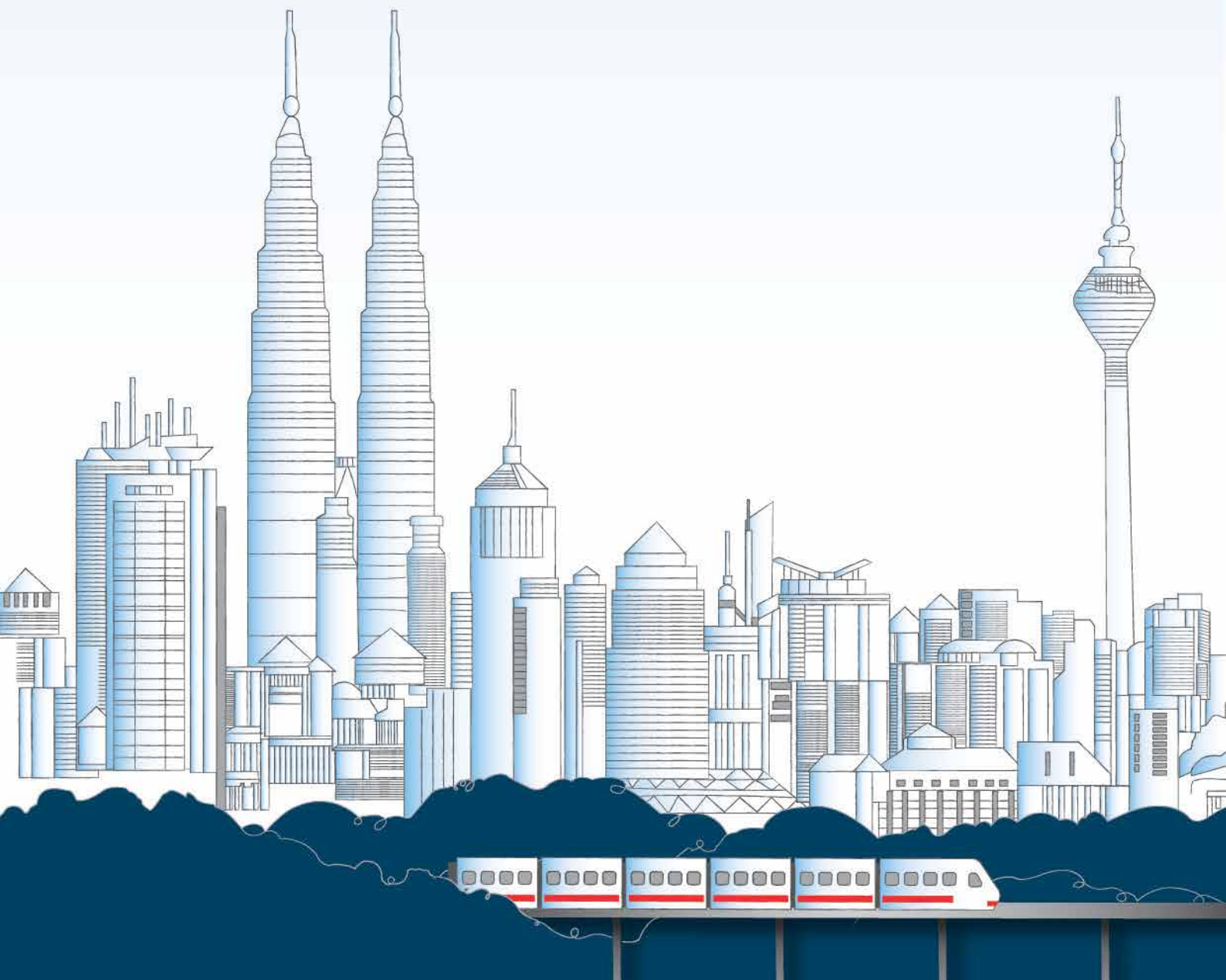




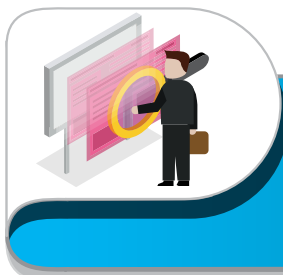
# ANNUAL REPORT 2020



## HIGHLIGHTS

2020

2019



▶ Companies Monitored

300 | 301



▶ Shareholder Meetings Attended

336 | 315



▶ Institutional & Corporate  
Subscribers

54 | 59



▶ Retail Subscribers

1,461 | 1,349



▶ PLCs Assessed Using ASEAN  
CG Scorecard

859 | 865



▶ PLCs Assessed Under Sustainability  
Disclosure Review

300 | N/A

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## ABOUT US

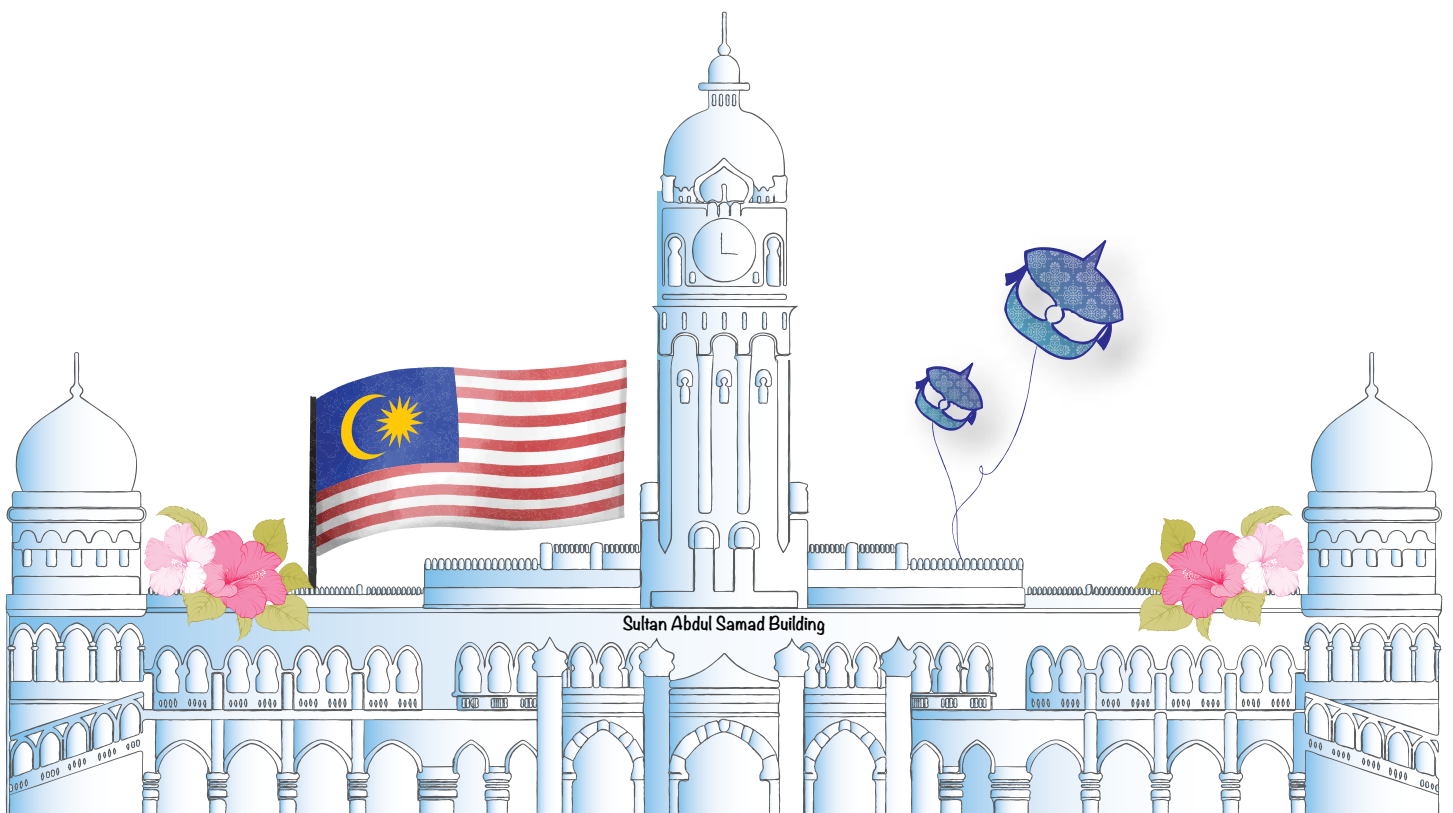


### MINORITY SHAREHOLDERS WATCH GROUP (MSWG)

The **Minority Shareholders Watch Group (MSWG)** was set up in the year 2000 as a Government initiative to be part of a broader Capital Market framework to bring about awareness primarily on minority shareholders interest and corporate governance matters through shareholder activism and engagement with stakeholders.

**MSWG** is a professional body licensed under the Capital Markets and Services Act 2007. A self-governing and non-profit body, **MSWG** is funded 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

-  **Dato' Wan Kamaruzaman bin Wan Ahmad**  
 Chairman
-  **Devanesan Evanson**  
 Chief Executive Officer & Executive Director
-  **Datuk Gazali bin Haji Harun**  
 Director
-  **Puan Sharifatu Laila Syed Ali**  
 Director
-  **Dato' Abdul Alim Abdullah**  
 Director
-  **Puan Nik Amlizan Mohamed**  
 Director
-  **Dato' Larry Gan**  
 Director  
*(retired with effect from 27 July 2020)*
-  **Encik Nor Hizam Hashim**  
 Director  
*(resigned with effect from 18 March 2021)*

### COMPANY SECRETARY

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

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

### BANKER

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

### CONTACT PERSON

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

## PROFILE OF DIRECTORS



**Dato' Wan  
Kamaruzaman  
bin Wan Ahmad**  
*Chairman*

Malaysian, Age 62

### Date of Appointment

- 1 September 2016

### Academic / Professional Qualification(s)

Bachelor of Economics, University of Malaya

### Present Directorship(s)

#### Directorship in PLC(s):

- Al-Salam REIT
- Al-Aqar Healthcare REIT
- Independent Non-Executive Director, Malaysian Resources Corporation Bhd

#### Other Public Companies/Institutions:

- Independent Director, Damansara REIT Managers Sdn Bhd
- Independent Director, Bond and Sukuk Information Exchange Sdn Bhd
- Director, Malaysia Convention & Exhibition Bureau (MyCEB)
- Investment Panel Member of Employees Provident Fund
- Chairman, Massive Equity Sdn Bhd
- Director, Global LNG Sdn Bhd
- Director, MIF Investments Ltd
- Director, Iris Capital Sdn Bhd

### Present Appointment(s)

Nil

### 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 Licence

### Present Directorship(s)

#### Directorship in PLC(s):

Nil

#### Other Public Companies/Institutions:

- Independent Director, Agensi Kaunseling dan Pengurusan Kredit (AKPK)
- Council Member, Institutional Investors Council Malaysia

### Present Appointment(s)

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



**Devanesan Evanson**  
*Chief Executive Officer  
& Executive Director*

Malaysian, Age 66



**Datuk Gazali  
bin Haji Harun**  
*Director*

Malaysian, Age 63

**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
- Certified Mediator, Bar Council Malaysian Mediation Centre (March 2019)

**Present Directorship(s)**

*Directorship in PLC(s):*

Nil

*Other Public Companies/Institutions:*

Nil

**Present Appointment(s)**

Nil

**Date of Appointment**

➤ 17 April 2018

**Academic / Professional Qualification(s)**

- Master of Business Administration, Universiti 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
- Independent Non-Executive Director (Public Interest Director), Bursa Malaysia Berhad

*Other Public Companies/Institutions:*

Nil

**Present Appointment(s)**

Nil



**Puan Sharifatu Laila  
Syed Ali**  
*Director*

Malaysian, Age 59







## Dato' Abdul Alim Abdullah

**Director**

Malaysian, Age 72

### Date of Appointment

- 20 November 2019

### Academic / Professional Qualification(s)

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

### Present Directorship(s)

#### Directorship in PLC(s):

Nil

#### Other Public Companies/Institutions:

Nil

### Present Appointment(s)

- President Housing Tribunal, Ministry of Housing and Local Government

### Date of Appointment

- 23 December 2019

### Academic / Professional Qualification(s)

- Bachelor's Degree in Economics/Accounting, Claremont McKenna College, US (1991)

### Present Directorship(s)

#### Directorship in PLC(s):

Nil

#### Other Public Companies/Institutions:

- Council Member, Institutional Investors Council Malaysia

### Present Appointment(s)

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



## Puan Nik Amlizan Mohamed

**Director**

Malaysian, Age 53



## MANAGEMENT TEAM



### MR DEVANESAN EVANSON

*Chief Executive Officer*

devanesan@mswg.org.my

- LLB (Hons) University of London
- CA (M)
- FCCA (UK)
- CFIIA – Chartered Fellow Institute of Internal Auditors Malaysia
- Capital Market Services Representative’s Licence (CMSRL) holder

### LINNERT HOO

*Head, Research & Development*

linnert.hoo@mswg.org.my

- BAcc (Hons), University of Malaya
- CA (M)
- Associate Member of the Chartered Tax Institute of Malaysia (CTIM)
- CFP qualification holder



### EMILY LIM

*Head, Finance/HR & Admin*

emily@mswg.org.my

- LCCI Diploma in Accounting

### PADMA DEVI SUBRAMANIAM

*Head, Information Technology & Trainings*

padmadevi@mswg.org.my

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





### NORHISAM SIDEK

*Manager, Corporate Monitoring*

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

- B. Accounting (Hons.), UITM
- CA (M)
- Capital Market Services Representative's Licence (CMSRL) holder

### LEE CHEE MENG

*Manager, Corporate Monitoring*

[chee.meng@mswg.org.my](mailto:chee.meng@mswg.org.my)

- CA (M)



### ELAINE CHOO

*Manager, Corporate Monitoring*

[elaine.choo@mswg.org.my](mailto:elaine.choo@mswg.org.my)

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

### LIM CIAN YAI

*Manager, Corporate Monitoring*

[cianyai@mswg.org.my](mailto:cianyai@mswg.org.my)

- BA (Hons) Mass Communication, Liverpool John Moores University
- Advanced Diploma in Journalism, Tunku Abdul Rahman University College





**RANJIT SINGH**

*Manager, Corporate Monitoring*

ranjit.singh@mswg.org.my

- B(Acct) Hons, Universiti Utara Malaysia
- CA (M)
- Capital Market Services Representative's Licence (CMSRL) holder

**RITA FOO**

*Manager, Corporate Monitoring*

rita.foo@mswg.org.my

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



**NOR KHALIDAH MOHD KHALIL**

*Executive/Analyst, Corporate Monitoring*

khalidah@mswg.org.my

- BBA (Marketing)(Hons), Universiti Utara Malaysia



## CHAIRMAN'S STATEMENT

On behalf of your Board of Directors, I have the pleasure of presenting the Annual Report and Audited Financial Statements of your Company for the Financial Year Ended 31 December 2020.

2020 has been a year unlike any other – the COVID-19 pandemic wreaked havoc on the global economy and Malaysia was not spared. Malaysia's GDP contracted 3.4% in the fourth quarter of 2020 amid a significant rise in COVID-19 infections, bringing the overall performance of the year to -5.6% following global and local restraint orders and border closures. Regardless of the unprecedented challenges and tough operating environment, MSWG continued with measures and plans within the ambit of its Strategic Business Plans 2019-2021 to record resilient performance in FY2020.

### HIGHLIGHTS OF ACTIVITIES

The Government announced a Movement Control Order (MCO) on 18 March 2020 which resulted in the shutdown of industries and businesses except for those considered as essential services. MSWG took swift actions to safeguard both its operations and employees by ensuring that it was able to operate as efficiently as possible despite restrictions on movements and physical meetings.

Our analysts quickly adapted to the new norm of attending fully virtual general meetings which had substituted physical shareholder meetings during the MCO – and also for most part of 2020 – to minimise the risk of contagion. As functions that were traditionally face-to-face in nature are now taking place across a digital space, our team had to quickly pick up new digital skills to be able to conduct virtual speaking engagements and webinars in a professional manner.

A significant development in 2020 was the collaboration with Bursa Malaysia to undertake an annual **Sustainability Disclosure Review** exercise for 2020 and 2021. As corporate governance advocates, we are also committed to play a role in supporting the nation's sustainability agenda, thus were deeply honoured by the trust and confidence placed in us to undertake the assessment. Since this was MSWG's initial year in undertaking sustainability assessment of PLCs – with guidance from Bursa Malaysia – we started out with the assessment of 300 PLCs across different market capitalisation listed on Bursa Malaysia. For 2021, all PLCs will be assessed.

In December 2020, we announced that there were 37 Malaysian PLCs acknowledged for their outstanding and exemplary corporate governance practices under the **2019 ASEAN Corporate Governance Scorecard Awards**. Our assessors also assessed 859 PLCs using the ASEAN CG Scorecard in 2020. The moderation stage is currently ongoing with the results expected to be released by 30 June 2021.

MSWG continues to be a valuable member of the Institutional Investors Council Malaysia (IIC) and is actively involved in all engagements as well as dialogues with companies, regulators and industry players under the IIC platform. In addition, MSWG is also providing essential secretariat services to the IIC. Engagement with companies were held via virtual platforms in 2020.



## MOVING FORWARD

We are in the final year of our three-year Strategic Business Plan and remain optimistic that the focused execution of our plans and cost savings will ensure that we remain resilient and able to continue delivering value even under challenging circumstances. We have begun crafting our Strategic Business Plan for the next three years and have already taken steps to explore new areas and opportunities, as well as leveraging strategic collaborations to strengthen our business sustainability.

As we contemplate 2021 with hopes that new vaccines can speed up the return of some semblance of normalcy, we remain cautiously optimistic that our focused strategic execution under new operating conditions will continue to build long-term and meaningful value for our stakeholders.

## ACKNOWLEDGEMENTS

The Board has been actively engaged in the process of identifying the right individual to serve as the Chairman of the Board since the retirement of our previous Chairman, Tan Sri Dato' Seri Dr. Sulaiman Mahbob on 1 January 2020. In the meantime, I had undertaken the role of chairing the Board meetings pending the appointment of a new Chairman by my fellow Board members.

On behalf of the Board, I would like to take this opportunity to convey our gratitude and thanks to Dato' Larry Gan who had retired on 27 July 2020 and to Encik Nor Hizam Hashim who had resigned on 18 March 2021 for their contributions over the years. My sincere appreciation to my fellow Board members for their continued commitment, valuable advice and insights in navigating this difficult year.

I am pleased to inform that we are in the process of finalising new appointments to the Board, and this is timely to propel MSWG forward in its growth trajectory as we move into a new phase of our Strategic Business Plan.

We also wish to convey a note of gratitude to our institutional, corporate and retail subscribers, partners and media for their continued support. Special thanks also go to the Management, staff and Associates of MSWG for their perseverance and dedication, especially during the challenging year that 2020 was.

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

**Dato' Wan Kamaruzaman bin Wan Ahmad**  
*Chairman*

## CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("Board") is committed to maintaining the highest standards of corporate governance throughout the Company in pursuing the Company's main objectives of promoting shareholder activism and influencing good corporate governance practices among PLCs in the capital market. The Board is guided by the following:

### *Code of Conduct & Ethics*

- (1) The Directors acknowledge and accept the scope and extent of their duties as Directors. The Board has a responsibility to carry out an oversight function in the interests of MSWG within the scope of its authority and consistent with its fiduciary duties.
- (2) The Board 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) licence.
- (4) The members of the Board shall be persons of reputable character and standing.
- (5) The Chairman of the Board shall be elected by members of the Board.
- (6) The Securities Commission of Malaysia 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 the Board meetings via telephone conferencing and shall be deemed present at the said meeting.

## 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:

- ✈ Dato' Larry Gan – Member  
*(retired with effect from 27 July 2020)*
- ✈ Encik Nor Hizam Hashim – Member  
*(resigned with effect from 18 March 2021)*
- ✈ Dato' Abdul Alim Abdullah – Member

### Terms of Reference

The NRC 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 calibre, 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 the remuneration and benefits).
4. Policy on remuneration package for the 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.

During the financial year, the NRC convened a total of four (4) meetings to discuss and deliberate matters within the ambit of its Terms of Reference as follows:

- 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;
- Evaluated the suitability of potential new Board candidates to be recommended for Board's approval; and
- Considered and recommended for the Board's approval the annual bonus payments for the CEO and employees of the Company.

## MEETING ATTENDANCE

The Board and the NRC met regularly to carry out their respective duties and responsibilities. The details of attendance by each of the Directors to the meetings held during the financial year are as follows:

NAME OF DIRECTOR	MEETING ATTENDANCE	
	BOARD	NRC
Dato' Wan Kamaruzaman bin Wan Ahmad	4/4	-
Devanesan Evanson	4/4	-
Dato' Larry Gan <i>(retired with effect from 27 July 2020)</i>	2/2	2/2
Encik Nor Hizam Hashim <i>(resigned with effect from 18 March 2021)</i>	4/4	4/4
Datuk Gazali bin Haji Harun	4/4	-
Puan Sharifatu Laila Syed Ali	4/4	-
Dato' Abdul Alim Abdullah	4/4	4/4
Puan Nik Amlizan Mohamed	4/4	-

### 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 employees of MSWG 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 disclosures 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 the 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).

## DIVIDEND

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

## CEO'S REVIEW



**DEVANESAN EVANSON**

*Chief Executive Officer*

MSWG welcomed year 2020 with renewed enthusiasm and with strategic plans in place to kickstart a new decade. But fate has it that 2020 would be a year unlike any other in history with COVID-19 pandemic causing unprecedented disruption not just to the global economy, but also our working environment and lifestyle. What initially appeared to be a global health crisis had very quickly morphed into a full blown global economic crisis.

We took swift actions to adapt to the changes in the operating landscape once we realised the gravity of the situation with the imposition of the Movement Control Order (MCO). Despite operating under a tough and challenging environment in 2020, MSWG remained resilient and was able to record a set of commendable results for the financial year ended 31 December 2020 (FY2020).

We attribute this to a combination of the proactive steps taken by the Government, regulators, the guidance from our Board of Directors, careful execution of key strategies by the Management, and the hard work and dedication of our employees amid extraordinarily challenging times.

### FINANCIAL PERFORMANCE

For FY2020, the Company achieved a lower revenue of RM0.61 million as compared to RM1.25 million in FY2019, a 51.2% decrease. The substantial reduction in revenue was mainly due to a decrease in revenue generated from forums and events from RM0.80 million in FY2019 to RM0.25 million in FY2020 as restrictions of movements and ban on large gatherings prevented us from holding our annual CG awards event which was our main source of income generation.

As the restrictions were necessary to reduce the risk of contagion, we adopted a prudent approach in our spending which resulted in a lower total expenditure, a decrease of 15.1% to RM3.95 million from RM4.65 million in FY2019. Hence, for FY2020 the Company recorded a higher surplus of RM0.76 million compared to that of RM0.67 million in FY2019.

### ACTIVITIES REVIEW

#### Corporate Monitoring

In 2020, MSWG covered 300 public listed companies (PLCs) in our monitoring portfolio or about 33% of the total number of companies listed on Bursa Securities and they included large cap, medium cap and small cap stocks that represent about 87% of Bursa's total market capitalisation.

Our corporate representatives attended 336 general meetings, of which 53 were extraordinary general meetings. Out of the 336 meetings, 233 or 69% were virtual general meetings which became a new normal as PLCs were required to conduct fully virtual meetings during the MCO period. Hybrid general meetings were subsequently allowed outside the MCO period.

#### MSWG Monitoring Portfolio Selection criteria:

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

MSWG uses the AGMs and EGMs as platforms to raise issues of concerns and/or encourage good corporate governance and sustainability practices to be adopted by PLCs. By and large, it is common for PLCs to present their response to our written letter at the AGM, and many also included our questions and their response in their corporate website under the Summary of Key Matters Discussed at AGMs.

However, year 2020 was unique in that many general meetings were conducted virtually and questions could only be posed by shareholders by typing them through chat-boxes. There were instances whereby questions raised by MSWG's representatives were not being addressed, even when the questions were re-typed through the chat box. We would be keeping a close eye on the conduct of virtual AGMs and provide feedback to the regulators for further improvements to ensure that minority shareholders were not being sidelined or ignored in virtual general meetings. After all, virtual AGMs have on numerous occasions prevented our representatives from interacting with retail investors, unlike in a physical AGM.

Our monitoring unit handled 58 complaints cases in 2020, often from retail investors. Each complaint will be documented and addressed through the complaints-handling process. Broadly, the complaints/enquiries were related to:

- Minority shareholders' rights
- Utilisation of proceeds from rights issues
- Unfair offer price in privatisation proposal
- Private placement
- Voluntary Take Over & Mandatory General Offer
- Acquisition of new businesses
- Rights of preference shareholders
- Non-disclosure of changes to an earlier announcement
- Performance of the management and the right to shareholders to wind-up a fund

## Pre-Voting Decisions Report

The pre-Voting Decisions Report provided our independent views on voting matters which were also made accessible by our corporate and institutional subscribers. Our corporate representatives also prepared a Conduct of AGM report which covered among others, summary of the AGM proceedings and administrative details, directors' attendance, voting procedures and shareholder participation at the AGM.

## AGM/EGM Weekly Watch

The MSWG AGM/EGM Weekly Watch highlights key points to be raised at the general meetings and is available both on the MSWG website and the *New Straits Times* and *Nanyang Siang Pau (Mandarin)* newspapers. The Weekly Watch is a useful source to alert shareholders well in advance of issues of concern to enable them to be better prepared for the AGMs/EGMs as well as prompting them to raise follow-up questions at the meetings.

## E-Newsletter

Our weekly e-newsletter, *The Observer*, is now into its ninth year and provide readers with important corporate happenings on the local and international front on a weekly basis. It remains as an important tool for us to communicate our views on corporate happenings as well as our stand on corporate governance and sustainability matters.

The CEO pens his thoughts on main corporate headlines and important corporate governance issues. ESG (environmental, social and governance) issues were also given emphasis as more institutional investors and stakeholders embrace responsible investing with board of PLCs which fail to adopt sustainable business practices risk finding themselves erased from the radar of ESG-abidance investors. As we were unable to hold physical investor education sessions this year, *The Observer* would be a useful tool to educate investors, particularly retail investors, on how to make informed investment decisions or even to manage their risk appetite.

The newsletter also contains the Weekly Watch section which highlights issues to be raised at upcoming general meetings. *The Observer* is widely circulated to over 2,000 recipients including subscribers, fund managers, institutional investors, brokerage firms, universities, PLCs Board, regulators and the media.

## Company Engagements

We commenced our company engagements since beginning of the year, and were able to meet face-to-face with a few companies before MCO was enforced and subsequently limiting our engagements to virtual platforms. However, with the easing of the MCO towards the end of the year, engagements were conducted under strict compliance to the physical distancing and relevant standard operating procedures (SOPs).

In 2020, we conducted five (5) engagements namely with Seacera Group Bhd, Malaysia Airports Holdings Bhd, DRB-Hicom Bhd, AMMB Holdings Bhd and Eversendai Corporation Bhd. These engagements were mainly related to pre-AGM issues as well as Scorecard assessments.

The Board also had an opportunity to engage with the frontline regulator, Bursa Malaysia Bhd, to touch base on MSWG's roles and activities as well as various capital market issues.

## INVESTOR EDUCATION, TRAINING PROGRAMMES & SPEAKING ENGAGEMENTS

MSWG remains committed toward enhancing investor education among retail investors through investor forums and/or education programmes.

### Investor Forums

Investor forums provide a platform for aggrieved shareholders to share their concerns as a group and to bring up their issues collectively to the companies concerned. In 2020, MSWG conducted a forum for minority shareholders in February 2020 on the issue of privatisation of TA Global Bhd.

### Training Programme

We continued our collaboration with Federation of Public Listed Companies (FPLC) with MSWG as the principal training provider, and successfully co-organised a one-day joint interactive Directors & Management Training Programme on Section 17A Corporate Liability Provision of the Malaysian Anti-Corruption Commission Act 2009 in February 2020.

### Speaking Engagements





MSWG's CEO is a trainer for the Capital Market Directors Programme (CMDP), 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. Despite the movement restrictions being in force for much of 2020, the CEO had participated in 35 speaking engagements throughout 2020 which were conducted mainly via digital platforms. This included in-house director trainings, CMDP modules as well as speaking engagements in conferences and webinars.

Our CEO was also often invited to be a guest lecture to students in institutions of higher learning pursuing the tertiary level on topics of corporate governance and shareholder activism. In March 2020, the CEO was invited to be a member of The International University of Malaya-Wales (IUMW)'s Industry Advisory Panel (IAP) as part an academia-industry collaboration to help bring the industry perspectives to IUMW's graduates.

Some of the speaking engagements which we had participated in 2020 are disclosed in the Speaking Engagements section on page 34-36 of this Annual Report.

## SUBSCRIBER SERVICES

We offer various Subscriber Services under the following categories:

-  Institutional Subscribers
-  Corporate Subscribers – Packages A & B
-  Retail Subscribers
-  Scorecard – Packages A & B

The number of subscribers by categories are as follows:

	2020	2019
Institutional Subscriber	1	1
Corporate Subscribers	53	58
Retail Subscribers	1,461	1,349

The slight decrease in corporate subscribers were due to either companies being delisted or non-renewal of subscribership in 2020. Efforts to increase the number of our institutional and corporate subscribers in 2020 were hampered due to the challenging environment last year as we were unable to reach out to more institutional investors or PLCs to offer our Subscriber Services. Our value propositions for the various subscriber packages are accessible on our website at [www.mswg.org.my](http://www.mswg.org.my).

Retail subscription, which is on a complimentary basis, continue to be popular as subscribers have access to our AGM letter to PLCs, the reply from the PLC to our letter and weekly newsletters. Subscribers are also informed of opportunities to participate in investor-related forums or training programmes tailored for retail investors.

Institutional Subscriber	Bursa Malaysia Bhd
Corporate Subscribers	KUB Malaysia Bhd
Affin Bank Bhd	LPI Capital Bhd
Alliance Bank Malaysia Bhd	Malaysia Building Society Bhd
AMMB Holdings Bhd	Malaysian Resources Corporation Bhd
Axiata Group Bhd	Maxis Bhd
Bintulu Port Holdings Bhd	Media Prima Bhd
Boustead Heavy Industries Corporation Bhd	MISC Bhd
Boustead Holdings Bhd	OSK Holding Bhd
British American Tobacco (M) Bhd	Paramount Corporation Bhd
Bursa Malaysia Bhd	Parkson Holdings Bhd
CIMB Group Holdings Bhd	Petronas Chemicals Group Bhd
Chemical Company of Malaysia Bhd	Petronas Dagangan Bhd
Concrete Engineering Products Bhd	Petronas Gas Bhd
Dayang Enterprise Holdings Bhd	Pharmaniaga Bhd
DRB-Hicom Bhd	Public Bank Bhd
Duopharma Biotech Bhd	QL Resources Bhd
Eastern & Oriental Bhd	RHB Bank Bhd
Eco World International Bhd	Sime Darby Bhd
FGV Holdings Bhd	Sime Darby Plantation Bhd
Gas Malaysia Bhd	Sime Darby Property Bhd
Genting Bhd	Telekom Malaysia Bhd
Hong Leong Bank Bhd	Top Glove Corporation Bhd
IOI Corporation Bhd	UEM Edgenta Bhd
Jaya Tiasa Holdings Bhd	UMW Holdings Bhd
KKB Engineering Bhd	Veleso Energy Bhd
Kossan Rubber Industries Bhd	Yinson Holdings Bhd
KPJ Healthcare Bhd	YTL Corporation Bhd

## ASEAN CG SCORECARD ASSESSMENT



A collective effort of the ASEAN Capital Markets Forum and the Asian Development Bank, the ASEAN CG Scorecard (ACGS) assessment is part of the ASEAN Corporate Governance (CG) initiative introduced in 2011. It aims to raise the CG standards and practices among ASEAN PLCs as well as to acknowledge the well-governed ASEAN companies. Six out of the 10 ASEAN member countries, namely Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam participated in the assessment.

MSWG is the Domestic Ranking Body (DRB) appointed by the SC to undertake the annual CG assessment of all the PLCs using the ASEAN CG Scorecard (Scorecard). In 2020, our assessors had assessed 859 PLCs, results of which would be released in 2021.

On 10 December 2020, MSWG announced the list of 37 Malaysian PLCs acknowledged for their outstanding and exemplary corporate governance practices under the **2019 ASEAN Corporate Governance Scorecard Awards**. The 2019 ACGS Awards have recognised ASEAN PLCs based on three award categories, namely, **Top 20 ASEAN Publicly Listed Companies, ASEAN Asset Class Award and Top 3 Publicly Listed Companies per Country**.

The **Top 20 ASEAN Publicly Listed Companies** shortlist the top 20 participating ASEAN PLCs which garnered the highest scores under the ACGS assessment. Meanwhile, the **ASEAN Asset Class Award** seeks to recognise all the ASEAN PLCs that obtained a score of 97.5 points (or at least 75% of the maximum attainable score of 130) in the assessment. Lastly, the top three PLCs which garnered the highest scores per participating ASEAN Member country will be recognised as the **Top 3 PLCs** for the country.

The Top 3 PLCs winners which garnered the highest score among all the Malaysian PLCs in the ACGS assessment were (in alphabetical order):

-  AMMB Holdings Bhd
-  Bursa Malaysia Bhd
-  Malayan Banking Bhd

## SUSTAINABILITY DISCLOSURE REVIEW

In 2020, MSWG entered into a strategic collaboration with our frontline regulator, Bursa Malaysia, to undertake an annual **Sustainability Disclosure Review** exercise for 2020 and 2021. We started out with the assessment of 300 PLCs with all PLCs to be assessed next year. Bursa Malaysia would be sharing the summary statistics in terms of overall compliance and quality based on the 2020 assessment, and also provide some guidance to PLCs to further enhance their sustainability reporting and practices in the BURSASUSTAIN platform.

## INSTITUTIONAL INVESTORS COUNCIL MALAYSIA

MSWG is a member of the Institutional Investors Council Malaysia (IIC) and our CEO is also a member of the IIC Council Board. MSWG provides both essential Secretariat services to the IIC and plays a leading role in co-ordinating the IIC activities and engagements, particularly to encourage more asset owners and asset managers to become signatories to the Malaysian Code for Institutional Investors.

In 2020, we participated in two (2) company engagements organised by IIC, namely with Bursa Malaysia Bhd and FGV Holdings Bhd, as well as a dialogue with the key palm oil plantation industry players in Malaysia. Issues raised under the IIC platform were often issues of common concerns among institutional investors, covering financial performance, governance and sustainability matters. Our participation in IIC complements our role in shareholder activism by providing us the opportunity to share our insights with the institutional investors' fraternity and investee companies.





1&2 : IIC Engagement with Bursa Malaysia Bhd

**OTHER ADVOCACY ACTIVITIES**

We provide feedback and comments on Consultation Papers issued by regulators as one of our ways to contribute to the development of the capital and securities market. In 2020, MSWG provided its comments on **Bursa Malaysia Consultation Paper No. 2/2020 on the Proposed Amendments to the Main and ACE Market Listing Requirements in relation to Public Security Holding Spread**.

**PUBLICATIONS & RESEARCH**

In February 2020, the Securities Commission (SC) unveiled the AGM corporate governance checklist for shareholders. The AGM CG Checklist was developed in collaboration with the Institutional Investors Council Malaysia (IIC) and MSWG.

The Checklist covers primarily issues related to resolutions commonly tabled at AGMs such as the appointment or reappointment of directors, approval of directors’ fees and the appointment of auditor. It is hoped that the Checklist will help enhance shareholder activism by providing guidance on key issues that could be raised at general meetings before they exercise their voting decisions.

In October 2020, we published the **Malaysia-ASEAN Corporate Governance Report 2019** which covered the findings of the 866 PLCs assessed in year 2019. We are encouraged with the overall scores of 74.84 points for all companies in 2019 compared to 67.22 points in 2018, while that of the top 100 companies rose to 98.40 points from 94.95 points in 2018 and even that of the bottom 100 posted an increase to 58.75 points from 50.11 points in 2018. The **Malaysia-ASEAN Corporate Governance Report 2019** is available for sale through our website at [www.mswg.org.my](http://www.mswg.org.my).



We also updated our **MSWG Key Principles and Voting Guidelines in 2020** which is available on our website. The document sets out MSWG's views on key principles and voting guidelines on matters related to resolutions commonly tabled at annual shareholders' meetings.

We continue to explore topics of interest and welcome collaborations with institutions of higher learning or governance bodies on joint research publications.

## HUMAN CAPITAL

### Staff Strength

MSWG seeks to attract, retain, and develop talents to support its continuous growth. We believe in creating a workplace that is fair and supports the efforts of a diverse range of employees. We have a lean workforce and as of end-December 2020, MSWG had a total of 17 employees, of which 53% were in the Management and Analyst categories.

We engage part-time professionals, referred to as MSWG Associates, to complement our workforce. Associates provide additional support for corporate monitoring activities especially during peak AGM season as well as for special projects in publications and the IIC Secretariat role. This accommodative policy has enabled us to attract experienced professionals of the right calibre who are able to provide the necessary support to help MSWG execute its strategies.

### Talent Development

MSWG encourages talent development to foster growth among employees and within the organisation. Our analysts are encouraged to obtain the Investment Representative Licence under the Capital Markets and Services Act 2007 and/or pursue other professional qualifications to enhance their personal development. We currently have two analysts who are CMSRL holders. Study leave is granted to those undertaking professional examinations and fees reimbursed upon successful completion of the modules as an incentive.

In 2020, we conducted a half-day workshop with employees to identify and assess their training needs. The session which was facilitated by an external trainer was very interactive and provided valuable feedback towards the creation of a more effective and structured training programme for employees.

### Internship programme

MSWG's internship programme offers a period of between one to three months learning opportunity for university students. 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. Nevertheless, internship programme was not open for applications in 2020 due to the COVID-19 situation.

### Staff activities & well-being

MSWG promotes a good work-life balance by offering a competitive benefits packages to ensure that the employees' well-being is adequately taken care of. With health and safety of employees being of paramount importance, we had modified our operations to support remote working during the MCO period. Subsequently, when employees were allowed to return to office, we took additional measures to protect their health and safety by implementing measures such as work rotations, social distancing protocols, temperature checks, office sanitisation, issuance of face masks and hand sanitisers as well as requiring visitors to observe the SOPs prescribed by the Government and building manager.

## MOVING FORWARD

Every crisis comes with a lesson and an opportunity to change and progress. Our capabilities have been put to the test by events of the past year, and we remain confident that MSWG will be able to rise to the challenge as we progress to the final year of our Three-Year Strategic Business Plans 2019-2021.

We will be submitting a fresh Three-year Strategic Roadmap to the Capital Market Development Fund (CMDf) in 2021 to secure our funding for years 2022-2024. We need to redefine and craft business strategies to fit the new normal which includes embracing a remote workforce and utilising digital technologies to enable greater efficiency and productivity, as well as identifying growth opportunities.

Protection of minority interests and corporate governance - which took on heightened importance in this pandemic - will remain as our main focus areas. We will continue to enhance our research capabilities, particularly on sustainability reporting assessments to complement the corporate governance areas. We anticipate 2021 will continue to be a challenging year despite signs of economic recovery. The deployment of vaccines across the globe, Malaysia included, will hopefully accelerate efforts to contain the virus and restore global economic activity to some semblance of normalcy.

I would like to take this opportunity to acknowledge my Management, staff and associates who have put in a tremendous effort this past year we amid challenges presented upon us. I would like to also express my personal thanks to my fellow Board members for their guidance and contributions this past year.

A special note of gratitude to our subscribers, partners and the media for their unwavering support. Last but not least, our deep appreciation and gratitude to the CMDf, Securities Commission and Bursa Malaysia for their continued guidance and support throughout the year.

## DEVANESAN EVANSON

*Chief Executive Officer & Executive Director*

## CORPORATE GALLERY

1-3

27 February 2020  
Investor Forum & Media Interview on  
Privatisation of TA Global Bhd

4

17 June 2020  
MSWG Board of Directors' Engagement  
with Bursa Malaysia Berhad

5-6

27 July 2020  
MSWG 19<sup>th</sup> Annual General Meeting

7-9

24 September 2020  
In-house Staff Training Session

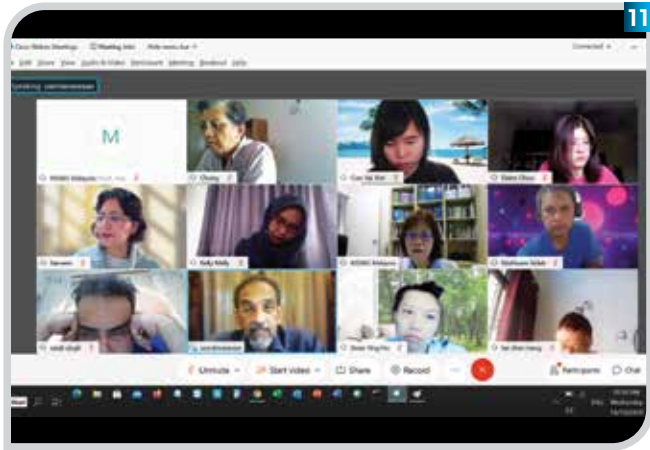




- 10 | 19 August 2020  
Adjudication Meeting
  
- 11 | 15 October 2020  
MSWG Analysts' Virtual  
Training Session
  
- 12-13 | October 2020  
Presentation of  
MSWG-ASEAN CG  
Awards 2019 to Winners



10



11



12



13

# MSWG IN THE NEWS

## Questions over FELDA's plans for FGV

**Questions over FELDA's plans for FGV**

...the group expects CFO prices to remain strong till the end of the year

## MSWG's take on FELDA's offer for FGV

**MSWG's take on FELDA's offer for FGV**

The group expects CFO prices to remain strong till the end of the year

## Will Syed Mokhtar make a counter offer for FGV?

**Will Syed Mokhtar make a counter offer for FGV?**

## Unprecedented risk of scrapping rights issue and its implications for shareholders

**Unprecedented risk of scrapping rights issue and its implications for shareholders**

Rights issue cancellation must be viewed seriously

## SC extends oversight to directors' fiduciary duties

**SC extends oversight to directors' fiduciary duties**

Select points to the new guidelines

## Unprecedented risk of scrapping rights issue and its implications for shareholders

**Unprecedented risk of scrapping rights issue and its implications for shareholders**

Rights issue cancellation must be viewed seriously

## Diversify-and-divest route provides new lease of life for listed companies

**Diversify-and-divest route provides new lease of life for listed companies**

## SC extends oversight to directors' fiduciary duties

**SC extends oversight to directors' fiduciary duties**

Select points to the new guidelines

## Fresh start as property developers

**Fresh start as property developers**

## MSWG: TA Global's takeover offer unsatisfactory

**MSWG: TA Global's takeover offer unsatisfactory**

## MSWG raises concerns over less than RM5k for internal audit cost

**MSWG raises concerns over less than RM5k for internal audit cost**

## MSWG raises concerns over less than RM5k for internal audit cost

**MSWG raises concerns over less than RM5k for internal audit cost**

MSWG AOM/EGM WEEKLY WATCH (6 - 10 JULY 2020). Table with columns: Date & Time, Company, Venue. Includes sections for 'One of the points of interest to be noted' and 'Comments' for various companies like Sino-Asia International, Media Prima, Carlsberg, etc.

MSWG urges PLCs to appoint independent moderators at virtual general meetings. Includes MSWG logo and a photo of a person in a suit.

Minority shareholders need to step up, says watchdog. Includes a photo of a man in a suit and text discussing shareholder activism and corporate governance.

Independent moderators needed for virtual meetings. MSWG says Q&As must be conducted objectively. Includes a quote: 'This will prevent incidents of questions being conveniently overlooked by the board.'

Even if you're an investment guru, you can be jailed up to 10 years without a licence. Includes a photo of a man in a suit and text discussing investment regulations.

UNUSUAL OCCURRENCE MSWG raises alarm as G3 Global warrants outshine mother shares. Includes text about G3 Global warrants and their impact on the company's share price.

Warrant holders should remember to exercise their right to buy the company's shares at their exercise price or sell their warrants in the open market prior to their expiry date. Includes text about exercising warrants and market conditions.



# Graft allegations reflect individuals' ethics, not governance standards

The allegations referring to the cases are not a reflection of the corporate governance standards that are in place, says MSWG CEO

### KEY TAKEAWAYS

Recent allegations of bribery and misdirection involving several Malaysian public listed companies reflect the individual integrity and individual ethics rather than the country's governance standards. Malaysia Shareholders Watch Group (MSWG) CEO Devanathan Evanson said.

It has been charged with leading a 400g of misanthropism as a commission over Asia Global's process in Penang, rising further concern on Malaysia's corporate governance standards.



Devanathan Evanson, MSWG CEO

Evanson said there were ambiguities with AirAsia's announcement on Bursa Malaysia today (Feb 3) and urged AirAsia to provide "further clarification" on the matter.

Evanson said the allegations referring to the cases are not a reflection of the corporate governance standards that are in place, says MSWG CEO. "The standards are well clear... The allegations referring to the cases are not a reflection of the corporate governance standards that are in place, says MSWG CEO."

# SC unveils AGM checklist to enhance activism

KEY TAKEAWAYS

SEKELING JAYA: Shareholders will now have a checklist that can guide them in raising issues for discussion at corporate AGMs. A new initiative by the Securities Commission (SC) to enhance shareholder activism and discussion between shareholders and boards of directors at AGMs, the Securities Commission (SC) yesterday announced the release of the AGM corporate governance checklist for shareholders (AGM-SC Checklist).

**"The checklist jointly issued by the SC, IIC and MSWG is to encourage shareholder activism."**

MSWG CEO Devanathan Evanson

SC Chairman Khalid bin Abdul Razak said shareholders play an important role in driving responsible corporate behaviour. "The AGM is one of the platforms where the most important decisions are made and explained from the board and management," he explained in conjunction with the release of the checklist.

Evanson said the checklist would serve as a guide and not a barrier for companies to ensure a productive and meaningful AGM. "This is the right step for companies to ensure healthy relationship of trust, transparency and accountability to ensure long-term sustainability and continuity of our shareholders," he said.

# AirAsia needs to clarify role in RM205 mil graft case, says MSWG

Evanson Samarathin | 4 hours ago | Featured, Malotrum, Top



**THE Minority Shareholders Watch Group (MSWG) wants the board of low-cost carrier AirAsia Group Bhd to further clarify the role of the company's executives in accepting a RM205 mil bribe from European planemaker Airbus SE.**

"It must be remembered that perceptions shape reality," MSWG CEO Devanathan Evanson tells FocusM. "The board which consists of seasoned corporate leaders, if aware of this unholy alliance, should have acted earlier to avoid such unfavourable perceptions."

Citing UK court documents, FocusM reported on Feb 1 that directors and/or employees of the low-cost carrier and its local arm AirAsia X Bhd (AAX) were allegedly the recipients of a US\$50 mil (RM205 mil) bribe from Airbus.

According to British prosecutors, Airbus paid the sum to sponsor a sports team jointly owned by two unnamed AirAsia executives in Malaysia. Airbus allegedly made the payment to secure an order for 180 aircraft.

The documents also said Airbus employees also attempted to pay an additional US\$55 mil to the directors and/or employees of AirAsia and AAX but were prevented by an October 2014 freeze on payments to agents and intermediaries.

Reports say this is related to Caterham F1 whose owners were AirAsia group CEO Tan Sri Tony Fernandes and executive chairman Dinesh Kumaradin Mervazon.

Evanson said there were ambiguities with AirAsia's announcement on Bursa Malaysia today (Feb 3) and urged AirAsia to provide "further clarification" on the matter.

The first point, he says, revolves around the allegation that AirAsia's agreement with Airbus for a fleet of aircraft were improperly linked to sponsorship by Airbus of a sports team jointly owned by AirAsia executives.

AirAsia defended the charge, saying its own sponsorship of the sports team went through

robust checks and balances and that AirAsia's involvement benefited the European company through branding, among others.

But "it seems to be such an uneasy coexistence that Airbus ended up sponsoring a sports team which is owned by AirAsia executives. The board, if aware, should disclose the names of the sports team clubbed to and the names of the AirAsia executives in the interest of transparency," Evanson says.

At the same time, he says, it is not fair to expect AirAsia to financially support their sports team, in addition, "Sponsoring a supplier of a PLC to support the sports team which was legally unrelated to both airlines is tantamount to these individuals merely getting a 'gratification' or benefit-in-kind from the sponsor."

The second point, says Evanson, is about the announcement that states, "AirAsia is deeply concerned that these allegations will have an adverse and negative impact on the AirAsia brand, reputation and goodwill."

The board, he adds, has to react assertively to address the allegations as they are "deeply concerned". Measures include an "assessment of the need to set up an independent investigation committee to address the allegations", Evanson says.

AirAsia and AAX are now subject to public and regulatory scrutiny. The Malaysian Aviation Commission (Mavcom) had said in a Feb 3 statement that it would review whether there had been any contravention of its regulations and guidelines following the graft allegations.

Mavcom said AirAsia and AAX, being holders of air service licences issued by the commission, and their key responsible persons, are subject to the Malaysian Aviation Commission Act 2015 (Act 774) and its Guidelines on Fit and Proper Persons.

"The allegations touch on the jurisdictions of multiple agencies in Malaysia and therefore the commission will cooperate and work with all relevant authorities on this matter," it added.

The Malaysian Anti-Corruption Commission (MACC) as well as Securities Commission Malaysia have also launched independent investigations into the case.

AirAsia and AAX shares closed down 10.49% and 7.90% to RM1.28 and 12 sen, respectively, on Feb 3. The benchmark FTSE KLCI, however, was only down 0.16% to close at 1,521.05 points. - Feb 3, 2020

# 审计师辞职事出有因

财经新闻摘要，包含PKF、内股交易风险、内股交易限制等标题及详细分析。

# 剪不断，理还乱的 FGV

财经新闻摘要，包含投资者检讨、FGV 股权结构分析、相关公司表现等。

## SPEAKING ENGAGEMENTS

1 9 January 2020

ACCA-MICG Ethics, Governance & Transparency in Corporate Reporting Forum – Session entitled "Ethics, Governance & Transparency in Corporate Reporting."

*Aloft KL Sentral*

2 19 February 2020

Joint Interactive Directors and Management Training Programme on Section 17A MACC Act 2018: Corporate Liability Provision with Federation of Public Listed Companies (FPLC).

*The Majestic Hotel Kuala Lumpur*

3 3 September 2020

Guest lecture on the topic "Challenges Faced by Minority Shareholders under the Current Legal Framework."

*Monash University Malaysia (Virtual Lecture)*

4 8 September 2020

Virtual IIA Malaysia- CAE Summit 2020 on the topic "Political Landscape of Prevention, Deterrence and Detection of Fraud during Pandemic and Economic Hard Times."

5 15 September 2020

Forum on "Corporate Liability – Are You At Risk?"

*Grand Hyatt Kuala Lumpur Hotel*

6 23 October 2020

30% Club Session on "Influencers Pillar in the Investors Group and Government/Regulators."





3



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8 25 November 2020  
 Panelist at the virtual ICDM Advocacy Dialogue – Stakeholder Capitalism: A Vital Pandemic Agenda? on the topic "The Age of Stakeholder Capitalism: Consult, Commit, Communicate."

9 2 December 2020  
 Panelist at the virtual GRACE FORUM 2020: "Covid 19 and The Future of Business."

10 17 December 2020  
 Virtual Internal Audit Leadership Forum 2020 on "Ethics Challenges for Leaders and Businesses."

11 18 December 2020  
 Presentation to Malaysian REIT Managers Association on ASEAN Corporate Governance Scorecard Assessment.

*The Crescent, Pavilion Hotel Kuala Lumpur*



Registration No.

200001022382 (524989-M)

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

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STATUTORY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Registration No.

200001022382 (524989-M)

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

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Registration No.

200001022382 (524989-M)

## 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 2020.

#### 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:

Dato' Larry Gan (retired w.e.f. 27 July 2020)  
 Nor Hizam bin Hashim (resigned w.e.f. 18 March 2021)  
 Dato' Wan Kamaruzaman bin Wan Ahmad  
 Datuk Gazali bin Haji Harun  
 Devanesan J.A. Evanson  
 Puan Sharifatu Laila Syed Ali  
 Dato' Abdul Alim Bin Abdullah  
 Puan Nik Amlizan Binti Mohamed

In accordance with Article 61 of the Company's Constitution, Mr Devanesan J.A. Evanson and Puan Sharifatu Laila Syed Ali retire at the forthcoming 20<sup>th</sup> Annual General Meeting. Mr Devanesan J.A. Evanson and Puan Sharifatu Laila Syed Ali being eligible, have offered themselves for re-election at the 20<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
Surplus for the financial year	760,032

#### RESERVES AND PROVISIONS

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

Registration No.

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## 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.



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**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.

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**DIRECTORS' REPORT (CONTINUED)**

**SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

Significant event during the financial year is disclosed in Note 17 to the financial statements.

**SUBSEQUENT EVENT AFTER THE FINANCIAL YEAR**

Event subsequent to the financial year end is disclosed in Note 18 to the financial statements.

**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 18 March 2021. Signed on behalf of the Board of Directors:



**DATO' WAN KAMARUZAMAN BIN WAN AHMAD**  
DIRECTOR



**DEVANESAN J.A. EVANSON**  
DIRECTOR

Kuala Lumpur  
18 March 2021

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**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**  
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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
Revenue	2	610,227	1,245,544
Grant	3	3,947,377	4,000,000
Other operating income	4	95,639	94,645
Staff costs	5	(2,346,306)	(2,508,171)
Depreciation of property and equipment		(284,706)	(287,389)
Amortisation of intangible assets		(79,933)	(83,565)
Finance cost		(10,017)	(21,051)
Other operating expenses	6	(1,226,415)	(1,747,451)
Total expenditure		<u>(3,947,377)</u>	<u>(4,647,627)</u>
Surplus before taxation	7	705,866	692,562
Taxation	8	54,166	(21,740)
Surplus for the financial year		<u>760,032</u>	<u>670,822</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			
Gross fair value gain/(charge)		39,684	(1,043)
Net realized gain on disposal of equity instruments		61	72
Net fair value change		<u>39,745</u>	<u>(971)</u>
Total comprehensive income for the financial year		<u><u>799,777</u></u>	<u><u>669,851</u></u>

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**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**  
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## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
<b>NON-CURRENT ASSETS</b>			
Property and equipment	9	49,479	104,228
Intangible assets	10	79,931	159,864
Right-of-use asset	11	92,120	313,207
Financial investments at fair value through other comprehensive income (FVOCI)	12	215,872	174,642
Deferred tax asset	13	136,144	78,714
		<u>573,546</u>	<u>830,655</u>
<b>CURRENT ASSETS</b>			
Other receivables, deposits and prepayments	14	192,320	669,726
Cash and cash equivalents	15	5,150,887	3,535,920
Tax recoverable		16,736	20,000
		<u>5,359,943</u>	<u>4,225,646</u>
<b>LESS: CURRENT LIABILITIES</b>			
Other payables and accruals		1,413,384	1,273,620
Lease liability	11	88,471	204,976
Deferred grant	3	142,623	-
		<u>1,644,478</u>	<u>1,478,596</u>
<b>NET CURRENT ASSETS</b>		<u>3,715,465</u>	<u>2,747,050</u>
		<u>4,289,011</u>	<u>3,577,705</u>
<b>REPRESENTED BY:</b>			
General fund		5,801,000	5,801,000
Accumulated loss		(1,626,681)	(2,386,774)
FVOCI reserve		114,692	75,008
		<u>4,289,011</u>	<u>3,489,234</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liability	11	-	88,471
		<u>4,289,011</u>	<u>3,577,705</u>

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**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**  
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**STATEMENT OF CHANGES IN GENERAL FUND AND RESERVE  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	General fund RM	Accumulated surplus/ (loss) RM	FVOCI reserve RM	Total RM
At 1 January 2020	5,801,000	(2,386,774)	75,008	3,489,234
Comprehensive income:				
- Surplus for the financial year	-	760,032	-	760,032
Other comprehensive income:				
- Financial investments at FVOCI	-	-	39,745	39,745
Net realised gain on disposal of equity instruments	-	61	(61)	-
At 31 December 2020	<u>5,801,000</u>	<u>(1,626,681)</u>	<u>114,692</u>	<u>4,289,011</u>
At 1 January 2019	5,801,000	(3,057,668)	76,051	2,819,383
Comprehensive income:				
- Surplus for the financial year	-	670,822	-	670,822
Other comprehensive income:				
- Financial investments at FVOCI	-	-	(971)	(971)
Net realised gain on disposal of equity instruments	-	72	(72)	-
At 31 December 2019	<u>5,801,000</u>	<u>(2,386,774)</u>	<u>75,008</u>	<u>3,489,234</u>

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**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**

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**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus/(deficit) before taxation		705,866	692,562
Adjustments for non-cash items:			
Subscriber services fee		(364,982)	(442,970)
Property and equipment written-off		-	29,920
Depreciation of right-of-use asset		221,087	221,087
Depreciation of property and equipment		63,619	66,302
Amortisation of intangible assets		79,933	83,565
Dividend income		(4,932)	(5,359)
Interest income		(69,707)	(87,448)
Finance cost		10,017	21,051
		<u>640,901</u>	<u>578,710</u>
Changes in working capital:			
Receivables		477,407	(379,339)
Payables		124,748	92,765
		<u>1,243,056</u>	<u>292,136</u>
Cash generated from operating activities		1,243,056	292,136
Subscriber services fee received		380,000	390,500
Dividend income received		4,932	5,359
Grant utilised		(3,947,377)	(4,000,000)
Tax paid		-	(1,931)
		<u>(2,319,389)</u>	<u>(3,313,936)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income received		69,707	87,448
Purchase of financial investments at FVOCI		(1,858)	(8,663)
Proceeds from disposal of financial investments at FVOCI		370	911
Purchase of property and equipment		(8,870)	(11,611)
Payment of lease liabilities		(214,993)	(261,898)
		<u>(155,644)</u>	<u>(193,813)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Grant received		4,090,000	4,000,000
		<u>4,090,000</u>	<u>4,000,000</u>
Net cash generated from financing activities		4,090,000	4,000,000
Increase in cash and cash equivalents during the financial year		1,614,967	492,251
Cash and cash equivalents at beginning of the financial year		3,535,920	3,043,669
Cash and cash equivalents at end of the financial year	15	<u>5,150,887</u>	<u>3,535,920</u>

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## BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

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### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

#### A BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

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

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

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

The Company has applied the following amendments for the first time for the financial year beginning on 1 January 2020:

#### i. The Conceptual Framework for Financial Reporting (“Framework”) - effective 1 January 2020

The Framework was revised with the primary purpose to assist the IASB to develop IFRS that are based on consistent concepts and enable preparers to develop consistent accounting policies where an issue is not addressed by an IFRS. The Framework is not an IFRS, and does not override any IFRSs.

Key changes to the Framework are as follows:

- Objective of general purpose financial reporting - clarification that the objective of financial reporting is to provide useful information to the users of financial statements for resource allocation decisions and assessment of management’s stewardship.
- Qualitative characteristics of useful financial information - reinstatement of the concepts of prudence when making judgement of uncertain conditions and “substance over form” concept to ensure faithful representation of economic phenomenon.
- Clarification on reporting entity for financial reporting- introduction of new definition of a reporting entity, which might be a legal entity or a portion of a legal entity.
- Elements of financial statements - the definitions of an asset and a liability have been refined. Guidance in determining unit of account for assets and liabilities have been added, by considering the nature of executory contracts and substance of contracts.
- Recognition and derecognition - the probability threshold for asset or liability recognition has been removed. New guidance on de-recognition of asset and liability have been added.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

**A BASIS OF PREPARATION (CONTINUED)**

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

The Company has applied the following amendments for the first time for the financial year beginning on 1 January 2020 (continued):

- i. The Conceptual Framework for Financial Reporting ("Framework") - effective 1 January 2020 (continued)

Key changes to the Framework are as follows (continued):

- Measurement - explanation of factors to consider when selecting a measurement basis have been provided.
- Presentation and disclosure - clarification that statement of profit or loss ('P&L') is the primary source of information about an entity's financial performance for a reporting period. In principle, recycling of income/expense included in other comprehensive income to P&L is required if this results in more relevant information or a more faithful representation of P&L.

Amendments to References to the Conceptual Framework in MFRS Standards

The MASB also issued Amendments to References to the Conceptual Framework in MFRS Standards ('Amendments'), to update references and quotations to fourteen (14) Standards so as to clarify the version of Conceptual Framework these Standards refer to, for which the effective date above applies.

The amendments should be applied retrospectively in accordance with MFRS 108 unless retrospective application would be impracticable or involve undue cost or effort.



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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

**A BASIS OF PREPARATION (CONTINUED)**

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

The Company has applied the following amendments for the first time for the financial year beginning on 1 January 2020 (continued):

- ii. Amendments to the definition of material (Amendments to MFRS 101 and MFRS 108) - effective 1 January 2020

The amendments clarify the definition of materiality and use a consistent definition throughout MFRSs and the Conceptual Framework for Financial Reporting.

The definition of 'material' has been revised as "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments also:

- clarify that an entity assess materiality in the context of the financial statements as a whole.
- explain the concept of obscuring information in the new definition. Information is obscured if it have the effect similar as omitting or misstating of that information. For example, material transaction is scattered throughout the financial statements, dissimilar items are inappropriately aggregated, or material information is hidden by immaterial information.
- clarify the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

The amendments shall be applied prospectively.

The adoption of the above accounting standards and amendments does not give rise to any material financial impact to the Company.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

**A BASIS OF PREPARATION (CONTINUED)**

(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 2020 set out below:

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

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

ii. Annual Improvements to MFRSs 2018 - 2020 - effective 1 January 2022

• MFRS 16 "Leases" Illustrative Example 13

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

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

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

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

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

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

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

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

**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 2020 set out below (continued):

- iv. Amendments to classification of liabilities as current or non-current (Amendments to MFRS 101) - effective 1 January 2022

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

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

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

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

These amendments should be applied retrospectively for annual periods beginning on or after 1 January 2022. Earlier application is permitted. If an entity applies those amendments for an earlier period, it should disclose that fact.

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (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 2020 (CONTINUED)**

**C INCOME TAXES (CONTINUED)**

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

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

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

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

**D CASH AND CASH EQUIVALENTS**

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

**E REVENUE RECOGNITION**

Revenue is recognised on the following basis:

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**F GRANT**

Grant relating to costs are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs they are intended to compensate.

**G EMPLOYEE BENEFITS**

Short term benefits

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

Post employment benefit

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

**H FINANCIAL ASSETS**

(a) Classification

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

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

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**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 2020 (CONTINUED)**

**H FINANCIAL ASSETS (CONTINUED)****(b) Recognition and derecognition**

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

**(c) Measurement**

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

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

**Debt instruments**

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

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

**(i) Amortised cost**

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**H FINANCIAL ASSETS (CONTINUED)**

(c) Measurement (continued)

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

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

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

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

Equity Instruments

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

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

(d) Subsequent measurement – Impairment

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

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



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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**I LEASES**

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

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

**(a) Lease term**

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

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

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

ROU assets are initially measured at cost comprising the following:

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

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**I LEASES (CONTINUED)**

**(c) Lease liabilities**

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

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

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

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

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

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

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

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)****J PROVISIONS**

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

**K CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

**L IMPAIRMENT OF NON-FINANCIAL ASSETS**

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

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**M CRITICAL ACCOUNTING ESTIMATES**

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

Income taxes

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

**N INTANGIBLE ASSETS**

DMS and website integration

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

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

**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 (2019: 17).

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>2020</u> RM	<u>2019</u> RM
Forums and events	245,245	802,574
Subscriber services fee	364,982	442,970
	<u>610,227</u>	<u>1,245,544</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>2020</u> RM	<u>2019</u> RM
Balance as at 1 January	-	-
Grant received during the financial year	4,090,000	4,000,000
Grant utilised during the financial year	(3,947,377)	(4,000,000)
Balance as at 31 December	<u>142,623</u>	<u>-</u>

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)****4 OTHER OPERATING INCOME**

	<u>2020</u>	<u>2019</u>
	RM	RM
Dividend income	4,932	5,359
Interest income	69,707	87,448
Other income	21,000	2,214
Loss in foreign exchange	-	(376)
	<u>95,639</u>	<u>94,645</u>

**5 STAFF COSTS**

Salaries and bonus	1,884,883	2,017,043
Defined contribution plan ('EPF')	282,395	302,498
Staff gratuity	117,050	108,414
Other employee benefits	61,978	80,216
	<u>2,346,306</u>	<u>2,508,171</u>

The Chief Executive Officer has received salary and bonus of RM610,500 (2019: RM562,258) while contribution to EPF amounted to RM85,725 (2019: RM78,939).

**6 OTHER OPERATING EXPENSES**

	<u>2020</u>	<u>2019</u>
	RM	RM
Directors' fees	79,000	51,600
Directors' meeting attendance allowance	42,000	39,000
Associate Consultants	169,100	214,275
Malaysia-ASEAN Corporate Governance		
- ASEAN Corporate Governance Scorecard Assessment	316,700	485,125
- ASEAN Corporate Governance Award Ceremony	18,020	303,447
- ASEAN Corporate Governance Report	61,310	72,870
DOMESTIC Sustainability Scorecard Assessment	90,300	-
DOMESTIC Sustainability Report	50,000	-
MSWG's Annual Report	20,000	17,500
Rental expenses	15,565	24,977
Travelling, accommodation and promotion expenses	19,874	82,584
Telecommunication expenses	66,172	96,286
Insurance	135,833	148,515
Professional fees	57,400	66,700
Office expenses	71,581	83,187
Others	13,560	61,385
	<u>1,226,415</u>	<u>1,747,451</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 RM23,000 (2019: RM21,980).

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7	SURPLUS/(DEFICIT) BEFORE TAXATION	<u>2020</u> RM	<u>2019</u> RM
	Surplus/(deficit) before taxation is arrived at after (charging)/crediting:		
	Auditors' remuneration		
	- Statutory audit	(15,000)	(15,000)
	- Tax compliance	(10,000)	(2,300)
	Directors' meeting attendance allowance	(42,000)	(39,000)
	Interest income	69,707	87,448
	Dividend income	4,932	5,359
		<u>                    </u>	<u>                    </u>
8	TAXATION		
	Current year tax	5,000	10,000
	Over provision of prior years' tax	(1,736)	-
	Deferred tax (Note 13)	(57,430)	11,740
		<u>                    </u>	<u>                    </u>
		<u>(54,166)</u>	<u>21,740</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>2020</u> RM	<u>2019</u> RM
Surplus/(Deficit) before taxation	<u>705,866</u>	<u>692,562</u>
Tax calculated at the Malaysian tax rate of 26% (2019: 24%)	183,525	166,215
Tax effects of:		
- expenses not deductible for tax purposes	77,099	67,205
- income not subject to tax	(1,274)	(1,280)
- utilisation of previously unrecognised tax losses	(237,311)	(210,400)
- unrecognised deferred tax asset arising from unabsorbed tax losses	(57,430)	-
- effects of different tax rate	(17,039)	-
- over provision of prior years' tax	(1,736)	-
	<u>                    </u>	<u>                    </u>
Taxation	<u>(54,166)</u>	<u>21,740</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (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>2020</u>					
<u>Cost</u>					
At 1 January 2020	208,228	115,934	102,991	230,899	658,052
Additions	8,870	-	-	-	8,870
At 31 December 2020	<u>217,098</u>	<u>115,934</u>	<u>102,991</u>	<u>230,899</u>	<u>666,922</u>
<u>Accumulated depreciation</u>					
At 1 January 2020	154,068	93,774	89,486	216,496	553,824
Charge for the financial year	27,299	18,538	6,460	11,322	63,619
At 31 December 2020	<u>181,367</u>	<u>112,312</u>	<u>95,946</u>	<u>227,818</u>	<u>617,443</u>
<u>Net book value</u>					
At 31 December 2020	<u>35,731</u>	<u>3,622</u>	<u>7,045</u>	<u>3,081</u>	<u>49,479</u>



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## 9 PROPERTY AND EQUIPMENT (CONTINUED)

	<u>Computer and electronic equipment</u> RM	<u>Furniture and fittings</u> RM	<u>Office equipment</u> RM	<u>Renovations</u> RM	<u>Total</u> RM
<u>2019</u>					
<u>Cost</u>					
At 1 January 2019	247,267	115,934	143,062	230,899	737,162
Additions	11,611	-	-	-	11,611
Written-off	(50,650)	-	(40,071)	-	(90,721)
At 31 December 2019	<u>208,228</u>	<u>115,934</u>	<u>102,991</u>	<u>230,899</u>	<u>658,052</u>
<u>Accumulated depreciation</u>					
At 1 January 2019	173,975	74,843	115,605	205,174	569,597
Charge for the financial year	27,059	18,931	8,990	11,322	66,302
Written-off	(46,966)	-	(35,109)	-	(82,075)
At 31 December 2019	<u>154,068</u>	<u>93,774</u>	<u>89,486</u>	<u>216,496</u>	<u>553,824</u>
<u>Net book value</u>					
At 31 December 2019	<u>54,160</u>	<u>22,160</u>	<u>13,505</u>	<u>14,403</u>	<u>104,228</u>

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## 10 INTANGIBLE ASSETS

	<u>DMS and website integration</u>	
	<u>2020</u>	<u>2019</u>
	RM	RM
<u>Cost</u>		
At 1 January	399,662	430,794
Written-off	-	(31,132)
At 31 December	<u>399,662</u>	<u>399,662</u>
<u>Accumulated Amortisation</u>		
At 1 January	239,798	166,091
Charge for the financial year	79,933	83,565
Written-off	-	(9,858)
At 31 December	<u>319,731</u>	<u>239,798</u>
<u>Net book value</u>		
At 31 December	<u>79,931</u>	<u>159,864</u>

## 11 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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

	<u>2020</u>	<u>2019</u>
	RM	RM
Right-of-use assets:		
Property	<u>92,120</u>	<u>313,207</u>
Lease liabilities	<u>88,471</u>	<u>293,447</u>

The statement of profit or loss as at 31 December 2020 shows the following amounts relating to leases:

	RM
Depreciation charge on right-of-use assets:	
Finance cost	10,017
Expenses relating to short-term leases	<u>221,087</u>

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

Future minimum lease payments at 31 December 2020 are as follows:

	Minimum lease payment due		Total RM
	Within 1 year RM	1 – 3 years RM	
<b>31 December 2020</b>			
Lease payment	89,580	-	89,580
Finance cost	1,109	-	1,109
Net present value	88,471	-	88,471
<b>1 January 2020</b>			
Lease payment	214,993	89,580	304,573
Finance cost	10,017	1,109	11,126
Net present value	204,976	88,471	293,447

**12 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	<u>2020</u> RM	<u>2019</u> RM
At fair value:		
Quoted shares in Malaysia	<u>215,872</u>	<u>174,642</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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## 13 DEFERRED TAX ASSET/DEFERRED TAX LIABILITY

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

	<u>2020</u> RM	<u>2019</u> RM
<u>Subject to income tax:</u>		
Deferred tax asset (after offsetting)	136,144	78,714

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

	<u>2020</u> RM	<u>2019</u> RM
At 1 January	78,714	90,454
Charged to profit or loss (Note 8)	57,430	(11,740)
- Property and equipment	4,982	9,968
- Right-of-use	4,189	(5,138)
- Unutilised tax losses	-	-
- Subscriber fees	16,247	(16,883)
- Deferred grant	37,082	-
- Provisions	(5,070)	313
Charge to comprehensive income	-	-
At 31 December	136,144	78,714

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

## 13 DEFERRED TAX ASSET/DEFERRED TAX LIABILITY (CONTINUED)

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

	<u>2020</u> RM	<u>2019</u> RM
Deferred tax asset (before offsetting)		
- Provisions	95,430	100,500
- Deferred grant	37,082	-
- Property and equipment	676	-
- Subscriber fees	3,905	-
	<u>137,093</u>	<u>100,500</u>
Offsetting	(949)	(21,786)
	<u>136,144</u>	<u>78,714</u>
Deferred tax liability (before offsetting)		
- Right-of-use	(949)	(5,138)
- Property and equipment	-	(4,306)
- Subscriber fees	-	(12,342)
	<u>(949)</u>	<u>(21,786)</u>
Offsetting	949	21,786
	<u>-</u>	<u>-</u>

The unabsorbed tax losses of the Company is RM1,931,206 (2019: RM2,653,645) and no deferred tax assets are recognised as it is not probable that sufficient taxable profits will be available in the future. The deductible temporary differences have an expiry date of 7 years which is in line with Section 44(5F) of the Income Tax Act 1967 that comes into operation from year of assessment 2019 and subsequent years of assessment.

## 14 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<u>2020</u> RM	<u>2019</u> RM
Other receivables	10,600	515,000
Deposits and prepayments	181,720	154,726
	<u>192,320</u>	<u>669,726</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 2020 (CONTINUED)**

## 15 CASH AND CASH EQUIVALENTS

	<u>2020</u> RM	<u>2019</u> RM
Cash and bank balances	333,952	337,132
Deposits with a financial institution	4,816,935	3,198,788
	<u>5,150,887</u>	<u>3,535,920</u>

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

	<u>2020</u> %	<u>2019</u> %
Deposits with a financial institution	<u>1.85</u>	<u>3.20</u>

Deposits with a financial institution have an average maturity of 22 days (2019: 14.3 days).

## 16 FINANCIAL RISK MANAGEMENT

## (a) Market risk

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

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

## (b) Credit risk

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

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

	<u>2020</u> RM	<u>2019</u> RM
Other receivables, deposits and prepayments	192,320	669,726
Cash and cash equivalents	<u>5,150,887</u>	<u>3,535,920</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 2020 (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>2020</u>		
Other receivables, deposits and prepayments	-	192,320
Cash and cash equivalents	5,150,887	-
	<u>                    </u>	<u>                    </u>
<u>2019</u>		
Other receivables, deposits and prepayments	-	669,726
Cash and cash equivalents	3,535,920	-
	<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, intangible assets, right-of-use asset, tax recoverable and deferred taxation.

The carrying amounts of the Company's financial assets and financial liabilities as at 31 December 2020 and 31 December 2019 approximate their fair values due to the limited term to maturity of these instruments or limited sensitivity to interest rates.

Registration No.

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (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 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

The World Health Organisation declared the outbreak of Coronavirus disease (COVID-19) as a global pandemic in March 2020. The direct and indirect effects of the COVID-19 outbreak have impacted the global economy, markets and the Company's counterparties. During the year and up to the date of the report, there is no material impact arising from the COVID-19 on the carrying amounts of the Company's assets and liabilities. The Company continues to monitor the development and impact to the operations, if any.

**18 SUBSEQUENT EVENT AFTER THE FINANCIAL YEAR**

On 13 January 2021, the Government of Malaysia reintroduced the movement control order to curb the soaring number of Covid-19 cases. The lock down may have a negative impact on the Company's results of operation, similar to the areas highlighted in Note 17. The Company is not able to predict the potential future direct or indirect effects resulted from the movement control order. However, the Company is taking actions to mitigate the impacts, and will continue to closely monitor the impact and the related risks as they evolve.

**19 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 18 March 2021.



Registration No.

200001022382 (524989-M)

**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, Dato' Wan Kamaruzaman Bin Wan Ahmad and Devanesan J.A. Evanson, two of the Directors of Badan Pengawas Pemegang Saham Minoriti Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 5 to 34 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2020 and financial performance of the Company for the financial year ended 31 December 2020 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 18 March 2021.

 <b>DATO' WAN KAMARUZAMA BIN WAN AHMAD</b> <b>DIRECTOR</b>	 <b>DEVANESAN J.A. EVANSON</b> <b>DIRECTOR</b>
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Kuala Lumpur

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

I, Devanesan J.A. Evanson, the officer primarily responsible for the financial management of Badan Pengawas Pemegang Saham Minoriti Berhad, do solemnly and sincerely declare that, the financial statements set out on pages 5 to 34 are, to the best of my knowledge, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

 <b>DEVANESAN J.A. EVANSON</b> <b>(MIA Membership No: 2992)</b>	 <b>PEURUHJAYA SUMBER</b> <b>No. W 661</b> <b>TAN KIM CHOOI</b> <b>1.1.2019-31.12.2021</b> <b>MALAYSIA</b>
<p>Subscribed and solemnly declared by the abovenamed at Wilayah Persekutuan Kuala Lumpur on 18 March 2021.</p>	
<p>Before me:</p>  <b>COMMISSIONER FOR OATH</b>	<p>LEVEL 25, MENARA HONG LEONG, NO 6, JALAN DAMANLELA, BUKIT DAMANSARA, 50490 KUALA LUMPUR</p>



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

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

Our opinion

In our opinion, the financial statements of Badan Pengawas Pemegang Saham Minoriti Berhad (“the Company”) give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Company, which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, statement of changes in general fund and reserve and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 34.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

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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 (CONTINUED)  
(Incorporated in Malaysia)  
Registration No. 200001022382 (524989-M)**

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

**Information other than the financial statements and auditors' report thereon**

The Directors of the Company are responsible for the other information. The other information comprises the 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.

**Auditors' responsibilities for the audit of the financial statements**

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



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

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

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

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

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

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



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

OTHER MATTERS

This report is made solely to the 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  
02907/11/2021 J  
Chartered Accountant

Kuala Lumpur  
18 March 2021



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

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the **20<sup>th</sup> Annual General Meeting** ("AGM") of the Company will be held at the Meeting Room, 11<sup>th</sup> Floor, Bangunan KWSP, No. 3, Changkat Raja Chulan, Off Jalan Raja Chulan, 50200 Kuala Lumpur on **Monday, 28 June 2021 at 10.00 a.m.** to transact the following ordinary and special businesses and virtually via Webex platform.

### AGENDA

1. To receive and adopt the Company's Audited Financial Statements for the financial year ended 31 December 2020, together with the Directors' and Auditors' Reports thereon.
2. To approve payment of Directors' Fee of RM79,000 for the financial year ended 31 December 2020. **Ordinary Resolution 1**
3. To approve the payment of Directors' Fee for the financial year ending 31 December 2021 as follows: **Ordinary Resolution 2**
  - (a) RM18,000 for the Chairman; and
  - (b) RM12,000 for each Non-Executive Director
4. To approve the payment of Directors' Meeting Allowance for the period from 1 January 2021 until the next AGM as follows: **Ordinary Resolution 3**
  - (a) RM1,500 per meeting for the Chairman; and
  - (b) RM1,000 per meeting for each Non-Executive Director
5. 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) Mr. Devanesan a/I J A Evanson **Ordinary Resolution 4**
  - (b) Puan Sharifatu Laila binti Syed Ali **Ordinary Resolution 5**
6. To re-elect the following Directors who retire in accordance with Article 67 of the Constitution of the Company, as Directors of the Company:
  - (a) Dato' Dr. Suzana Idayu Wati binti Osman **Ordinary Resolution 6**
  - (b) Datuk Mohd Nasir bin Ali **Ordinary Resolution 7**
7. To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Ordinary Resolution 8**

8. To consider and if deemed fit to pass the following special resolution:

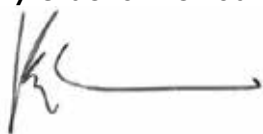
**Special Resolution:**

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

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

- 6A. The members of the Board appointed by the Board or Members of the Company may be paid salary, fee, fixed allowance and other benefits of not more than RM850,000 per year but not excessively given, shall be approved by the Members of the Company and Registrar charged with the responsibility for companies.

**By Order of the Board**



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

**Dated: 2 June 2021**

NOTE: A member of the Company entitled to attend and vote at this Meeting may appoint a proxy to vote in his stead. A proxy need not be a member of the Company. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a body corporate, either under seal or under hand of the officer or attorney duly authorised. The instrument appointing a proxy must be deposited at the Registered Office, 11<sup>th</sup> Floor, Bangunan KWSP, No. 3 Changkat Jalan Chulan, 50200 Kuala Lumpur not less than 48 hours before the time appointed for holding the Meeting.

Explanatory Notes:

- (a) Agenda 1 – Audited Financial Statements

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

- (b) Special Business

Special Resolution:

This Special Resolution is to seek members' approval to revise the amount of RM600,000 per year (RM50,000 per month) to RM850,000 per year after taking into consideration, potential salary increments and other benefits of the Executive Director (Chief Executive Officer) of the Company. The RM850,000 is merely an upper limit to ensure that MSWG does not have to revert to the general meeting every year for a special resolution for increments to the Executive Director's remuneration. The upper limit of RM850,000 comprises RM150,000 as the upper limit for Directors' fees and Directors' meeting allowances and RM700,000 as the upper limit for the Executive Director's remuneration. As always, all increments to the Executive Director's remuneration will be approved by the Board of Directors and all other Directors' remuneration will be approved by the Members of the Company at a general meeting.

The Company will submit the necessary applications to the Registrar, Companies Commission of Malaysia for approval after the AGM.

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

## PROXY FORM

We, ..... of  
.....being a  
member of the above named Company, hereby appoint ..... of  
..... or failing him/her  
..... of  
.....  
as our proxy to attend and vote for us and on our behalf at the Annual General Meeting of the said  
Company to be held on **Monday, 28 June 2021 at 10.00 a.m.** and at any adjournment thereof.

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

		For	Against
Payment of Directors' Fees for year ended 31 December 2020	Resolution 1		
Payment of Directors' Fees for year ending 31 December 2021	Resolution 2		
Payment of Directors' Meeting Allowance for the period from 1 January 2021 until the next AGM	Resolution 3		
Re-election of Directors who retire in accordance with Article 61 of the Company's Constitution:			
(a) Mr. Devanesan a/l J A Evanson	Resolution 4		
(b) Puan Sharifatu Laila binti Syed Ali	Resolution 5		
Re-election of Directors who retire in accordance with Article 67 of the Company's Constitution:			
(a) Dato' Dr. Suzana Idayu Wati binti Osman	Resolution 6		
(b) Datuk Mohd Nasir bin Ali	Resolution 7		
Re-appointment of Messrs PricewaterhouseCoopers PLT as Auditors and to authorise the Directors to fix their remuneration	Resolution 8		
Amendments to Company's Memorandum Of Association (known as the Company's Constitution pursuant to the Companies Act 2016)	Special Resolution		

Dated:

\_\_\_\_\_  
Director

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

## **MINORITY SHAREHOLDERS WATCH GROUP**

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