iv. Conflict of Interest
- v. Theft or embezzlement
- vi. Misuse of Company's Property
- vii. Non-Compliance with Procedure

The above list is not exhaustive and includes any act or omissions, which if proven, will constitute an act of misconduct under MSWG's Code of Conduct or any criminal offence under the law.

### Applicability of the Policy

This policy applies to all MSWG employees and to members of the public, where relevant.

### Procedure in Making a Disclosure

All disclosures related to MSWG staff are to be channelled to the CEO. All disclosure in relation to the CEO are to be channelled to the Chairman.

### Protection to Whistleblower

A whistleblower will be accorded with protection of confidentiality of identity, to the extent reasonably practicable. In addition, an employee who whistleblows 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 an investigation later reveals that the whistleblower is mistaken with regard to the facts, rules and procedures involved.

### Anonymous Whistleblower

Any employee or member of the public who wishes to report improper conduct should disclose his identity to the Company so that the Company may accord the necessary protection to the whistleblower and to facilitate further investigations.

Anonymous disclosures are not prohibited. However, the Company reserves its right to initiate investigation into any anonymous disclosure.

### Notification

Upon completion of the whistleblowing process and procedures, the whistleblower will be accorded the privilege to be notified on the outcome of the disclosure.

The WhistleBlower Policy is available on the Company's website at [www.mswg.org.my](http://www.mswg.org.my).

## NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee (NRC) was established to enhance the efficiency and transparency of MSWG's governance process, and to assist the Board in matters regarding nomination, appointment, remuneration and compensation of Directors as well as Key Management personnel, among others.

### Composition

Members of the NRC comprises the following:

- » Tan Sri Dato' Seri Dr Sulaiman Mahbob – Chairman
- » Dato' Larry Gan – Member
- » Encik Nor Hizam Hashim – Member

### Terms of Reference

The NRC (Nomination and Remuneration Committee) is governed under the following Terms of Reference:

#### Nomination Activities

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

#### Remuneration Activities

To review and recommend the following:

1. The remuneration of directors for approval at the Annual General Meeting of the Company.
2. Performance management framework/model including the setting of the appropriate performance target parameters and benchmark for the CEO at the start of each financial year.
3. Terms of employment of the CEO (including remuneration and benefits).

4. Policy on remuneration package for employees of the Company.
5. Appropriate incentive compensation plan for key management personnel.
6. Annual bonus payment for the CEO and employees of the Company.

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

## NRC Meetings

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

The NRC met three (3) times during the financial year ended 31 December 2018. Details of attendance are as follows:

DIRECTORS	ATTENDANCE
Tan Sri Dato' Seri Dr Sulaiman Mahbob	3/3
Dato' Larry Gan	2/3
Encik Nor Hizam Hashim	3/3

During the year under review, the NRC carried out its duties in accordance with its Terms of Reference, which included the following:

- » Reviewed and assessed the effectiveness of the Board as a whole;
- » Reviewed and assessed the mix of skills, experience and competencies of each individual Director;
- » Reviewed and recommended to the Board, the re-appointment of the Directors who would be retiring at the forthcoming AGM of the Company; and
- » Considered and recommended for the Board's approval the annual bonus payments for the CEO and employees of the Company.

## DIVIDEND

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



## MANAGEMENT DISCUSSION & ANALYSIS

Amidst a year of global and domestic economic challenges, we remained resilient and continued to play our role as the voice of minority shareholders through shareholder activism. We took listed companies to task for issues on poor financial performance and corporate governance. During the year under review, we also took stock of our progress and achievements thus far as well as strategised for our next phase of growth for the next three (3) years under our 3-Year Strategic Business Plan (2019-2021).

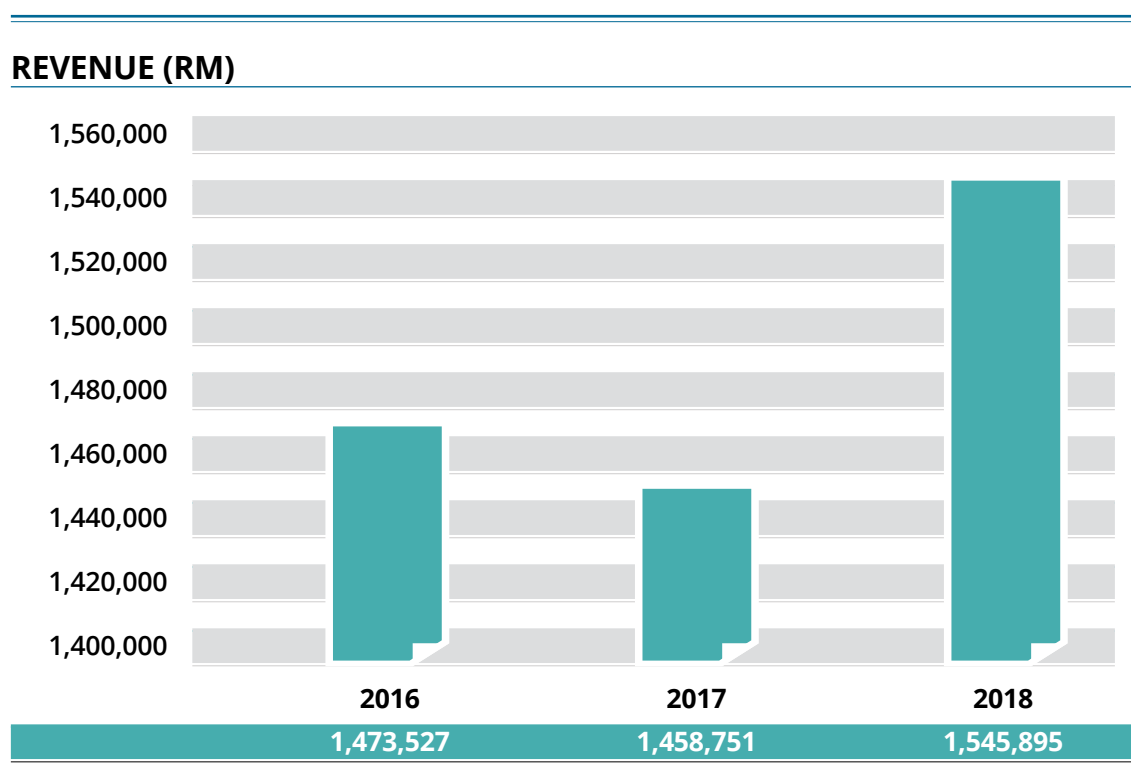
### FINANCIAL PERFORMANCE REVIEW

For the financial year ended 31 December 2018, our total revenue increased by 6% to RM1.55 million from RM1.46 million in 2017. Revenue from forums and events remained the main contributor to the Company at RM0.97 million in 2018. Subscriber services generated a revenue of RM0.42 million in 2018 while other revenues mainly comprised interest income. For 2018, the total expenditure incurred was RM5.34 million. There was a deficit of RM3,599,044 for the year 2018. This was due to the fact that there was no funding from the CMDF (Capital Market Development Fund) for 2018 – we had sufficient internal financial resources and used these internal financial resources to fund MSWG's activities.



**MR DEVANESAN EVANSON**  
CHIEF EXECUTIVE OFFICER

The breakdown of revenue generated by MSWG for 2018 and comparative figures for 2017 and 2016 are illustrated in the chart below:



## ACTIVITIES REVIEW

### CORPORATE MONITORING

MSWG continued to be influential in holding companies to account for their performance and governance. In 2018, our Corporate Monitoring department covered 284 companies in our monitoring portfolio, representing 31% of total number of companies listed on Bursa Malaysia and 90% of total market capitalisation of Bursa Malaysia as at 31 December 2018.

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#### **MSWG'S MONITORING PORTFOLIO SELECTION CRITERIA:**

- » FBM KLCI companies
  - » Malaysia-ASEAN Corporate Governance Top 100 companies
  - » Companies that Subscribers wanted monitoring under our Subscribers' List
  - » Companies that warranted monitoring based on complaints received from shareholders
- 

All-in-all, our analysts and corporate representatives covered 306 general meetings, of which 58 were extraordinary general meetings, and 3 were Court Convened Meetings.

Issues highlighted were mainly focused on company's financial performance, strategies and outlook, audit opinion and corporate governance matters such as excessive directors' remuneration. Disclosures on corporate governance practices were of much interest considering the requirements of the new Malaysian Code on Corporate Governance (MCCG) released in 2017. Corporate proposals tabled to shareholders for approval were also assessed in detail, especially if there were aspects that could be detrimental to minority shareholders. MSWG was also quoted in the media throughout the year, notably during the AGM season, thus lifting our profile and showcased MSWG's role in shareholder activism.

In 2018, our monitoring unit handled 63 complaints cases from minority shareholders with retail investors making a bulk of them. There is a robust complaints management process to ensure that each complaint is looked into and appropriate action taken in an expeditious manner. Issues that were deemed not within our purview would be escalated to other relevant regulatory bodies such as the Securities Commission, Companies Commission of Malaysia and/or Bursa Malaysia. During the year, these complaints centred on the following issues:

- » Breach of Main Market Listing Requirements relating to requirements for immediate disclosures
- » Hostile and unfriendly take-over
- » Low take-over price by offeror (well below the net tangible assets)
- » Related party acquisitions at unfavourable terms which was not in the best interest of shareholders
- » Excessive directors' remuneration
- » Concerns on disposal of company's assets

### Pre and Post AGM/EGM Reports

The pre-Annual General Meeting (AGM) Report provides a succinct snapshot of the companies' Annual Report, covering particulars of the directors and their membership in various Committees, ownership structure, company's corporate governance practices as well as key highlights of the financial performance for the year. Most importantly, the pre-AGM Report publishes our voting decisions for all the resolutions to be tabled at the AGM. This report is an important reference document for our corporate representatives at the AGMs. For 2018, 245 pre-AGM reports were prepared by our analysts. These Reports were also made accessible to our institutional and corporate subscribers.

During the year, letters were sent to companies to seek clarification on issues raised at the AGMs and EGMs. All companies had responded to the queries and shared their responses with other shareholders

either via formal presentations or by uploading their responses on their respective websites. In addition to the questions raised in the letter, our corporate representatives would also raise additional points – if necessary – during the AGMs that they attended.

On the other hand, the Post-AGM/EGM Reports provided an independent overview on the proceedings of the general meetings, including the questions raised, responses by the board of directors and voting results. These reports were also made available to MSWG's institutional and corporate subscribers. During the year, 245 Post-AGM reports and 58 Post-EGM Reports were produced, respectively.

In addition to the above, our corporate representatives also assessed the conduct of AGMs using our customised checklist. This assessment, among others, covered the administrative details, AGM proceedings, directors' attendance, voting procedures and participation of the shareholders at the AGM. It also includes quality of presentation by the management and outcome of the question and answer session.

## AGM/EGM Weekly Watch

Highlights of key points to be raised at general meetings are captured in the MSWG AGM/EGM Weekly Watch. An abridged version of the AGM/EGM Weekly Watch is published in the *New Straits Times* and *Nanyang Siang Pau* (Mandarin version) newspapers as well as in the well-circulated business weekly, *Focus Malaysia*. The Weekly Watch aims to alert shareholders well in advance of issues of concern to enable them to be better prepared for the AGMs/EGMs in addition to prompting them to raise follow-up questions at the meetings. The full version of the Weekly Watch list is uploaded on the MSWG website at the end of every working week and is accessible to the public.

## E-Newsletter

Our weekly e-newsletter, *The Observer*, which is now into its seventh year has been providing readers with important corporate happenings on the local and international front on a weekly basis.

The CEO Message contains succinct views on main corporate headlines during the week for readers to ponder upon or alerting shareholders on important issues. The issues touched upon are not just confined to the companies under our monitoring list but also other PLCs in general. Issues to be raised at upcoming general meetings are also highlighted, alerting shareholders to look into these issues before the voting process takes place.

Moreover, *The Observer* also includes news briefs on market, economic, regulatory and governance updates. *The Observer* has now been widely recognised as an important source of information and research on CG issues, and is often picked up by the business media as a source of credible information. It has eventually become an effective tool to raise MSWG's profile, particularly in communicating its stand on corporate and governance matters. The MSWG mouthpiece is currently distributed to over 2,000 recipients, including subscribers, fund managers, institutional investors, brokerage firms, universities, boards of PLCs, regulators and the media.

## Company Engagements

Company engagements are an important extension of our monitoring activities as these sessions provided us with an avenue to meet face-to-face with the board and senior management of companies to highlight performance and governance issues as well as share our insights into significant corporate governance developments, including Environmental, Social and Governance (ESG) matters. Led by the CEO and senior management team, including the sector analyst, we held ten (10) engagement sessions in 2018 with AMMB Holdings Berhad, DRB-Hicom Berhad, Kossan Rubber Industries Berhad, LPI Capital Berhad, Panasonic Manufacturing Malaysia Berhad, Petronas Group, Perak Corporation Berhad, RHB Bank Berhad, Top Glove Corporation Berhad and Utusan Melayu (Malaysia) Berhad.

MSWG also participated in company engagements under the Institutional Investors Council Malaysia (IIC) platform. Being a member of the IIC, we participated in three (3) company engagements in 2018 organised by IIC, namely with FGV Holdings Berhad, Sapura Energy Berhad and Top Glove Corporation

Berhad. Issues raised under the IIC platform were often issues of common concerns among institutional investors, covering financial performance, governance and sustainability issues. Additionally, MSWG also raised issues affecting minority shareholders during these engagements.

## INVESTOR EDUCATION PROGRAMMES & FORUMS

MSWG remains committed toward enhancing investor education among retail investors through investor education programmes. However, we had been commissioned by Bursa Malaysia to conduct a number of advocacy sessions for the boards and management of the Top 100 PLCs on the revised ASEAN CG Scorecard throughout 2018. Investor education programmes would be one of the key areas moving forward to enhance financial literacy, corporate governance and understanding of annual reports among retail investors.

Investor forums are also organised by MSWG, normally on request basis by small groups of minority shareholders to encourage shareholder activism. Such forum provides a platform for aggrieved shareholders to share their concerns as a group and to bring up their issues collectively to the companies concerned. This gives them a greater voice, and ability to approach various issues in a more structured manner before making their respective decisions on the issues at hand.

## Speaking Engagements

Speaking engagements are one of our sources of revenue-generating activities. Able to draw attendees, our senior representatives are often invited to conduct trainings and talks based on their expertise. Our CEO is one of the trainers for the Capital Market Director Programme (CMDP), which is an exclusive platform for directors of licensed intermediaries to be equipped with the relevant knowledge, skills and abilities to meet the expected competencies required of a board. In 2018, we had participated as speakers/trainers at 33 conferences and events, covering topics closely related to shareholder activism, directors' responsibilities and corporate governance best practices.

Some of the speaking engagement events which we had participated in 2018 are disclosed in the Speaking Engagements section on page 38-39 of this Annual Report.

## SUBSCRIBER SERVICES

MSWG offers Subscriber Services under the following categories:

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

A strategic challenge for us is to grow our institutional and corporate subscribers base which had declined over the years. In 2018, we had one institutional subscriber, namely Bursa Malaysia Berhad and 52 corporate subscribers. One of the initiatives undertaken is to review and improve the value proposition to attract new subscribers moving forward.

We also continued to grow our retail subscribers which rose 14.2% in 2018 to 1,192 from 1,044 subscribers in 2017. Retail subscription is on a complimentary basis as our focus is to reach out and create awareness among retail investors on issues affecting minority shareholders and capital market issues in general. Retail subscribers have access to our weekly e-newsletter as well as opportunity to participate in forums or training programmes conducted for retail investors.



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**CORPORATE SUBSCRIBERS**


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Aeon Credit Services (M) Berhad	Kossan Rubber Industries Berhad
Affin Holdings Berhad	KPJ Healthcare Berhad
Alliance Bank Malaysia Berhad	KUB Malaysia Berhad
AMMB Holdings Berhad	LPI Capital Berhad
Astro Malaysia Holdings Berhad	Malayan Banking Berhad
Axiata Group Berhad	Malaysian Building Society Berhad
Bintulu Port Holdings Berhad	Malaysian Resources Corporation Berhad
Boustead Heavy Industries Corporation Berhad	Master-Pack Group Berhad
Boustead Holdings Berhad	Media Prima Berhad
British American Tobacco (M) Berhad	MISC Berhad
Bursa Malaysia Berhad	OSK Holding Berhad
Cahaya Mata Sarawak Berhad	Paramount Corporation Berhad
CCM Duopharma Biotech Berhad	Parkson Holdings Berhad
Chemical Company of Malaysia Berhad	Petronas Chemicals Group Berhad
Concrete Engineering Products Berhad	Petronas Dagangan Berhad
Dayang Enterprise Holdings Berhad	Public Bank Berhad
DRB-Hicom Berhad	QL Resources Berhad
Eastern & Oriental Berhad	RHB Bank Berhad
Eco World International Berhad	Sime Darby Berhad
FGV Holdings Berhad	Sime Darby Property Berhad
Gas Malaysia Berhad	Telekom Malaysia Berhad
Genting Berhad	UEM Edgenta Berhad
Hong Leong Bank Berhad	UMW Holdings Berhad
IOI Corporation Berhad	Utusan Melayu (Malaysia) Berhad
Jaya Tiasa Holdings Berhad	Yinson Holdings Berhad
KKB Engineering Berhad	YTL Corporation Berhad

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## 2<sup>nd</sup> ASEAN CORPORATE GOVERNANCE AWARDS

The MSWG organised and hosted the 2nd ASEAN Corporate Governance Awards which was held at the Kuala Lumpur Convention Centre on 21 November 2018. YB Dato' Haji Amiruddin bin Haji Hamzah, Deputy Finance Minister, delivered the Keynote Address on behalf of YB Tuan Lim Guan Eng, Finance Minister of Malaysia. YB Dato' Haji Amiruddin also presented recognition awards to the ASEAN PLCs that had achieved excellence in corporate governance best practices based on the ASEAN CG Scorecard assessment.

The highlight of the event was announcement of the Top 50 ASEAN PLCs and outstanding PLCs from each participating country in terms of corporate governance practices based on assessment using the ASEAN Corporate Governance Scorecard in 2017.

To add credence to the assessment, independent validation had also been conducted on the top ASEAN PLCs listed in the Top 50 in relation to the disclosures and practices of these PLCs. The categories of awards are as follows: Top 50 ASEAN PLCs, Top 5 ASEAN PLCs, Top 3 PLCs for each ASEAN Country and 2 Most Improved PLCs in each ASEAN country in terms of their CG practices.

The Top 50 ASEAN PLCs comprised 14 PLCs from Malaysia, Thailand (11), the Philippines (9), Singapore (12) and Indonesia (4). We are also proud to have one of our Malaysian companies, Bursa Malaysia Berhad, to be named as one of the Top 5 ASEAN PLCs. Overall, this year's result was an excellent achievement by our PLCs, whereby 14 Malaysian PLCs were named in the Top 50 ASEAN list compared to 6 PLCs in 2015.

This achievement is also consistent with our observations and findings based on the rising CG Scores in our annual domestic assessment using the ASEAN CG Scorecard. We would like to believe that the success attained at the ASEAN level was a combination of the respective companies' board and management's commitment to adopt and instill good CG practices within their business organisations. This is in tandem with MSWG's hard work over the years through our advocacy programmes and sharing with PLCs the ASEAN CG Scorecard assessment methodology, often pushing our top companies to improve themselves year after year.



## ASEAN CORPORATE GOVERNANCE SCORECARD 2018

2018 marks the seventh year of our implementation of the ASEAN CG Scorecard methodology. During the year, we had assessed 866 PLCs using the revised ASEAN CG Scorecard. The report on the findings of the 2018 assessment will be released in the third quarter of 2019.

## INSTITUTIONAL INVESTORS COUNCIL MALAYSIA

MSWG is a member of the Institutional Investors Council Malaysia (IIC) and provides Secretariat services to the IIC. In its capacity as the Secretary to the IIC, MSWG plays a leading role to drive activities aimed at enhancing investor stewardship, particularly to encourage more asset owners and asset managers to become signatories to the Malaysian Code for Institutional Investors (MCII). There were three new signatories to the MCII in 2018, which brought the total to 20 signatories as at end of 2018.

The IIC had organised various activities in 2018, in which MSWG was also an active participant. These included engagements with board and senior management of PLCs, engagements with regulators and participation at conferences. Moving forward, it is envisaged that we will continue to play an active role in IIC as our participation complements our role in shareholder activism while being able to benefit from activities under the IIC platform.

Signatories to the MCII as at 31 December 2018:

1. Hermes Fund Managers
2. Hermes Equity Ownership Services
3. Aberdeen Standard Investments (Malaysia) Sdn Bhd
4. Legal & General Investment Management
5. BNP Paribas Asset Management Malaysia Sdn Bhd
6. BNP Paribas Asset Management Najmah Malaysia Sdn Bhd
7. Kumpulan Wang Persaraan (Diperbadankan)
8. ValueCap Sdn Bhd
9. Khazanah Nasional Berhad
10. Employees Provident Fund
11. ALLMAN Asset Management Sdn Bhd
12. Affin Hwang Asset Management Berhad
13. Nomura Asset Management Malaysia Sdn Bhd
14. Nomura Islamic Asset Management Sdn Bhd
15. Pertubuhan Keselamatan Sosial
16. Kenanga Investors Berhad
17. Kenanga Islamic Investors Berhad
18. CIMB-Principal Asset Management Berhad
19. CIMB-Principal Islamic Asset Management Berhad
20. VCAP Asset Managers Sdn Bhd

## OTHER ADVOCACY ACTIVITIES

Our other advocacy activities include providing feedback and comments on Consultation Papers issued by regulators as follows:

- » **Proposed Review of the Main Market Listing Requirements, and Rules and Directives of Bursa Malaysia Securities Berhad in relation to Exchange Traded Funds**  
(*Consultation Paper No. 2/2018 – Bursa Malaysia*)

This Consultation Paper seeks to consult the public on Bursa Malaysia's proposed rule amendments to reflect various enhancements to the framework for Exchange-Traded Funds (ETF) aimed at spurring innovation and growth of the ETF industry.

- » **Proposed Review of the Main Market and ACE Market Listing Requirements in relation to Continuing Disclosure Obligations and Other Amendments**  
(*Consultation Paper 3/2018 – Bursa Malaysia*)

This Consultation Paper seeks views and comments from the public on the proposed amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements and ACE Market Listing Requirements in relation to the continuing disclosure obligations of listed issuers.

» **Consultation Relating to Interim Financial Reporting Framework under the Listing Requirements**  
(Consultation Paper 4/2018 – Bursa Malaysia)

This Consultation Paper aims to draw out views, comments and suggestions on whether the current quarterly reporting regime should be maintained for the Malaysian market and in that regard, what would be the appropriate interim reporting framework for Malaysia.

## PUBLICATIONS & RESEARCH

During the year under review, MSWG published the Malaysia-ASEAN CG Report 2017 which disclosed the full findings of the 880 PLCs assessed in year 2017. This report can be downloaded from the MSWG website. This series will continue to be published by us on an annual basis based on the CG assessments conducted using the ASEAN CG Scorecard. The Malaysia-ASEAN CG Report 2018 covering the findings of the 866 PLCs assessed in 2018 will be released in the third quarter of 2019.

We hope to expand our research and analysis capacity, and welcome collaborations with institutes of higher learning on joint research publications. We are looking into updating our MSWG Voting Guidelines (first issued in 2009) given that much has changed in the CG landscape in the last decade, particularly with the issuance of the new MCCG in 2017.

We are also looking into a study on the conduct of AGMs in Malaysia given that we have collated data on AGMs under our monitoring portfolio which could be further analysed.





## COMMUNICATION WITH STAKEHOLDERS

MSWG recognises the importance of being transparent to its stakeholders and the general public. Pertinent information on MSWG can be accessed on our website at [www.mswg.org.my](http://www.mswg.org.my). Our website provides a user-friendly browsing experience with the list of general meetings and highlights of our newsletter prominently displayed on the landing page. Above all else, the portal is also mobile friendly, which makes the content easily accessible for smartphone users.

## HUMAN CAPITAL

### Staff Strength

MSWG believes in creating a workplace that is fair and supportive of its diverse range of employees. We look beyond ethnicity and focuses on relevant capabilities and expertise in our hiring process to ensure that employees can contribute to the success of the Group and at the same time develop their careers accordingly. As at end December 2018, MSWG had a total of 17 employees, of which 70% were in the Management and analysts categories. Gender diversity-wise, 58% of our staff and Associates were women.

We also engage part-time professionals on flexible working arrangements – referred to as MSWG Associates – to provide additional support for corporate monitoring as well as for special projects in CG research, publications and the IIC Secretariat role. This accommodative policy has enabled us to attract professionals of the right calibre to complement our workforce and efficiently manage our overheads.

### Staff Development

We believe that human capital development is very important to ensure that our employees have the right and relevant skill-set and knowledge in ensuring business sustainability and growth. Our analysts are encouraged to obtain the Investment Representative Licence under the Capital Markets and Services Act 2007. Study leave is granted to those undertaking professional examinations and fees reimbursed upon successful completion of the modules as an incentive.

As part of succession planning, a mentoring system is in place where junior analysts are mentored by senior members of the team, thus providing them with the necessary on-the-job training and knowledge sharing among team members.

Employees are also encouraged to participate in professionally conducted training courses, seminars and conferences to widen as well as enhance their work knowledge and competencies. Our Management staff attended the following conferences, seminars and training courses in 2018:

- » MAICSA Annual Conference 2018
- » Companies Act 2016 – Mastering the Impact on Accounting Matters and Preparation of Financial Statement
- » Internal Audit for Board and Audit Committee (MIA)
- » China's Belt and Road Initiative Impact on the Malaysian Capital Market
- » Certified Information Security Awareness Manager (CISAM)
- » Public Speaking Training Session

### Internship Programme

MSWG also offers an internship programme where successful candidates will join MSWG as interns for a period of between one to three months. During this period, the intern will be provided with job exposure and experience through on-the-job training with identified mentors within the various MSWG departments. The intern will undertake job rotations to enhance his/her knowledge in various areas. The MSWG internship programme is open to students of institutions of higher learning and local graduates.

## Staff activities & well-being

Our approaches in fulfilling employees' well-being include promoting a good work-life balance, offering a competitive benefits packages and employing family-friendly policies.



We aim to foster a healthy work-life balance culture and build camaraderie among employees through the activities organised. The MSWG Sports Club promotes healthy work-life balance while offering avenues for relationship building among employees. During the year, MSWG organised a 2-day teambuilding activity at Avillion Port Dickson. The objective was to improve team work, inter-personal communication and foster relationship among staff. The MSWG Sports Club also organised staff get-together such as birthday celebrations to foster closer bonds among employees across all levels and divisions.

## MOVING FORWARD

2019 will be a busy year for us as we head into the first year of our new 3-year strategic roadmap (2019-2021). We will further strengthen our resources to enhance our corporate monitoring capabilities by adding all PN17 companies and foreign incorporated companies listed on Bursa Malaysia into our monitoring portfolio.

The CMDF has approved a funding of RM10.5 million for the period 2019 to 2021 (RM3.5 million per year). This amount is lesser than the RM16.25 million that we had requested for the said three years. This means that we have to re-examine the way we do things, be more innovative, be more cost conscious and able to explore various avenues to generate income. As cliché as the saying may be, we have to really 'think out of the box'. This is a challenge that MSWG is up to. In the interest of context, for the period 2015 to 2017, CMDF funded MSWG to the tune of RM13.6 million for the three years. However, for the duration of 2018, MSWG was self-funded, hence the deficit of RM3,599,044.

We will continue to advocate corporate governance among the companies in line with the expectation of the new MCCG and reach out to more PLCs through our CG advocacy programmes, company engagements and ASEAN CG Scorecard assessments. We are ambitious to see more of our PLCs being recognised as the top companies in ASEAN for high standards of corporate governance.

There will be many challenges ahead as we move into our next phase of growth and as we endeavour to meet the higher expectations of our stakeholders. Nevertheless, we remain confident that we will be able to stay the course to deliver our KPIs and strengthen our presence as the leading institution on corporate governance and shareholder activism in Malaysia.



# CORPORATE GALLERY



1

**1**  
**11 JANUARY 2018**  
 » Engagement with Petronas Group



2

**2-5**  
**12-13 JANUARY 2018**  
 » MSWG Staff Teambuilding @ Avillion Port Dickson



3



4



5



6-7

**13 FEBRUARY 2018**

» MSWG Chinese New Year Luncheon

8

**6 MARCH 2018**

» Engagement with RHB Bank Berhad

9

**31 MAY 2018**

» 12th IIC Meeting







10

10-11

4 JULY 2018

>> MSWG Raya Open House – Retail Subscribers & Investors

12-15

5 JULY 2018

>> MSWG Raya Open House – Corporate Guests



11



12



13



14



15



16

25 JULY 2018

» Courtesy Visit by Chinese Chamber of Commerce & Industry (KL & Selangor)

17

27 JULY 2018

» Engagement with AMMB Holdings Berhad

18

13 AUGUST 2018

» Engagement with Top Glove Corporation Berhad

19

20 AUGUST 2018

» Engagement with DRB-Hicom Berhad



» 16



» 17



» 18



» 19





20

**21 AUGUST 2018**

» Engagement with Panasonic Manufacturing Malaysia Berhad

21

**8 OCTOBER 2018**

» Public Speaking Training Session

22

**17 OCTOBER 2018**

» Engagement with LPI Capital Berhad

23

**26 OCTOBER 2018**

» CG Research Collaboration Meeting with Universiti Utara Malaysia





**21 NOVEMBER 2018**

» 2nd ASEAN Corporate Governance Awards Ceremony 2018









# MSWG IN THE NEWS

6 lead

FocusM | Dec 22, 2018

## The big hurdles in 2019

- **Corporate chiefs** have to contend with challenging economic environment, including regional trade wars and lower crude oil and CPO prices
- **Government** appears keen to break business monopolies, which may pose a challenge to some companies and GLCs



Phua Y

I've just thought about how a topography in 2019 could see increased volatility in the business environment marked by domestic and global challenges.

Next year, many of the individuals faced in this article will be closely watched for their every move in navigating a breath of fresh air into the organisations they lead. Admittedly, it won't be an easy task.

Some of these leaders will have to deal with a challenging economic environment and a trillion-dollar national debt, increasing regional trade wars, declining crude oil prices, low crude oil prices, a weak ringgit and the continuing soft property market.

Some of these companies are also going through challenges due to internal family conflicts and external challenges. Getting things done with company boards will not be an easy task either. In 2019, including in more to be shared with the public, the business environment will be a mix of challenges and opportunities. The business environment will be a mix of challenges and opportunities. The business environment will be a mix of challenges and opportunities.

CEO Holdings Ltd, the world's third largest public company in terms of land area, is still in the red. The company is still looking for a capable CEO to steer it from a major loss, including debt refinancing and management and brand by its previous management. CEO has become a penny stock in a far cry from its IPO price of RM5.5. When CEO was floated on there, it was...

Read up the state of GLC and business has reached to include

Devison says the state of GLC and business has reached to include

According to him, these companies and GLCs need to stay relevant. "If the organisation is already distressed and facing legacy issues, then the new boards will need to undertake restructuring and turnaround plans in order not to be a continuing liability to the government but, as a result, be able to fulfil its role and function effectively and contribute positively to the country's development," he says.

Minority Shareholders Watch Group CEO Devison has been speaking at various forums, including the annual general meeting of the state-linked companies. He also points out that in some instances, talent relocation is necessary to bring change to an entity. For instance, when former MD of Kuantan National Oil Tanker Services Mubakar and his entire board offered to resign on July 24, a new board was formed quickly. Thank Shabir Idris, CEO of the Employees Provident Fund (EPF) was appointed MD. Shabir will have a busy 2019, overseeing various asset realisation exercises, including disposal of state-linked companies.

### Companies to watch

**Telekom Malaysia Bhd**  
Market capitalisation: RM4.73 bil  
Share price: RM4.30

**TELKOM** Malaysia Bhd's share price rose 1.5% to RM4.30 after a short of spectacular few weeks opportunity for the company given its relatively service and growth. Its share price is now trading at a premium to its book value of RM3.50. The share price is now trading at a premium to its book value of RM3.50.

While acknowledging that government-linked investment companies (GLICs) form an important part of the economy, in a number of cases, the GLICs are not state-owned enterprise activities has resulted in distortions in economic activity and lack of competition.

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## Taking shareholder activism to the next level

Shareholder activism is no longer just a niche activity. It has become a mainstream phenomenon. As a result, companies are being forced to pay attention to the needs and expectations of their shareholders.



Devison

We would like to see more minority shareholders voicing out their concerns, asking the hard questions, rather than just selling the shares and giving up.

Devison says that while shareholder activism is a good thing, it should be done in a constructive manner. He says that companies should be open to dialogue and listening to the concerns of their shareholders.

Shareholder activism is no longer just a niche activity. It has become a mainstream phenomenon. As a result, companies are being forced to pay attention to the needs and expectations of their shareholders.

Devison says that while shareholder activism is a good thing, it should be done in a constructive manner. He says that companies should be open to dialogue and listening to the concerns of their shareholders.

## 'We have no regulatory function. It's solely persuasion.'

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## Reforms will spur the market

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## AirAsia shareholders back airline, Fernandes

Investors meet after EGM yielded understanding for pro-CEO's actions, pledged continued support



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## MSWG: 理解东尼处境 企业需与政治切割

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MSWG: Capital gains tax will dampen Bursa performance

KUALA LUMPUR: The Ministry of Finance's Working Group (WG) on the capital gains tax (CGT) will not be introduced in the near term as it will further dampen the performance of Bursa Malaysia, said chief executive officer Devanason Ramon.



Market dampener: Devanason says if the CGT is introduced now, it would affect the market which is on a bearish mode.

These views, it allows the market to be more liquid" he added. It was reported that since CEO, including Roshan National Grid, the former Bursa Malaysia, chief executive officer in the account.

Country Heights: EGM first, nod later

> Group says consultants appointed will engage with authorities if approval is needed for cryptocurrency issue

Implementation process. Minority Shareholders Watch Group CEO Devanason Ramon, however, told Surlita it is preferable that CHRB obtain the green light from regulators before calling an EGM to get shareholders' nod for the issuance of the cryptocurrency.

"As this is a very new field in the country, and with CHRB being the first public-listed company to come up with such initiative, this may be very sensitive to those who do not understand blockchain technology and are confused on too many cryptocurrency issues."

人事频变引关注

MSWG: PANPAGES没违规

(吉隆坡2日讯) 近来频频被质疑的PANPAGES (PANPAGE、0941, 主理科技媒体) 引起市场关注。小股东权益监督机构 (MSWG) 已致函管理层，要求澄清和解释。目前尚未有回应。

PANPAGES自去年11月13日由前董事兼大股东史丹尼·哈里森接管后，情况迅速逆转。

潘文杰表示，目前潘文杰担任PANPAGES的CEO，负责公司的日常运营。潘文杰表示，目前潘文杰担任PANPAGES的CEO，负责公司的日常运营。



潘文杰

Table with 2 columns: PANPAGES 人事变动记录, 日期, 职位, 姓名. Lists various appointments and resignations.

董事管理层素质更重要。潘文杰表示，目前潘文杰担任PANPAGES的CEO，负责公司的日常运营。

The Malaysian perspective

The Ministry of Finance's Working Group (WG) on the capital gains tax (CGT) will not be introduced in the near term as it will further dampen the performance of Bursa Malaysia, said chief executive officer Devanason Ramon.

Implementation process. Minority Shareholders Watch Group CEO Devanason Ramon, however, told Surlita it is preferable that CHRB obtain the green light from regulators before calling an EGM to get shareholders' nod for the issuance of the cryptocurrency.

Transparency in remuneration

MSWG has a range of things that we can do to improve the transparency of remuneration. We will be looking at the remuneration of the CEO and other senior executives.



潘文杰

Need to re-examine mandate given to GLCs

MSWG has a range of things that we can do to improve the transparency of remuneration. We will be looking at the remuneration of the CEO and other senior executives.



潘文杰

MSWG has a range of things that we can do to improve the transparency of remuneration. We will be looking at the remuneration of the CEO and other senior executives.

Silver lining in the dark cloud

MSWG has a range of things that we can do to improve the transparency of remuneration. We will be looking at the remuneration of the CEO and other senior executives.



潘文杰

MSWG has a range of things that we can do to improve the transparency of remuneration. We will be looking at the remuneration of the CEO and other senior executives.

Authorisation needed for share buy-backs — lawyers

MSWG has a range of things that we can do to improve the transparency of remuneration. We will be looking at the remuneration of the CEO and other senior executives.

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## SPEAKING ENGAGEMENTS

1

### 23 JANUARY 2018

- » Implementing the Companies Act 2016 & The Malaysian Code of Corporate Governance 2017 – What Every Director Needs to Know  
*Hilton Hotel Petaling Jaya*



» 1

2

### 27 FEBRUARY 2018

- » Corporate Governance in Malaysia: The Roles of MSWG  
*Herriot Watt University, Putrajaya*



» 2

3

### 27 MARCH 2018

- » MIA Audit Committee Conference 2018 (themed Internal Auditing in the Age of Disruption) – Enhanced Auditors' Report: A Review of First-Year Implementation Experience in Malaysia  
*Connexion Conference & Event Centre @ Vertical Bangsar South, Kuala Lumpur*

4

### 10 JULY 2018

- » MAICSA Annual Conference 2018  
*Nexus 1, 2 & 3, Level 3A, Connexion Conference & Event Centre @ Nexus Bangsar South City, Kuala Lumpur*



» 3



» 4



» 5





5-6

**19 & 23 JULY 2018**

- » MSWG Advocacy Programme on CG Assessment Using the Revised ASEAN CG Scorecard for Top 100 PLCs  
*Theatrette, Bursa Malaysia*

7

**29 AUGUST 2018**

- » CIMB-Principal and CIMB-Principal Islamic Leadership Forum 2018  
*Mandarin Oriental Hotel, Kuala Lumpur*

8

**10 OCTOBER 2018**

- » MIA Conference 2018 (themed Corporate Reporting in the Digital Economy)  
*Kuala Lumpur Convention Centre*

9

**17 OCTOBER 2018**

- » 2018 ACCA Global Ethics Day – Panel discussion on “What it means to be Ethical & Professional”  
*Grand Hyatt Hotel Kuala Lumpur*

10

**7-8 NOVEMBER 2018**

- » OECD Asian Roundtable on Corporate Governance 2018 – Panel session on “Recent Corporate Governance Developments in Malaysia”  
*Securities Commission Malaysia*



Company No.

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

STATUTORY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Company No.

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

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Company 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 2018.

#### 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:

Tan Sri Dato' Seri Dr. Sulaiman Bin Mahbob  
 Tan Sri Dato' Seri Che Lodin bin Wok Kamaruddin (resigned w.e.f. 15 September 2018)  
 Datuk Zakaria bin Sharif (resigned w.e.f. 15 September 2018)  
 (Alternate Director to Tan Sri Dato' Lodin bin Wok Kamaruddin)  
 Dato' Larry Gan  
 Phillip Koh Tong Ngee  
 Nor Hizam bin Hashim  
 Dato' Wan Kamaruzaman bin Wan Ahmad  
 Datuk Gazali bin Haji Harun  
 Devanesan J.A. Evanson (appointed w.e.f. 17 April 2018)  
 Puan Sharifatu Laila Syed Ali (appointed w.e.f. 17 April 2018)

In accordance with Article 61 of the Company's Constitution, Dato' Wan Kamaruzaman bin Wan Ahmad, Nor Hizam bin Hashim and Philip Koh Tong Ngee retires at the forthcoming 18<sup>th</sup> Annual General Meeting. Dato' Wan Kamaruzaman bin Wan Ahmad and Nor Hizam bin Hashim being eligible, offered themselves for re-election except for Philip Koh Tong Ngee who did not wish to seek for re-election, hence he will retire as Director of the Company at the conclusion of the 18<sup>th</sup> 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
(Deficit) for the financial year	(3,599,044)

#### RESERVES AND PROVISIONS

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



Company No.

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## 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.

Company No.

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**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.

Company No.

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**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 31 May 2019. Signed on behalf of the Board of Directors:



TAN SRI DATO' SERI DR. SULAIMAN BIN MAHBOB  
DIRECTOR



DEVANESAN J.A. EVANSON  
DIRECTOR

Kuala Lumpur  
31 May 2019



Company No.

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**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 2018**

	<u>Note</u>	<u>2018</u> RM	<u>2017</u> RM
Revenue	2	1,388,824	1,261,768
Grant	3	196,157	4,771,843
Other operating income	4	157,071	196,983
Staff costs	5	(2,975,687)	(2,237,828)
Depreciation of property and equipment		(69,354)	(110,336)
Amortisation of intangible assets		(86,159)	(79,932)
Other operating expenses	6	(2,204,830)	(2,382,130)
Total expenditure		<u>(5,336,030)</u>	<u>(4,810,226)</u>
(Deficit)/surplus before taxation	7	(3,593,978)	1,420,368
Taxation	8	(5,066)	(452,920)
(Deficit)/surplus for the financial year		<u>(3,599,044)</u>	<u>967,448</u>
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 /available-for-sale financial assets			
Gross fair value charge		(11,720)	22,668
Deferred tax		18,362	(7,095)
Net transfer to profit or loss on impairment of financial assets available for sale		-	4,851
Net realized gain on disposal of equity instruments		354	-
Net fair value change		<u>6,996</u>	<u>20,424</u>
Total comprehensive (loss)/income for the financial year		<u>(3,592,048)</u>	<u>987,872</u>

Company No.

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

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018**

	<u>Note</u>	<u>2018</u> RM	<u>2017</u> RM
<b>NON-CURRENT ASSETS</b>			
Property and equipment	9	167,565	207,239
Intangible assets	10	264,703	350,862
Financial assets available-for-sale	11	-	164,380
Financial investments at fair value through other comprehensive income (FVOCI)	11	167,860	-
Deferred tax asset	12	90,454	104,311
		<u>690,582</u>	<u>826,792</u>
<b>CURRENT ASSETS</b>			
Other receivables, deposits and prepayments	13	290,387	406,150
Cash and cash equivalents	14	3,043,669	7,125,216
Tax recoverable		28,069	-
		<u>3,362,125</u>	<u>7,531,366</u>
<b>LESS: CURRENT LIABILITIES</b>			
Deferred grant	3	-	196,157
Other payables and accruals		1,233,324	1,492,764
Provision for taxation		-	257,806
		<u>1,233,324</u>	<u>1,946,727</u>
<b>NET CURRENT ASSETS</b>		<u>2,128,801</u>	<u>5,584,639</u>
		<u>2,819,383</u>	<u>6,411,431</u>
<b>REPRESENTED BY:</b>			
General fund		5,801,000	5,801,000
Accumulated (loss)/surplus		(3,057,668)	541,022
Available-for-sale reserve		-	69,409
FVOCI reserve		76,051	-
		<u>2,819,383</u>	<u>6,411,431</u>

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**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 2018**

	General fund RM	Accumulated surplus/ (loss) RM	Available- for-sale reserve RM	FVOCI reserve RM	Total RM
At 1 January 2018					
As previously reported	5,801,000	541,022	69,409	-	6,411,431
Adjustments arising from adoption of MFRS 9	-	-	(69,409)	69,409	-
At 1 January 2018, as restated	5,801,000	541,022	-	69,409	6,411,431
Comprehensive income:					
- Deficit for the financial year	-	(3,599,044)	-	-	(3,599,044)
Other comprehensive income:					
- Financial assets at FVOCI	-	-	-	6,996	6,996
Net realised gain on disposal of equity instruments	-	354	-	(354)	-
At 31 December 2018	<u>5,801,000</u>	<u>(3,057,668)</u>	<u>-</u>	<u>76,051</u>	<u>2,819,383</u>
At 1 January 2017					
	5,801,000	(426,426)	48,985	-	5,423,559
Comprehensive income:					
- Surplus for the financial year	-	967,448	-	-	967,448
Other comprehensive income:					
- Financial assets available-for-sale	-	-	20,424	-	20,424
At 31 December 2017	<u>5,801,000</u>	<u>541,022</u>	<u>69,409</u>	<u>-</u>	<u>6,411,431</u>



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

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	<u>Note</u>	<u>2018</u> RM	<u>2017</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Deficit)/surplus before taxation		(3,593,978)	1,420,368
Adjustments for non-cash items:			
Subscriber services fee		(418,781)	(360,973)
Gain on disposal of financial assets available-for-sale		-	(1,279)
Property and equipment written-off		-	19,830
Depreciation of property and equipment		69,354	110,336
Amortisation of intangible assets		86,159	79,932
Impairment of financial assets available-for-sale		-	6,383
Dividend income		(5,264)	(5,112)
Interest income		(148,936)	(131,065)
		<u>(4,011,446)</u>	<u>1,138,420</u>
Changes in working capital:			
Receivables		115,763	(171,531)
Payables		(275,659)	295,522
		<u>(159,896)</u>	<u>123,991</u>
Cash (used in)/generated from operating activities		(4,171,342)	1,262,411
Subscriber services fee received		435,000	365,000
Dividend income received		5,264	5,112
Purchase of property and equipment		(29,680)	(21,209)
Purchase of Intangible Assets		-	(31,132)
Grant		(196,157)	(4,771,843)
Tax paid		(258,721)	(28,070)
		<u>(4,215,636)</u>	<u>(3,219,731)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income received		148,936	131,065
Purchase of financial assets available-for-sale		(15,591)	(134)
Proceeds from disposal of financial assets available-for-sale		744	454
		<u>134,089</u>	<u>131,385</u>
Net cash generated from investing activities		134,089	131,385
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Grant received		-	5,000,000
		<u>-</u>	<u>5,000,000</u>
Net cash generated from financing activities		-	5,000,000
(Decrease)/Increase in cash and cash equivalents during the financial year		(4,081,547)	1,911,654
Cash and cash equivalents at beginning of the financial year		7,125,216	5,213,562
Cash and cash equivalents at end of the financial year	14	<u>3,043,669</u>	<u>7,125,216</u>

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

**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.

On 8 May 2019, the Board of Trustee for Capital Market Development Fund (“CMDF Trustee”) has approved a three years grant for the Company starting from financial year ending 2019. The disbursement of the grant will be subject to terms and conditions in the grant agreement between the Company and CMDF Trustee. The agreement is currently pending execution.

Assuming that the grant will be disbursed with existing cash and bank balances and cash arising from income generating activities, the Directors are of the view that the Company is able to continue as going concern and meet its working capital needs.

Due to the above considerations, the financial statements of the Company has been prepared on a going concern basis.

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 2018:

- MFRS 9 ‘Financial Instruments’
- MFRS 15 ‘Revenue from Contracts with Customers’
- Amendments to MFRS 2 ‘Share-based Payment – Classification and Measurement of Share-based Payment Transactions’
- IC Interpretation 22 ‘Foreign Currency Transactions and Advance Consideration’
- Annual Improvements to MFRSs 2014 – 2016 Cycle: MFRS 128 ‘Investments in Associates and Joint Ventures’

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

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

**A BASIS OF PREPARATION (CONTINUED)**

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

(i) Change in accounting policies – Adoption of MFRS 9 “Financial instruments”

The Company have applied MFRS 9 retrospectively with the date of initial application of 1 January 2018. In accordance with the transitional provisions provided in MFRS 9, comparative information for 2017 was not restated and continued to be reported under the previous accounting policies governed under MFRS 139. The cumulative effects of initially applying MFRS 9 were recognised as an adjustment to the opening balance of retained earnings as at 1 January 2018.

On the date of initial application, 1 January 2018, the financial instruments of the Company were as follows:

	MFRS 139		MFRS 9	
	Measurement Category	Carrying Amount (RM)	Measurement Category	Carrying Amount (RM)
<u>Financial Assets:</u>				
Cash and cash equivalents	Amortised cost	7,125,216	Amortised cost	7,125,216
Other receivables	Loans and receivables	284,736	Amortised cost	284,736
Financial investments	FVOCI (Available-for-sale)	164,380	FVOCI (Equity)	164,380

There are no changes to the classification and measurement of financial liabilities of the Company.

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

A number of new standards and amendments to standards and interpretations are effective for financial year beginning after 1 January 2019. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

- ☒ MFRS 16 has an effective date for annual periods beginning on or after 1 January 2019. MFRS 16 results in lessees accounting for most lease within the scope of the standard in a manner similar to the way in which finance leases are currently accounted for under MFRS 117 – ‘Leases’. Lessees will recognise a right of use (ROU) asset and corresponding financial liability on the balance sheet. The asset will be amortised over the length of the lease, and the financial liability measured at amortised cost. Lessor accounting remains substantially the same as under MFRS 117.



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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**A BASIS OF PREPARATION (CONTINUED)**

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

A number of new standards and amendments to standards and interpretations are effective for financial year beginning after 1 January 2019. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below (continued):

- IC Interpretation 23 'Uncertainty over Income Tax Treatments' (effective 1 January 2019) provides guidance on how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

If an entity concludes that it is not probable that the tax treatment will be accepted by the tax authority, the effect of the tax uncertainty should be included in the period when such determination is made. An entity shall measure the effect of uncertainty using the method which best predicts the resolution of the uncertainty.

IC Interpretation 23 will be applied retrospectively.

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

Amendments to MFRS 9 'Prepayment features with negative compensation' (effective 1 January 2019) allow companies to measure some prepayable financial assets with negative compensation at amortised cost. Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than the unpaid amounts of principal and interest. To qualify for amortised cost measurement, the negative compensation must be reasonable compensation for early termination of the contract, and the asset must be held within a 'held to collect' business model.

The amendments will be applied retrospectively.

- Annual Improvements to MFRSs 2015 - 2017 Cycle:
  - Amendments to MFRS 112 'Income Taxes' (effective from 1 January 2019) clarify that where income tax consequences of dividends on financial instruments classified as equity is recognised (either in profit or loss, other comprehensive income or equity) depends on where the past transactions that generated distributable profits were recognised. Accordingly, the tax consequences are recognised in profit or loss when an entity determines payments on such instruments are distribution of profits (that is, dividends). Tax on dividend should not be recognised in equity merely on the basis that it is related to a distribution to owners.

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (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 2018 (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 measured at the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Company's activities.

The Company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Company's activities are met as follows.



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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**E REVENUE RECOGNITION (CONTINUED)**

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 on an accrual basis.
- (vi) Dividend income from investments in quoted shares is recognised on the ex-dividend date.

**F GRANT**

Grant relating to costs are deferred and recognised in the 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**

Accounting policies applied from 1 January 2018

(a) Classification

From 1 January 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently 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 2018 (CONTINUED)**

**H FINANCIAL ASSETS (CONTINUED)**

Accounting policies applied from 1 January 2018 (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 2018 (CONTINUED)**

**H FINANCIAL ASSETS (CONTINUED)**

Accounting policies applied from 1 January 2018 (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 a 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 2018 (CONTINUED)**

**H FINANCIAL ASSETS (CONTINUED)**

Accounting policies applied until 31 December 2017

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

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

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

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

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

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

**I OPERATING LEASES**

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

**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.



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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**K CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

**L IMPAIRMENT OF NON-FINANCIAL ASSETS**

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

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

**M CRITICAL ACCOUNTING ESTIMATES**

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

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.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**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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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

**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 17 (2017: 22).

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

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

**2 REVENUE**

	<u>2018</u> RM	<u>2017</u> RM
Forums and events	970,043	900,795
Subscriber services fee	418,781	360,973
	<u>1,388,824</u>	<u>1,261,768</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 expenditure.

	<u>2018</u> RM	<u>2017</u> RM
Balance as at 1 January	196,157	-
Grant received during the financial year	-	5,000,000
Grant utilised during the financial year	(196,157)	(4,803,843)
Balance as at 31 December	<u>-</u>	<u>196,157</u>

Grant utilised in prior year had excluded refund made to Institutional Council project amounted to RM32,000.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**4 OTHER OPERATING INCOME**

	<u>2018</u> RM	<u>2017</u> RM
Dividend income	5,264	5,112
Interest income	148,936	131,065
Gain on disposal of financial assets available-for-sale	-	1,279
Commission income	-	42,406
Other income	3,871	17,121
Loss in foreign exchange	(1,000)	-
	<u>157,071</u>	<u>196,983</u>

**5 STAFF COSTS**

Salaries and bonus	2,389,593	1,767,061
Defined contribution plan ('EPF')	347,060	255,164
Staff gratuity	96,000	106,281
Other employee benefits	143,034	109,322
	<u>2,975,687</u>	<u>2,237,828</u>

The Chief Executive Officer has received salary and bonus of RM486,000 (2017: RM14,681) while contribution to EPF amounted to RM67,500 (2017: RM2,205).

**6 OTHER OPERATING EXPENSES**

	<u>2018</u> RM	<u>2017</u> RM
Directors' fees	100,300	85,100
Outsourcing expenses	273,600	400,402
Project funding expenses		
- Asean Corporate Governance Scorecard Assessment	399,500	377,250
- Research projects and reports	71,180	126,200
Rental expenses	295,222	283,580
Travelling, accommodation and promotion expenses	157,373	92,598
Forum and event expenses	463,084	547,872
Telecommunication expenses	147,390	199,034
Insurance	120,808	103,082
Professional fees	43,619	39,773
Office expenses	114,811	99,276
Others	17,943	27,963
	<u>2,204,830</u>	<u>2,382,130</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 RM21,980 (2017: RM 25,100).



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

7	(DEFICIT)/SURPLUS BEFORE TAXATION		
		<u>2018</u>	<u>2017</u>
		RM	RM
	(Deficit)/surplus before taxation is arrived at after (charging)/crediting:		
	Auditors' remuneration		
	- Statutory Audit	(15,000)	(15,000)
	- Non-audit services		
	- Tax Compliance	(6,000)	(4,890)
	Directors' meeting attendance allowance	(35,500)	(27,500)
	Interest income	148,936	131,065
	Dividend income	5,264	5,112
	Gain on disposal of financial assets available-for-sale	-	1,279
		<u>                    </u>	<u>                    </u>
8	TAXATION		
	Current year tax	-	499,712
	(Over)/under provision of prior years' tax	(27,154)	7,885
	Deferred tax (Note 12)	32,220	(54,677)
		<u>                    </u>	<u>                    </u>
		5,066	452,920
		<u>                    </u>	<u>                    </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>2018</u>	<u>2017</u>
		RM	RM
	(Deficit)/surplus before taxation	<u>(3,593,978)</u>	<u>1,420,368</u>
	Tax calculated at the Malaysian tax rate of 24% (2017: 24%)	(862,555)	340,889
	Tax effects of:		
	- expenses not deductible for tax purposes	77,076	115,189
	- income not subject to tax	(1,258)	(1,527)
	- utilisation of previously unrecognised tax losses	-	(9,516)
	- unrecognised deferred tax asset arising from unabsorbed tax losses	818,957	-
	- (over)/under provision of prior years' tax	(27,154)	7,885
		<u>                    </u>	<u>                    </u>
	Taxation	5,066	452,920
		<u>                    </u>	<u>                    </u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**9 PROPERTY AND EQUIPMENT**

	<u>Computer and electronic equipment</u> RM	<u>Furniture and fittings</u> RM	<u>Office equipment</u> RM	<u>Renovations</u> RM	<u>Total</u> RM
<u>2018</u>					
<u>Cost</u>					
At 1 January 2018	221,987	115,934	138,662	230,899	707,482
Additions	25,280	-	4,400	-	29,680
At 31 December 2018	<u>247,267</u>	<u>115,934</u>	<u>143,062</u>	<u>230,899</u>	<u>737,162</u>
<u>Accumulated depreciation</u>					
At 1 January 2018	149,753	55,673	102,373	192,444	500,243
Charge for the financial Year	24,222	19,170	13,232	12,730	69,354
At 31 December 2018	<u>173,975</u>	<u>74,843</u>	<u>115,605</u>	<u>205,174</u>	<u>569,597</u>
<u>Net book value</u>					
At 31 December 2018	<u><u>73,292</u></u>	<u><u>41,091</u></u>	<u><u>27,457</u></u>	<u><u>25,725</u></u>	<u><u>167,565</u></u>

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9 PROPERTY AND EQUIPMENT (CONTINUED)

	Computer and electronic equipment RM	Furniture and fittings RM	Office equipment RM	Renovations RM	Renovation WIP RM	Total RM
<u>2017</u>						
<u>Cost</u>						
At 1 January 2017	305,388	168,225	164,999	230,899	18,850	888,361
Additions	10,090	640	10,479	-	-	21,209
Write-off	(93,491)	(52,931)	(36,816)	-	(18,850)	(202,088)
At 31 December 2017	<u>221,987</u>	<u>115,934</u>	<u>138,662</u>	<u>230,899</u>	<u>-</u>	<u>707,482</u>
<u>Accumulated depreciation</u>						
At 1 January 2017	216,030	89,163	120,389	146,583	-	572,165
Charge for the financial Year	26,254	19,432	18,789	45,861	-	110,336
Write-off	(92,531)	(52,922)	(36,805)	-	-	(182,258)
At 31 December 2017	<u>149,753</u>	<u>55,673</u>	<u>102,373</u>	<u>192,444</u>	<u>-</u>	<u>500,243</u>
<u>Net book value</u>						
At 31 December 2017	<u>72,234</u>	<u>60,261</u>	<u>36,289</u>	<u>38,455</u>	<u>-</u>	<u>207,239</u>

Company No.

524989

M

**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 2018 (CONTINUED)**

## 10 INTANGIBLE ASSETS

	<u>DMS and website integration</u>	
	<u>2018</u>	<u>2017</u>
	RM	RM
<u>Net book value</u>		
At 1 December 2018	350,862	399,662
Additions	-	31,132
Amortisation	(86,159)	(79,932)
	<u>264,703</u>	<u>350,862</u>
<u>As at 31 December</u>		
Cost	430,794	430,794
Accumulated amortisation	(166,091)	(79,932)
Net book value	<u>264,703</u>	<u>350,862</u>

## 11 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/FINANCIAL ASSETS AVAILABLE-FOR-SALE

	<u>2018</u>	<u>2017</u>
	RM	RM
At fair value:		
Quoted shares in Malaysia	<u>167,860</u>	<u>164,380</u>

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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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

12 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>2018</u> RM	<u>2017</u> RM
<u>Subject to income tax:</u>		
Deferred tax asset (after offsetting)	<u>90,454</u>	<u>104,311</u>

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

	<u>2018</u> RM	<u>2017</u> RM
At 1 January	104,311	56,729
Charged to profit or loss (Note 8)	(32,220)	54,677
- Property and equipment	5,749	8,017
- Subscriber fees	3,574	(8,109)
- Deferred grant	(47,078)	47,078
- Provisions	5,535	7,691
Charge/(credited) to comprehensive income	<u>18,363</u>	<u>(7,095)</u>
At 31 December	<u>90,454</u>	<u>104,311</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 2018 (CONTINUED)**

**12 DEFERRED TAX ASSET/DEFERRED TAX LIABILITY (CONTINUED)**

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

	<u>2018</u> RM	<u>2017</u> RM
Deferred tax asset (before offsetting)		
- Deferred grant	-	47,077
- Provisions	100,187	94,652
	<u>100,187</u>	<u>141,729</u>
Offsetting	(9,733)	(37,418)
Deferred tax asset (after offsetting)	<u>90,454</u>	<u>104,311</u>
Deferred tax liability (before offsetting)		
- Property and equipment	(14,274)	(20,023)
- Available-for-sale reserve	-	(18,362)
- Subscriber fees	4,541	967
	<u>(9,733)</u>	<u>(37,418)</u>
Offsetting	9,733	37,418
Deferred tax liability (after offsetting)	<u>-</u>	<u>-</u>

The unabsorbed tax losses of the Company is RM3,308,396 (2017: NIL) and no deferred tax assets are recognised as it is not probable that sufficient taxable profits will be available in the future.

**13 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

Other receivables	122,650	284,736
Deposits and prepayments	167,737	121,414
	<u>290,387</u>	<u>406,150</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 2018 (CONTINUED)**

14 CASH AND CASH EQUIVALENTS

	<u>2018</u> RM	<u>2017</u> RM
Cash and bank balances	282,358	615,761
Deposits with a financial institution	2,761,311	6,509,455
	<u>3,043,669</u>	<u>7,125,216</u>

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

	<u>2018</u> %	<u>2017</u> %
Deposits with a financial institution	<u>3.35</u>	<u>3.28</u>

Deposits with a financial institution have an average maturity of 25 days (2017: 17 days).

15 OPERATING LEASE COMMITMENT

As at the date of the statement of financial position, the commitment in respect of an operating lease pertaining to rental payable for office occupied by the Company under a lease agreement expiring on 31 May 2021 (2017: 31 May 2018), are payable as follows:

	<u>2018</u> RM	<u>2017</u> RM
Within 1 year	271,279	106,384
Within 2 to 5 years	384,312	-
	<u>655,591</u>	<u>106,384</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 2018 (CONTINUED)**

**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>2018</u> RM	<u>2017</u> RM
Other receivables, deposits and prepayments	290,387	406,150
Cash and cash equivalents	<u>3,043,669</u>	<u>7,125,216</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 2018 (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>2018</u>		
Other receivables, deposits and prepayments	-	290,387
Cash and cash equivalents	3,043,669	-
	<u>                    </u>	<u>                    </u>
<u>2017</u>		
Other receivables, deposits and prepayments	-	406,150
Cash and cash equivalents	7,125,216	-
	<u>                    </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, tax recoverable and deferred taxation.

The carrying amounts of the Company's financial assets and financial liabilities as at 31 December 2018 and 31 December 2017 approximates its fair value due to the limited term to maturity of these instruments or limited sensitivity to interest rates.

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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 2018 (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 31 May 2019.

Company 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, Tan Sri Dato' Seri Dr. Sulaiman bin Mahbob 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 31 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2018 and financial performance of the Company for the financial year ended 31 December 2018 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 31 May 2019.



TAN SRI DATO' SERI DR. SULAIMAN BIN MAHBOb  
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 31 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

Subscribed and solemnly declared by the abovesigned at Wilayah Persekutuan Kuala Lumpur on 31 May 2019.

Before me:



COMMISSIONER FOR OATH



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF BADAN PENGAWAS PEMEGANG  
SAHAM MINORITI BERHAD**  
(Incorporated in Malaysia as a company limited by guarantee)  
(Company No. 524989 M)

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Our opinion

In our opinion, the financial statements of Badan Pengawas Pemegang Saham Minoriti Berhad (“the Company”) give a true and fair view of the financial position of the Company as at 31 December 2018, and of its financial performance and its cash flows for the 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 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 31.

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’ Code of Ethics for Professional Accountants (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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*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](http://www.pwc.com/my)*





**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF BADAN PENGAWAS PEMEGANG  
SAHAM MINORITI BERHAD**  
(Incorporated in Malaysia as a company limited by guarantee)  
(Company No. 524989 M)

REPORT ON THE 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 Directors' 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 intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF BADAN PENGAWAS PEMEGANG  
SAHAM MINORITI BERHAD**  
(Incorporated in Malaysia as a company limited by guarantee)  
(Company No. 524989 M)

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

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.

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 represent the underlying transactions and events in a manner that achieves fair presentation.



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF BADAN PENGAWAS PEMEGANG  
SAHAM MINORITI BERHAD (CONTINUED)**  
(Incorporated in Malaysia as a company limited by guarantee)  
(Company No: 524989 M)

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

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

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.

**OTHER MATTERS**

This report is made solely to the members 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.

PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants

ONG CHING CHUAN  
02907/11/2019 J  
Chartered Accountant

Kuala Lumpur  
31 May 2019

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**MINORITY SHAREHOLDERS WATCH GROUP**

*Shareholder Activism and Protection of Minority Interest*

**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**

(Incorporated in Malaysia • Company No : 524989 M)

## **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the **18<sup>th</sup> Annual General Meeting** of the Company will be held at the 11<sup>th</sup> Floor, Bangunan KWSP, No. 3, Changkat Raja Chulan, Off Jalan Raja Chulan, 50200 Kuala Lumpur on **Friday, 28 June 2019** at **10.00 a.m.**

### **AGENDA**

1. To receive and adopt the Company's Audited Financial Statements for the financial year ended 31 December 2018, together with the Directors' and Auditors' Reports thereon.
2. To approve payment of Directors' Fee of RM61,200 for the financial year ended 31 December 2018.
3. To approve payment of Directors' Remuneration of RM42,000 for the financial year ending 31 December 2019.
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) En Nor Hizam Bin Hashim
  - (b) Dato' Wan Kamaruzaman Bin Wan Ahmad
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.

**By Order of the Board**

**Chew Phye Keat**  
**Secretary**

**Dated: 3 June 2019**

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

**Mr Philip Koh Tong Ngee who will retire as Director did not wish to seek for re-election. Hence he will retire as Director of the Company at the conclusion of the 18<sup>th</sup> Annual General Meeting.**

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**MINORITY SHAREHOLDERS WATCH GROUP**

*Shareholder Activism and Protection of Minority Interest*

**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**

(Incorporated in Malaysia • Company No : 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 **18th Annual General Meeting** of  
the said Company to be held on **Friday, 28 June 2019 at 10.00 a.m.** and at any adjournment  
thereof.

Dated:

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Director/Secretary**

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**MINORITY SHAREHOLDERS WATCH GROUP**

11<sup>th</sup> Floor Bangunan KWSP

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