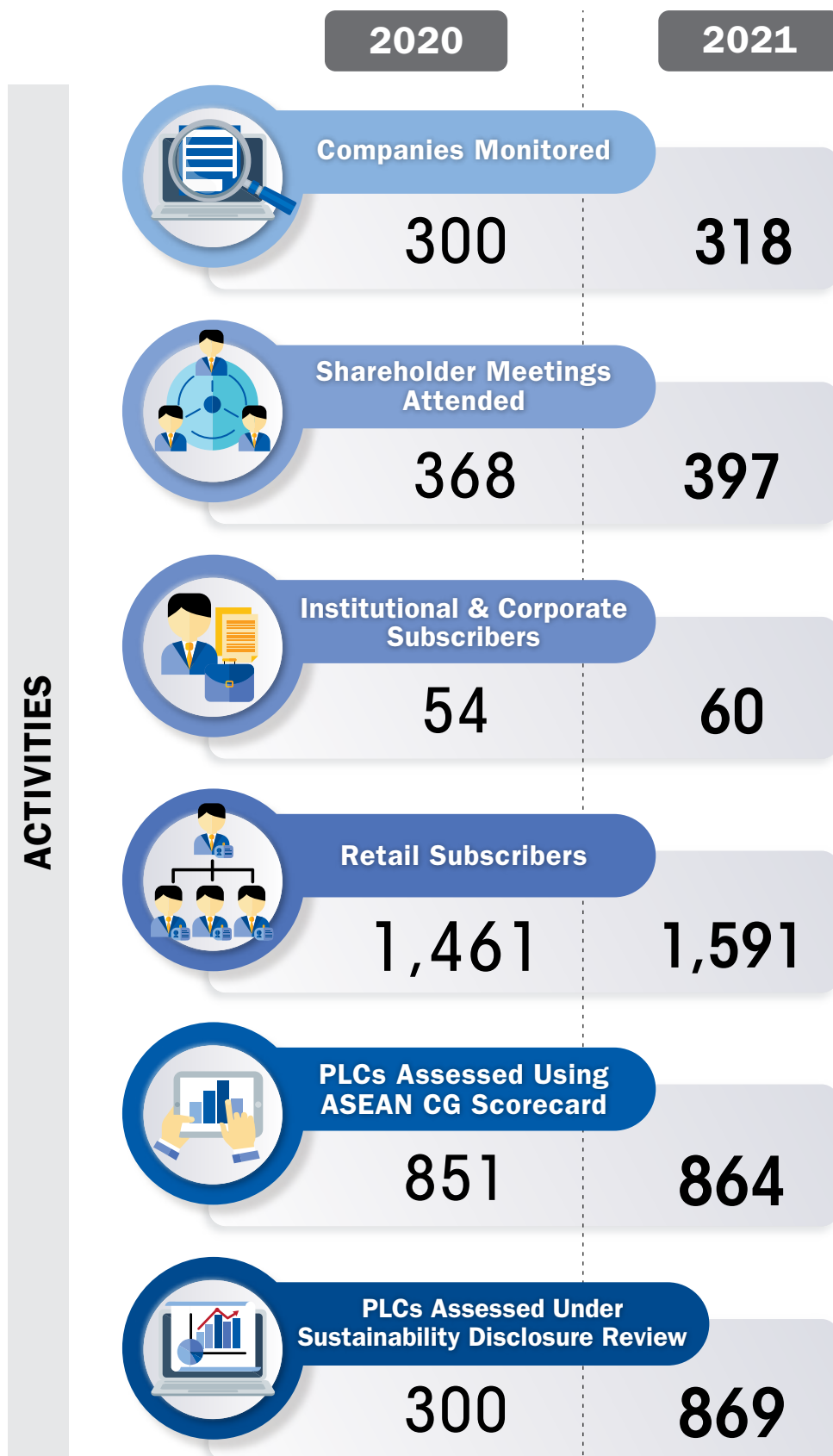




ANNUAL REPORT 2021

MSWG AT A GLANCE



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WHO WE ARE



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 substantially by the Capital Market Development Fund (CMDf). **MSWG** is an important channel of capital market discipline which encourages good governance with the objective of creating sustainable value.

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

VISION

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

MISSION

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

COMPANY SECRETARY

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

REGISTERED OFFICE

Level 23, Unit 23-2
Menara AIA Sentral
No. 30, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: (603) 2070 9090
Fax: (603) 2070 9107

AUDITORS

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

BANKER

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

CONTACT PERSON

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

CORPORATE WEBSITE

Website: www.mswg.org.my



PROFILE OF DIRECTORS

Date of Appointment

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

Academic / Professional Qualification(s)

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

Present Directorship(s)

Directorship in PLC(s):

- E.A. Technique (M) Berhad
- iCapital.Biz Berhad
- Damansara Holdings Berhad

Other Public Companies/Institutions:

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

Present Appointment(s)

Nil

Datuk Mohd Nasir Ali



Chairman
Malaysian, Age 63

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
- C.A.(M) – Chartered Accountant Malaysia
- FIIAM – Fellow Institute of Internal Auditors Malaysia
- Capital Market Services Representative's Licence holder

Present Directorship(s)

Nil

Directorship in PLC(s):

Nil

Other Public Companies/Institutions:

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

Present Appointment(s)

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

Devanesan Evanson



Chief Executive Officer & Executive Director
Malaysian, Age 67

Date of Appointment

- 1 September 2016

Academic / Professional Qualification(s)

- Bachelor of Economics, Universiti Malaya
- Chartered Banker, Asian Institute of Chartered Banker

Present Directorship(s)

Directorship in PLC(s):

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

Other Public Companies/Institutions:

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

Present Appointment(s)

Nil

Dato' Wan Kamaruzaman Wan Ahmad



Director
Malaysian, Age 63

Date of Appointment

- 26 October 2016

Academic / Professional Qualification(s)

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

Present Directorship(s)

Directorship in PLC(s):

Nil

Other Public Companies/Institutions:

Nil

Present Appointment(s)

Nil

Datuk Gazali Haji Harun



Director
Malaysian, Age 64

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 of Housing Tribunal, Ministry of Housing and Local Government

Dato' Abdul Alim Abdullah



Director
Malaysian, Age 73

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

Other Public Companies/Institutions:

- Independent Non-Executive Director, RHB Insurance Berhad

Present Appointment(s)

Nil

Puan Sharifatu Laila Syed Ali



Director
Malaysian, Age 60

Date of Appointment

- 23 December 2019

Academic / Professional Qualification(s)

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

Present Directorship(s)

Directorship in PLC(s):

Nil

Other Public Companies/Institutions:

- Vice Chairman, Institutional Investors Council Malaysia

Present Appointment(s)

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

**Puan Nik Amlizan
Mohamed**



Director
Malaysian, Age 54

Date of Appointment

- 19 November 2021

Academic / Professional Qualification(s)

- MSc Economics, The London School of Economics & Political Science (LSE), UK
- BSc Economics & Finance with First Class Honours, University of Southampton, UK
- Chartered Financial Analyst (CFA)

Present Directorship(s)

Directorship in PLC(s):

Nil

Other Public Companies/Institutions:

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

Present Appointment(s)

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

**Encik Muhammad Fitri
Othman**



Director
Malaysian, Age 38



MANAGEMENT TEAM



Devanesan Evanson

Chief Executive Officer
devanesan@mswg.org.my

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

Rita Foo



Head, 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 holder

Emily Lim



Head, Finance/HR & Admin
emily@mswg.org.my

- LCCI
- Diploma in Accounting, Institut Perkim Goon

Padma Devi Subramaniam



Head, Information Technology & Training
padmadevi@mswg.org.my

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

Noraida Maria Mohd Hatta



Senior Associate, Corporate Governance
noraida@mswg.org.my

- BA (Hons) Accounting & Finance, University of Strathclyde, United Kingdom
- Fellow of Institute of Chartered Accountants in England and Wales (ICAEW)

Norhisam Sidek



Manager, Corporate Monitoring
norhisam@mswg.org.my

- B. Accountancy (Hons.), UiTM
- C.A.(M) – Chartered Accountant Malaysia
- Capital Market Services Representative's Licence holder

Ranjit Singh



Manager, Corporate Monitoring
ranjit.singh@mswg.org.my

- B (Acct) Hons, Universiti Utara Malaysia
- C.A.(M) – Chartered Accountant Malaysia
- Capital Market Services Representative's Licence holder

Ooi Beng Hooi



Manager, Corporate Monitoring
ooi.benghooi@mswg.org.my

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

Lee Chee Meng



Manager, Corporate Monitoring
chee.meng@mswg.org.my

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

Elaine Choo



Manager, Corporate Monitoring
elaine.choo@mswg.org.my

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

Lim Cian Yai



Manager, Corporate Monitoring
cianyai@mswg.org.my

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

CHAIRMAN'S STATEMENT



Datuk Mohd Nasir Ali
Chairman

On behalf of your Board of Directors, I have the pleasure of presenting the Annual Report and Audited Financial Statements of your Company for the Financial Year Ended 31 December 2021.

The year 2021 was a challenging year for all, with COVID-19 being a dominant issue affecting all walks of life and inhibited a swift return to normality. Over the course of the year, we saw a gradual and phased re-opening of the economy following the roll-out of the National COVID-19 Immunisation Programme and high number of vaccination rate among the adult population by the last quarter of 2021.

The Malaysian economy registered a positive growth of 3.6% in the fourth quarter of 2021 (3Q 2021: -4.5%), as economic activities resumed with the easing of containment measures. The local exchange recorded 30 new initial public offerings (IPOs) comprising seven Main Market listings, 11 ACE Market listings and 12 LEAP Market listings. These listings raised a total of RM2.7 billion and contributed RM10.6 billion to the overall market capitalisation, which stood at RM1.8 trillion by end of 2021.

HIGHLIGHTS OF ACTIVITIES

The external challenges underscored the importance for us to step up our game to ensure delivery of our goals and targets. MSWG remained resilient and posted a commendable performance in 2021. The Company recorded a higher surplus of RM0.85 million in FY2021 compared to RM0.76 million in FY2020 despite challenging operating conditions.

We continued to raise important issues of concern in advance of AGMs, covering financial performance, corporate governance and sustainability matters to influence positive changes in PLCs and also create vibrant activism in virtual meeting settings. This year, MSWG representatives attended 397 general meetings whereby 96% of the meetings attended were held virtually.

The Asian Corporate Governance Association's (ACGA) *CG Watch 2020* published in May 2021 noted that MSWG's "*consistent assessments have improved the quality and professionalism of AGMs over time in Malaysia*". We are humbled by this mention in the Report, which reflected the fruits of labour of our tireless and consistent efforts in the shareholder activism landscape in Malaysia.

The Securities Commission of Malaysia (SC) in its *Corporate Governance Strategic Priorities 2021-2023 (CG Strategic Priorities)* released on 24 November 2021 also recognised MSWG's role in investor activism and stewardship which is a testament to the efficacy of our initiatives. We look forward to work closely with the SC on the areas related to board refreshment and investor education for retail shareholders as identified in the *CG Strategic Priorities*.

MSWG announced the results of the *CG Scorecard 2020* assessment on 14 August 2021. Notwithstanding the global COVID-19 pandemic that had impacted many local companies, we are pleased to see continuous improvement in the overall scores of Malaysian PLCs whereby the average score for all PLCs had improved from 74.84 points in 2019 to 79.28 points in 2020.

We also entered into the second year of collaboration with Bursa Malaysia to undertake the *Sustainability Disclosure Review 2021* assessment covering all PLCs in 2021, an increase from 300 PLCs covered in 2020, reflecting our intensified efforts to raise the sustainability reporting standards in the marketplace.

NEW OFFICE PREMISES

MSWG will be relocating to a new office premises in 2022 as the current office building located at Changkat Raja Chulan, Kuala Lumpur has been sold to a new owner. The new location has been identified and we are targeting to move into our new office located at Menara AIA Sentral, Kuala Lumpur by the second quarter of 2022. The relocation plans are on track and we are confident of a seamless and smooth relocation process with minimal disruption to our operations.

GOING FORWARD

We have crafted a new three-year Strategic Roadmap building on the key pillars of shareholder activism, corporate governance and investor education which will guide our actions until 2024. I am delighted to inform that we have successfully secured funding from the Capital Market Development Fund (CMDf) for the next three years which will enable us to execute our strategic business plans guided by our **Strategic Roadmap 2022-2024**.

As we embark on this new journey, we are mindful of the lessons learnt particularly during the pandemic and reiterate our commitment to the fulfilment of our purpose and objectives as a key institution in the capital market.

Investor activism and stewardship are powerful tools to shape governance and drive long-term value creation of companies. It also provides the market discipline required to drive responsible business conduct.

The IIC and MSWG have been instrumental in raising the level of stewardship and influencing positive changes in the governance of companies.

STRATEGIC
INITIATIVE

1.1



Emphasise on board refreshment

The SC will work closely with the Institutional Investors Council (IIC) and the Minority Shareholders Watch Group (MSWG) to engage boards on their refreshment policies and practices. This is to ensure that boards have the right mix of directors to respond to present challenges and anticipate future risks as well as opportunities.

A change in the skills profile and composition of the board is required to meet the growing demand for businesses to evolve beyond the traditional emphasis on shareholders and profit maximisation towards greater consideration of broader stakeholders interest.

STRATEGIC
INITIATIVE

3.1



Investor education focusing on CG and sustainability for retail investors

The SC will collaborate with the MSWG to develop a series of programmes to enhance retail shareholders' awareness and understanding on corporate governance and sustainability issues. This includes evaluating companies' governance practices, measures to improve board diversity and digital aptitude as well as performance in managing sustainability risks and opportunities.

SC Strategic Priorities 2021-2023

ACKNOWLEDGEMENTS

I would like to take this opportunity to thank my fellow Board members for contributions and inputs during this past year as well as their strong support and cooperation since I joined the Board on 25 May 2021. I am truly honoured to have been given the opportunity to steer MSWG as its Chairman, a position I assumed on 15 November 2021.

Special thanks and gratitude to Encik Nor Hizam Hashim and Dato' Dr Suzana Idayu Wati Osman who left the Board on 18 March 2021 and 1 October 2021 respectively for their contributions to the Board and MSWG, and we wish them well in their future endeavours. I would also like to extend a warm welcome to Encik Muhammad Fitri Othman who joined the Board on 19 November 2021.

To achieve our goals, we will need continuous support from our stakeholders, and I would like to take this opportunity to thank those who have been instrumental to MSWG's successes to date. This list includes our institutional, corporate and retail subscribers, strategic partners and the media. My heartfelt gratitude to the Management team, employees and Associates of MSWG for their tireless efforts and dedication amidst the challenging landscape.

Last but not least, we would like to express our appreciation to the CMDF, SC, Bursa Malaysia and other regulatory authorities for the guidance and continued support throughout the year.

Thank you.

Datuk Mohd Nasir Ali
Chairman

CORPORATE GOVERNANCE STATEMENT

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

The Board will continuously evaluate the Group’s corporate governance practices and procedures, and is guided by the following:

Code of Conduct & Ethics

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

Board Composition

- (1) The Board of Directors shall comprise directors with the requisite skills, competency, knowledge, experience and diversity of perspectives, and who are able to discharge their fiduciary duties and responsibilities without any conflict of interest.
- (2) The maximum number of directors to be appointed to the Board shall be ten (10) as per the Company’s Constitution.
- (3) In accordance with MSWG’s activities, objectives, and the licensing requirements of the Capital Markets and Services Act 2007, at least one Board Member must hold a Capital Markets Services Representative’s (CMSR) licence.

- (4) The members of the Board shall be persons of reputable character and standing.
- (5) The Chairman of the Board shall be elected by members of the Board.
- (6) The Securities Commission of Malaysia must be informed on the appointment of a potential member to the Board.

Board Meetings

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

ATTENDANCE AT BOARD MEETINGS

There were five (5) Board of Directors' Meeting held during the financial year ended 31 December 2021. Details of attendance of the Directors are as follows:-

Name	Attendance	%
Datuk Mohd Nasir Ali*	4/4	100%
Devanesan Evanson	5/5	100%
Dato' Wan Kamaruzaman Wan Ahmad	3/5	60%
Datuk Gazali Haji Harun	5/5	100%
Dato' Abdul Alim Abdullah	5/5	100%
Puan Sharifatu Laila Syed Ali	5/5	100%
Puan Nik Amlizan Mohamed	3/5	60%
Encik Nor Hizam Hashim#	0/1	-
Dato' Dr Suzana Idayu Wati Osman^	2/2	100%
Encik Muhammad Fitri Othman+	1/1	100%

Notes:

* Appointed with effect from 25 May 2021. Appointed as Chairman with effect from 15 November 2021.

Resigned with effect from 18 March 2021.

^ Appointed with effect from 25 May 2021. Resigned with effect from 1 October 2021.

+ Appointed with effect from 19 November 2021.

MSWG Whistleblower Policy

The Company has adopted a Whistleblower Policy that provides an avenue for employees or any external party to report any improper conduct and to provide protection for employees who report such allegations.

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

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

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

MSWG Anti-Bribery and Anti-Corruption Policy

The Company adopts a zero-tolerance policy against all forms of bribery and corruption. The MSWG Anti-Bribery and Anti-Corruption Policy incorporates MSWG's core principles and aims to provide guidance to employees and third parties on how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in business.

The MSWG Anti-Bribery and Anti-Corruption Policy is available on the Company's website at www.mswg.org.my.

DIVIDEND

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

CEO'S REVIEW



Devanesan Evanson
Chief Executive Officer

We began 2021 with optimism for a gradual return to the pre-pandemic state. Nevertheless the emergence of the more aggressive Delta variant threw a spanner in the works resulting in reimplementing of containment measures which impacted the nation's economic recovery.

This resulted in a very challenging operating landscape in 2021. The team nevertheless took this in stride and remained focused on our strategy to strengthen our core corporate monitoring capabilities and took advantage of virtual platforms to reach out to our retail investors and corporate subscribers.

Despite the many hurdles, I am pleased to report that MSWG had put in a resilient performance and recorded commendable results for the financial year ended 31 December 2021 (FY2021). We were able to execute our key initiatives despite operating for the best part of the year remotely from home to minimise the risk of infection and maintain the health and safety of our employees.

FINANCIAL PERFORMANCE

For FY2021, the Company achieved a higher revenue of RM0.86 million as compared to RM0.61 million in FY2020, a 41% increase. The increase in revenue was mainly generated from participation in forums and events – from RM0.25 million in FY2020 to RM0.49 million in FY2021.

Our total expenditure increased by 16% from RM3.95 million in FY2020 to RM4.57 million in FY2021 mainly attributable to higher cost of CG Scorecard and sustainability scorecard assessments as well as an increase in staff cost as we strengthened our analyst team.

Much of the budgeted expenses especially relating to travelling was not incurred due to travel restrictions arising from the pandemic. For FY2021, the Company recorded a higher surplus of RM0.85 million compared to that of RM0.76 million in FY2020.

ACTIVITIES REVIEW

CORPORATE MONITORING

MSWG covered **318** public listed companies (PLCs) in 2021 or about 35% of the total number of companies listed on Bursa Securities which represented about 82% of Bursa Malaysia's total market capitalisation as at 31 December 2021.

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

For the year ended 31 December 2021, total general meetings attended were **397** meetings comprising **314** Annual General Meetings (AGMs) and **83** Court-Convened Meeting/Extraordinary General Meetings (CCM/EGMs).

Of the above meetings, **382 (96%)** were virtual meetings and **15 (4%)** were physical meetings as PLCs largely continued to conduct general meetings on a fully virtual basis through live streaming and online voting that leverages remote participation and electronic voting facilities due to the pandemic.

In line with its role to encourage shareholder activism, MSWG uses the AGM and EGMs as a platform to raise issues of concerns and/or encourage good corporate governance practices to be adopted by PLCs. The Asian Corporate Governance Association (ACGA), in its CG Watch 2020, acknowledged our role and contribution towards improving the quality of AGMs in Malaysia.

“MSWG’s continuing role is particularly notable. The organisation provides questions in advance of AGMs and companies frequently include these and responses as an addendum to the company presentation at the start of the Q&A section of the meeting. The consistent assessments have improved the quality and professionalism of AGMs over time in Malaysia”

ACGA (Asian Corporate Governance Association) CG WATCH 2020
Special Report – May 2021 (Page 350)

In the current era of virtual general meetings, our questions will be presented by the company along with the answers virtually and any further queries by our analysts during the live AGM will be typed-in through chat-boxes. All PLCs presented their response to our written letter at the AGM, and many had also included our questions and the corresponding responses in their corporate website under the AGM Minutes section.

Nevertheless, one observation was that a fully virtual setting could be open to abuse in instances where questions typed into the chat box could be ignored by the Board. Such incidences are frowned upon as it infringes upon shareholders’ rights to raise questions to the Board at AGMs – something which the Boards could not easily do in a physical AGM setting. Nevertheless, our representatives kept a close eye on the conduct of virtual AGMs and provided feedback to the regulators for further improvements to ensure minority shareholders were not sidelined at general meetings.

Enquiries & Complaints Cases

Our monitoring unit handled **87** enquiries and complaints cases in 2021, often from retail investors. Each complaint will be documented and addressed through the complaints-handling process. Broadly, the complaints/enquiries were related to:

- Share consolidation involving adjustment to warrant price
- Utilisation of proceeds from rights issue
- Unfair offer price in privatisation proposal
- Warrant expiry date
- Disclosure of information for selective capital reduction exercise
- Appointment and dismissal of key management staff
- Company’s new business ventures

- Private placement and cash position of the company
- Problems related to participation in virtual AGMs
- Audit matters raised by external auditors
- Accessibility to members' register

Pre-Voting Decisions Report

The pre-Voting Decisions Report provided our independent views on voting stances. These were also made accessible by our corporate and institutional subscribers. Our corporate representatives also prepared a Conduct of AGM report which covered among others, the summary of the AGM proceedings and administrative details, directors' attendance, voting procedures and shareholder participation at the AGM. Our **Key Principles and Voting Guidelines** is available on MSWG website at www.mswg.org.my.

AGM/EGM Weekly Watch

The *MSWG AGM/EGM Weekly Watch* highlights key points to be raised at forthcoming general meetings and is available on the MSWG website. The abridged version of the *AGM/EGM Weekly Watch* is published in the *New Straits Times*, *Focus Malaysia* and *Nanyang Siang Pau* (Mandarin) newspapers. The *Weekly Watch* is a useful source of information to alert shareholders on issues of concern prior to the general meetings as well as prompting them to raise relevant questions at the meetings. It also provides readers with some awareness of key issues in the companies.

E-Newsletter



Our weekly e-newsletter, *The Observer*, has been in circulation since the past decade to provide readers with latest corporate happenings on the local and international front on a weekly basis. A total of **50** editions were published in 2021, and it remains as a valuable tool to communicate our viewpoints on shareholder activism, corporate governance and sustainability matters.

The CEO's message section includes commentaries on the main corporate happenings, updates on regulatory measures, shareholder activism, corporate governance issues and issues affecting minority interests.

Environmental, social and governance (ESG) issues continue to be given emphasis. Shareholders, particularly minority shareholders, are urged to pay attention to how these ESG issues are being managed by the board and management. The e-newsletter also contains the "Weekly Watch" section which highlights issues to be raised at forthcoming general meetings.

The Observer is circulated to over 2,000 recipients including subscribers, institutional investors, fund managers, brokerage firms, universities, PLCs Board, regulators and the media. *The Observer* has also been made available in Bahasa Melayu. The translated version will be uploaded on MSWG's website at the beginning of the week.

Company Engagements

One of our corporate subscribers' categories included a two-hour engagement session in relation to the CG Scorecard assessment as a value-proposition. In 2021, we conducted seven (7) CG scorecard engagements with Affin Bank Berhad, British American Tobacco (M) Berhad, DRB-Hicom Berhad, Petronas Chemicals Group Berhad, Petronas Dagangan Berhad, Petronas Gas Berhad and RHB Bank Berhad.

MSWG also participated in company engagements under the Institutional Investors Council Malaysia (IIC) platform as MSWG is a member of the IIC.

SPEAKING ENGAGEMENTS & WEBINARS

Speaking Engagements

The MSWG CEO is a trainer for the Capital Market Directors Programme (CMDP) organised by the Securities Industry Development Corporation (SIDC), an exclusive platform for directors of licensed intermediaries to be equipped with the relevant knowledge, skills and abilities to meet the expected competencies required of a board. In 2021, there were nine CMDP sessions in which the CEO conducted some modules. The CEO also conducted an in-house training session for the Board of Directors of Boustead Group on the topic "*Fiduciary Duties for Board Members*".

The CEO was also invited to be a guest lecturer to students in institutions of higher learning pursuing the tertiary level on topics of corporate governance and shareholder activism. In 2021 the CEO was invited as a guest speaker on two occasions as part of the Bachelor of Business and Commerce programme in Monash University Malaysia on the topics "*Effect of the Pandemic on Minority Shareholders*" and "*Shareholder Activism and Regulators in Malaysia*". The CEO also participated in various speaking engagements in conferences/ forums/ seminars organised by third parties which totalled **50** in 2021.

Webinars

MSWG conducted **three** webinars targeted at Board and management of PLCs as well as the general public in the final quarter of 2021. Participants were charged a fee to attend these webinars. MSWG's corporate subscribers were able to enjoy attractive discounts to participate in the webinar. The webinars covered the following topics – "*COVID Creates Unique Governance Issues*" and "*The Updated Malaysian Code on Corporate Governance (MCCG)*".

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:

	2021	2020
Institutional Subscriber	1	1
Corporate Subscribers	59	53
Retail Subscribers	1,591	1,448

Our efforts to secure more corporate subscribers were rewarded with six (6) new corporate subscribers in 2021. We will step up efforts to increase our institutional and corporate subscribers in 2022, an arduous task given the current challenging operating environment. Our value propositions for the various subscriber packages are accessible on our website at www.mswg.org.my.

The complimentary retail subscription continues to be popular as subscribers have access to our AGM letter to PLCs, the reply from the PLC to our letters 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

Affin Bank Bhd

Alliance Bank Malaysia Bhd

AMMB Holdings Bhd

Axiata Group Bhd

Bintulu Port Holdings Bhd

Boustead Heavy Industries Corporation Bhd

Boustead Holdings Bhd

British American Tobacco (M) Bhd

Bursa Malaysia Bhd

Cahaya Mata Sarawak Bhd

Carlsberg Brewery Malaysia Bhd

CIMB Group Holdings Bhd

Chemical Company of Malaysia Bhd

Concrete Engineering Products Bhd

Dayang Enterprise Holdings Bhd

DRB-Hicom Bhd

Duopharma Biotech Bhd

Eastern & Oriental Bhd

Eco World International Bhd

FGV Holdings Bhd

Gas Malaysia Bhd

Genting Bhd

Hong Leong Bank Bhd

IOI Corporation Bhd

Jaya Tiasa Holdings Bhd

KKB Engineering Bhd

KLCCP Stapled Group

Kossan Rubber Industries Bhd

KPJ Healthcare Bhd

KUB Malaysia Bhd

LPI Capital Bhd

Malayan Banking Bhd

Malaysia Building Society Bhd

Malaysian Resources Corporation Bhd

Maxis Bhd

Media Prima Bhd

MISC Bhd

MSM Malaysia Holdings Bhd

OSK Holding Bhd

Paramount Corporation Bhd

Parkson Holdings Bhd

Petronas Chemicals Group Bhd

Petronas Dagangan Bhd

Petronas Gas Bhd

Pharmaniaga Bhd

Public Bank Bhd

QL Resources Bhd

RHB Bank Bhd

Sime Darby Bhd

Sime Darby Plantation Bhd

Sime Darby Property Bhd

Sunway Real Estate Investment Trust

Telekom Malaysia Bhd

Top Glove Corporation Bhd

UEM Edgenta Bhd

UMW Holdings Bhd

Velesto Energy Bhd

Yinson Holdings Bhd

YTL Corporation Bhd

ASEAN CG SCORECARD ASSESSMENT

The ASEAN CG Scorecard (Scorecard) assessment was developed by the Asian Development Bank (ADB) in partnership with the ASEAN Capital Market Forum (ACMF). It aims to raise the CG standards and practices among ASEAN PLCs as well as to acknowledge the well-governed ASEAN companies. The six participating countries are Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. MSWG is the Domestic Ranking Body (DRB) appointed by the SC to undertake the annual CG assessment of all the Malaysian PLCs using the Scorecard.

In 2021, our assessors had assessed **864** PLCs, results of which would be released in 2022.

On 14 August 2021, MSWG announced the results of the 2020 CG assessment whereby **851** PLCs had been assessed. We are encouraged with the overall scores of 79.28 points (out of a maximum total of 130 points) for all companies in 2020 compared to 74.84 points in 2019. The score for Top 100 companies rose to 101.73 points from 98.40 points in 2019 while that of Bottom 100 companies increased to 63.17 points from 58.75 points in 2019 (classification of the Top 100 and Bottom 100 companies are by CG scores ranking and not by market capitalisation).

The steady improvement in the corporate governance scores of our PLCs through the years since the first assessment in 2012 shows the success of our various initiatives and is a testament to the fact that the ASEAN CG Scorecard is not merely a yardstick, but is also a strong driver of corporate governance reforms in Malaysia.

There were five categories of awards: (1) Excellence Award for CG Disclosure; (2) Excellence Award for CG Disclosure – Market Cap Below RM1 billion; (3) Industry Excellence Award; (4) Merit Award for Most Improved CG Disclosure; and (5) Merit Award for Newly Listed Company. The winners were determined by an Adjudication Committee which comprised representatives from professional bodies, CG experts, academicians, investment professionals and those familiar with the Malaysian equity market.

SUSTAINABILITY DISCLOSURE REVIEW

In 2021, MSWG expanded its Sustainability Disclosure Review to cover **869** PLCs listed on the Exchange compared to 300 PLCs in 2020. This collaboration with the frontline regulator, Bursa Malaysia, aims to assess the overall compliance and quality of sustainability disclosures of PLCs. Bursa Malaysia would be sharing the summary statistics in terms of overall compliance and quality based on the 2021 assessment, and 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) whereby our CEO and two other Board members namely Puan Nik Amlizan Mohamed and Encik Muhammad Fitri Othman are also members of the IIC Council Board. MSWG provided the Secretariat services to the IIC and played a leading role in co-ordinating the IIC activities and engagements in 2021.

In 2021, we participated in **five** company engagements organised by IIC, namely with AMMB Holdings Berhad, Bursa Malaysia Bhd, Serba Dinamik Holdings Bhd, Sime Darby Plantation Bhd and Top Glove Corporation Bhd. Issues raised under the IIC platform were often issues of common concerns among institutional investors, covering financial performance, governance, risk management and ESG matters, particularly related to labour issues and climate change.

Our participation in IIC complements our role in shareholder activism by providing us the opportunity to share our insights and minority shareholders' perspectives with the institutional investors' fraternity and investee companies.

*Note: The CEO retired as a member of the IIC Council Board upon conclusion of IIC's 3rd AGM on 15 December 2021



IIC Engagement with AMMB Holdings Bhd



IIC Engagement with Bursa Malaysia Bhd

OTHER ADVOCACY ACTIVITIES

We continue to play an active role in the development of the capital and securities market through submission of comments and views on consultation papers issued by the regulators.

In 2021, we submitted our feedback for the following consultation papers/surveys issued by Bursa Malaysia:

- Sustainability Reporting Framework Survey.
- Proposed amendments to the Main Market and ACE Market Listing Requirements in relation to Director Appointment and Independence.
- Proposed amendments to the ACE Market Listing Requirements in relation to ACE Market One-Stop Centre.
- Proposed amendments to the Main Market Listing Requirements in relation to enhanced adviser framework, submission of corporate proposals and other amendments.
- Proposed amendments to the Rules of Bursa Malaysia Depository Sdn Bhd to facilitate greater operational efficiency and to reflect regulatory changes and updates.

PUBLICATIONS & RESEARCH

The **Malaysia-ASEAN Corporate Governance Report 2020** which covered the findings of the 851 PLCs assessed in year 2020 was published in October 2021. This report is suited for companies looking to implement holistic CG practices within their organisations. Companies will find practical advice in this report while those who have already embarked on such journey can use it to assess their current approach and to support future enhancement.

The **Malaysia-ASEAN Corporate Governance Report 2020** is available for sale through our website at www.mswg.org.my.



We also entered into a strategic collaboration with the Centre of Governance Resilience and Accountability Studies, Faculty of Economics & Management, Universiti Kebangsaan Malaysia (UKM) to undertake a joint research publication on conduct of AGM based on the data and observations of MSWG representatives attending AGMs.

This Report focuses on the conduct of AGMs by PLCs through the lenses of MSWG in 2020. It is hoped that the Report will provide a useful insight on conduct of AGMs, particularly virtual AGMs, which was the primary meeting medium during the pandemic. The Report is expected to be published in the first quarter of 2022.

We will 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

Our employees are the backbone of the organisation and we believe in creating an inclusive and supportive work environment for employees that leads to higher performance and productivity. As at end December 2021, MSWG had a total of 17 employees.

We engage professionals referred to as MSWG Associates, to complement our workforce. Associates provide key support for specific tasks or projects such as supporting our corporate monitoring activities during peak AGM season as well as research publications and the IIC Secretariat role. This strategy has enabled us to attract experienced professionals of the right calibre who are able to provide the right support to help MSWG execute its plans and at the same time keeping overheads low.

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 are delighted to now have three analysts who are Capital Market Services Representative's Licence holders in addition to our CEO and Head of Corporate Monitoring. Study leave is granted to those undertaking professional examinations with fees reimbursed upon successful completion of the modules as an incentive.

In 2021, we conducted one (1) training session for our analysts to enhance their technical knowledge and skills. The session was facilitated by an external trainer and we will continue to provide trainings from time to time based on our employees' needs.

Staff activities & well-being

We aim to provide our employees with a conducive and good working environment and acknowledge the importance of our employees' welfare. MSWG provides a competitive benefits package for its employees, and promotes good work-life balance as an important aspect of a healthy work environment.

In response to social distancing and movement restrictions during the pandemic, we made a significant transition to operate remotely for most part of 2021. MSWG resumed physical operations on 1 November 2021 with additional measures taken to protect employees' health and safety by implementing measures such as work rotations, regular screening via RTK-Antigen self-test kit, 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

The acknowledgement of MSWG's role as mentioned in ACGA's *CG Watch 2020* published in May 2021 is a testament to our commitment to raise the level of shareholder activism and corporate governance in the capital market. This recognition also motivates the team to work harder and deliver more in the next few years as reflected by the KPIs under our **Strategic Roadmap 2022-2024**.

We had in the last quarter of 2021 submitted our **Strategic Roadmap 2022-2024** to secure the funding from the Capital Market Development Fund (CMDf) for the next three years. This roadmap builds upon our key core areas with enhanced initiatives and targets, including widening the coverage of our monitoring portfolio to 450 PLCs over the next three years from the current 300 PLCs. This is to ensure that MSWG is well-positioned to play a significant role in creating a more vibrant shareholder activism and influencer of good corporate governance in the years to come.

We are pleased to announce that the CMDf had on 4 March 2022 approved the requested funding for the years 2022 to 2024.

I would like to take this opportunity to acknowledge my Management, staff and associates for their hard work and efforts in navigating the challenges in this new normal. I would like to also express my personal thanks to the Board 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 for providing us with substantial funding, and the Securities Commission and Bursa Malaysia for their continued guidance and support throughout the year.

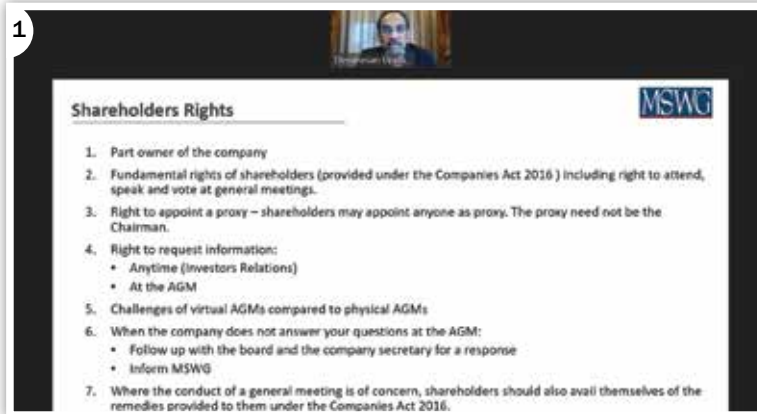
DEVANESAN EVANSON

Chief Executive Officer & Executive Director

CORPORATE GALLERY

1

24 January 2021
 Digital Literacy for Seniors Programme on the topic “Shareholders Rights and Board Engagement”



2

31 March 2021
 Guest speaker for Malaysian Company Law Unit – Bachelor of Business and Commerce programme, Monash University on the topic “Effect of the Pandemic on Minority Shareholders”



3

28 June 2021
 MSWG 20th Annual General Meeting



4

23 June 2021
 MSWG Board Meeting



5

8 September 2021
 CG Scorecard Engagement with DRB-Hicom Bhd



6

10 September 2021
CG Scorecard
Engagement with
Affin Bank Bhd

7

13 September 2021
CG Scorecard
Engagement with
Petronas Chemicals
Group Bhd



8

23 September 2021
Presentation of
MSWG CG Award
to Winner (Puncak
Niaga Holdings Bhd)



9

13 October 2021
Presentation of
MSWG CG Awards
to Winner (UMW
Holdings Bhd)



10

30 November 2021
MSWG Staff
Luncheon

Registration No.

200001022382 (524989-M)

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

STATUTORY FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Registration No.

200001022382 (524989-M)

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

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

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31 December 2021.

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' 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
Datuk Mohd Nasir Bin Ali (appointed w.e.f. 25 May 2021)
Muhammad Fitri Bin Othman (appointed w.e.f. 19 Nov 2021)
Nor Hizam bin Hashim (resigned w.e.f. 18 Mar 2021)
Dato' Dr. Suzana Idayu Wati Binti Osman (appointed w.e.f. 25 May 2021 / resigned w.e.f. 01 Oct 2021)

In accordance with Article 61 of the Company's Constitution, Dato' Wan Kamaruzaman bin Wan Ahmad and Datuk Gazali bin Haji Harun retire at the forthcoming 21st Annual General Meeting and being eligible, have offered themselves for re-election at the 21st Annual General Meeting.

In accordance with Article 67 of the Company's Constitution, Encik Muhammad Fitri Bin Othman retire at the forthcoming 21st Annual General Meeting and being eligible, has offered himself for re-election at the 21st Annual General Meeting.

PRINCIPAL ACTIVITY

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

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

FINANCIAL RESULTS

	RM
Surplus for the financial year	<u>847,298</u>

RESERVES AND PROVISIONS

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

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200001022382 (524989-M)

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

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' BENEFITS

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

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

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act, 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company. The Company is a company limited by guarantee and there are no shares in which the Directors could have an interest. The Company has not issued any debentures.

DIVIDENDS

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Company were prepared, the Directors took reasonable steps:

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

Registration No.

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

DIRECTORS' REPORT (CONTINUED)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

At the date of this report:

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

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

In the opinion of the Directors,

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

Registration No.

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

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 2022. Signed on behalf of the Board of Directors:



DATUK MOHD NASIR BIN ALI
DIRECTOR



DEVANESAN J.A. EVANSON
DIRECTOR

Kuala Lumpur
18 March 2022

Registration No.

200001022382 (524989-M)

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
Revenue	2	855,473	610,227
Grant	3	4,412,623	3,947,377
Other operating income	4	208,946	95,639
Staff costs	5	(2,721,742)	(2,346,306)
Depreciation of property and equipment		(245,172)	(284,706)
Amortisation of intangible assets		(79,930)	(79,933)
Finance cost		(9,163)	(10,017)
Other operating expenses	6	(1,516,112)	(1,226,415)
Total expenditure		(4,572,119)	(3,947,377)
Surplus before taxation	7	904,923	705,866
Taxation	8	(57,625)	54,166
Surplus for the financial year		847,298	760,032
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		(32,916)	39,684
Gross fair value (charge)/gain		925	61
Net realized gain on disposal of equity instruments		(31,991)	39,745
Net fair value change		(31,991)	39,745
Total comprehensive income for the financial year		815,307	799,777

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
NON-CURRENT ASSETS			
Property and equipment	9	79,044	49,479
Intangible assets	10	1	79,931
Right-of-use asset	11	70,469	92,120
Financial investments at fair value through other comprehensive income (FVOCI)	12	185,485	215,872
Deferred tax asset	13	86,132	136,144
		<u>421,131</u>	<u>573,546</u>
CURRENT ASSETS			
Other receivables, deposits and prepayments	14	228,630	192,320
Cash and cash equivalents	15	5,882,411	5,150,887
Tax recoverable		214	16,736
		<u>6,111,255</u>	<u>5,359,943</u>
LESS: CURRENT LIABILITIES			
Other payables and accruals		1,357,144	1,413,384
Lease liability	11	70,924	88,471
Deferred grant	3	-	142,623
		<u>1,428,068</u>	<u>1,644,478</u>
NET CURRENT ASSETS		<u>4,683,187</u>	<u>3,715,465</u>
		<u>5,104,318</u>	<u>4,289,011</u>
REPRESENTED BY:			
General fund		5,801,000	5,801,000
Accumulated loss		(778,458)	(1,626,681)
FVOCI reserve		81,776	114,692
		<u>5,104,318</u>	<u>4,289,011</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 2021**

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

Registration No.

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM	2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus/(deficit) before taxation		904,923	705,866
Adjustments for non-cash items:			
Subscriber services fee		(366,114)	(364,982)
Depreciation of right-of-use asset		211,409	221,087
Depreciation of property and equipment		33,763	63,619
Amortisation of intangible assets		79,930	79,933
Dividend income		(9,108)	(4,932)
Interest income		(86,354)	(69,707)
Finance cost		9,163	10,017
Loss on disposal of financial investments		348	-
Gain on disposal of property and equipment		(5,099)	-
Gain on lease modification		(1,477)	-
		<u>771,384</u>	<u>640,901</u>
Changes in working capital:			
Receivables		(36,310)	477,407
Payables		(5,625)	124,748
		<u>729,449</u>	<u>1,243,056</u>
Cash generated from operating activities		729,449	1,243,056
Subscriber services fee received		315,500	380,000
Dividend income received		9,108	4,932
Grant utilised		(4,412,623)	(3,947,377)
Tax paid		(12,827)	-
		<u>(3,371,393)</u>	<u>(2,319,389)</u>
Net cash used in operating activities		(3,371,393)	(2,319,389)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income received		86,354	69,707
Purchase of financial investments at FVOCI		(2,876)	(1,858)
Proceeds from disposal of financial investments at FVOCI		925	370
Purchase of property and equipment		(63,339)	(8,870)
Payment of lease liabilities		(214,993)	(214,993)
Proceeds from disposal of property and equipment		5,110	-
		<u>(188,819)</u>	<u>(155,644)</u>
Net cash used in investing activities		(188,819)	(155,644)
CASH FLOWS FROM FINANCING ACTIVITIES			
Grant received		4,270,000	4,090,000
Tax refund		21,736	-
		<u>4,291,736</u>	<u>4,090,000</u>
Net cash generated from financing activities		4,291,736	4,090,000
Increase in cash and cash equivalents during the financial year		731,524	1,614,967
Cash and cash equivalents at beginning of the financial year		5,150,887	3,535,920
Cash and cash equivalents at end of the financial year	15	<u>5,882,411</u>	<u>5,150,887</u>

Registration No.

200001022382 (524989-M)

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 2021**

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 2021:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 ‘Interest Rate Benchmark (IBOR) Reform – Phase 2’ (effective 1 January 2021) provide practical expedient allowing entities to update the effective interest rate (insert as applicable: for instruments measured at amortised cost, lessees and insurers applying the temporary exemption from MFRS 9) to account for any required changes in contractual cash flows that is a direct consequence of IBOR reform. This results in no immediate gain or loss recognised in profit or loss.

The amendments require entities to update the hedge documentation to reflect the changes required by the IBOR replacement. The amendments also provide reliefs that enable and require entities to continue hedge accounting in circumstances when changes in hedged items and hedging instruments are solely due to IBOR reform.

The amendments shall be applied retrospectively but comparatives are not restated.

- COVID-19-related Rent Concessions – Amendments to MFRS 16 (effective 1 June 2020) - As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. This amendment provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted. Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

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 2022 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 - 2021 - effective 1 January 2022

- MFRS 16 "Leases" Illustrative Example 13

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

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

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

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 2021**

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 2022 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 2021 (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 2021 (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
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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 BENEFITSShort term benefits

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

Post employment benefit

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

H FINANCIAL ASSETS**(a) Classification**

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

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

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (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 2021 (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 2021 (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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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (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 2021 (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 2021 (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 ASSETSDMS 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 2021**

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 (2020: 17).

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

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

2 REVENUE

	<u>2021</u> RM	<u>2020</u> RM
Forums and events	489,359	245,245
Subscriber services fee	366,114	364,982
	<u>855,473</u>	<u>610,227</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>2021</u> RM	<u>2020</u> RM
Balance as at 1 January	142,623	-
Grant received during the financial year	4,270,000	4,090,000
Grant utilised during the financial year	(4,412,623)	(3,947,377)
	<u>-</u>	<u>142,623</u>
Balance as at 31 December	<u>-</u>	<u>142,623</u>

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4	OTHER OPERATING INCOME	<u>2021</u> RM	<u>2020</u> RM
	Dividend income	9,108	4,932
	Gain in foreign exchange	982	-
	Interest income	86,354	69,707
	Other income	112,502	21,000
		<u>208,946</u>	<u>95,639</u>
		<u>208,946</u>	<u>95,639</u>
5	STAFF COSTS	<u>2021</u> RM	<u>2020</u> RM
	Salaries and bonus	2,186,605	1,884,883
	Defined contribution plan ('EPF')	328,715	282,395
	Staff gratuity	129,680	117,050
	Other employee benefits	76,742	61,978
		<u>2,721,742</u>	<u>2,346,306</u>
		<u>2,721,742</u>	<u>2,346,306</u>

The Chief Executive Officer has received salary and bonus of RM613,274 (2020: RM610,500) while contribution to EPF amounted to RM86,142 (2020: RM85,725).

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

6 OTHER OPERATING EXPENSES	<u>2021</u>	<u>2020</u>
	RM	RM
Directors' fees	116,000	121,000
Associate Consultants	133,650	169,100
Malaysia-ASEAN Corporate Governance		
- ASEAN Corporate Governance Scorecard Assessment	454,537	316,700
- ASEAN Corporate Governance Award Ceremony	23,890	18,020
- ASEAN Corporate Governance Report	62,020	61,310
DOMESTIC Sustainability Scorecard Assessment	260,510	90,300
DOMESTIC Sustainability Report	37,280	50,000
MSWG's Annual Report	31,000	20,000
Rental expenses	10,987	15,565
Travelling, accommodation and promotion expenses	9,567	19,874
Telecommunication expenses	71,373	66,172
Insurance	149,749	135,833
Professional fees	75,680	57,400
Office expenses	66,198	71,581
Others	13,671	13,560
	<u>1,516,112</u>	<u>1,226,415</u>

During the financial year, Directors of the Company are covered under the Directors' & Officers' Liability Insurance in respect of liabilities arising from acts committed in their capacity as, inter alia, Directors of the Company subject to the terms of the policy. The total amount of premium paid for the Directors' & Officers' Liability Insurance by the Company was RM25,500 (2020: RM23,000).

7 SURPLUS BEFORE TAXATION	<u>2021</u>	<u>2020</u>
	RM	RM
Surplus before taxation is arrived at after (charging)/ crediting:		
Auditors' remuneration		
- Statutory audit	(15,000)	(15,000)
- Tax compliance	(8,000)	(10,000)
Directors' meeting attendance allowance	(35,000)	(42,000)
Interest income	86,354	69,707
Dividend income	9,108	4,932
	<u> </u>	<u> </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 2021 (CONTINUED)

8	TAXATION	<u>2021</u> RM	<u>2020</u> RM
	Current year tax	8,050	5,000
	Over provision of prior years' tax	(437)	(1,736)
	Deferred tax (Note 13)	50,012	(57,430)
		<u>57,625</u>	<u>(54,166)</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>2021</u> RM	<u>2020</u> RM
Surplus before taxation	<u>904,923</u>	<u>705,866</u>
Tax calculated at the Malaysian tax rate of 26% (2020: 26%)	235,280	183,525
Tax effects of:		
- expenses not deductible for tax purposes	51,947	77,099
- income not subject to tax	(2,357)	(1,274)
- utilisation of previously unrecognised tax losses	(262,407)	(237,311)
- unrecognised deferred tax liabilities/ (assets)	50,012	(57,430)
- effects of different tax rate	(14,413)	(17,039)
- over provision of prior years' tax	(437)	(1,736)
Taxation	<u>57,625</u>	<u>(54,166)</u>

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

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(Incorporated in Malaysia as a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

9 PROPERTY AND EQUIPMENT (CONTINUED)

	<u>Computer and electronic equipment</u> RM	<u>Furniture and fittings</u> RM	<u>Office equipment</u> RM	<u>Renovations</u> RM	<u>Total</u> RM
<u>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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

10 INTANGIBLE ASSETS

	<u>DMS and website integration</u>	
	<u>2021</u>	<u>2020</u>
	RM	RM
<u>Cost</u>		
At 1 January/ 31 December	399,662	399,662
<u>Accumulated Amortisation</u>		
At 1 January	319,731	239,798
Charge for the financial year	79,930	79,933
At 31 December	<u>399,661</u>	<u>319,731</u>
<u>Net book value</u>		
At 31 December	<u>1</u>	<u>79,931</u>

11 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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

	<u>2021</u>	<u>2020</u>
	RM	RM
Right-of-use assets:		
Property	<u>70,469</u>	<u>92,120</u>
Lease liabilities	<u>70,924</u>	<u>88,471</u>

The statement of profit or loss as at 31 December 2021 shows the following amounts relating to leases:

	RM
Depreciation charge on right-of-use assets:	
Finance cost	9,163
Expenses relating to short-term leases	<u>211,409</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

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

Future minimum lease payments at 31 December 2021 are as follows:

	Minimum lease payment due		Total RM
	Within 1 year RM	1 – 3 years RM	
31 December 2021			
Lease payment	71,664	-	71,664
Finance cost	740	-	740
Net present value	70,924	-	70,924
<hr/>			
1 January 2021			
Lease payment	89,580	-	89,580
Finance cost	1,109	-	1,109
Net present value	88,471	-	88,471
<hr/>			

12 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>2021</u> RM	<u>2020</u> RM
At fair value:		
Quoted shares in Malaysia	185,485	215,872
	<hr/>	<hr/>

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

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>2021</u> RM	<u>2020</u> RM
<u>Subject to income tax:</u>		
Deferred tax asset (after offsetting)	<u>86,132</u>	<u>136,144</u>

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

	<u>2021</u> RM	<u>2020</u> RM
At 1 January	136,144	78,714
Charged to profit or loss (Note 8)	(50,012)	57,430
- Property and equipment	(1,445)	4,982
- Right-of-use	1,067	4,189
- Subscriber fees	(17,065)	16,247
- Deferred grant	(37,082)	37,082
- Provisions	4,513	(5,070)
Charge to comprehensive income	-	-
At 31 December	<u>86,132</u>	<u>136,144</u>

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BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
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13 DEFERRED TAX ASSET/DEFERRED TAX LIABILITY (CONTINUED)

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

	<u>2021</u> RM	<u>2020</u> RM
Deferred tax asset (before offsetting)		
- Provisions	99,943	95,430
- Deferred grant	-	37,082
- Property and equipment	(769)	676
- Subscriber fees	(13,160)	3,905
	<u>86,014</u>	<u>137,093</u>
Offsetting	118	(949)
Deferred tax asset (after offsetting)	<u><u>86,132</u></u>	<u><u>136,144</u></u>
Deferred tax liability (before offsetting)		
- Right-of-use	118	(949)
Offsetting	(118)	949
Deferred tax liability (after offsetting)	<u><u>-</u></u>	<u><u>-</u></u>

The unabsorbed tax losses of the Company is RM948,908 (2020: RM1,931,206) 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 2020 and subsequent years of assessment.

14 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<u>2021</u> RM	<u>2020</u> RM
Other receivables	35,899	10,600
Deposits and prepayments	192,731	181,720
	<u><u>228,630</u></u>	<u><u>192,320</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

15 CASH AND CASH EQUIVALENTS

	<u>2021</u> RM	<u>2020</u> RM
Cash and bank balances	454,280	333,952
Deposits with a financial institution	5,428,131	4,816,935
	<u>5,882,411</u>	<u>5,150,887</u>

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

	<u>2021</u> %	<u>2020</u> %
Deposits with a financial institution	<u>1.85</u>	<u>1.85</u>

Deposits with a financial institution have an average maturity of 18 days (2020: 22 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>2021</u> RM	<u>2020</u> RM
Other receivables, deposits and prepayments	228,630	192,320
Cash and cash equivalents	<u>5,882,411</u>	<u>5,150,887</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (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>2021</u>		
Other receivables, deposits and prepayments	-	228,630
Cash and cash equivalents	<u>5,882,411</u>	<u>-</u>
<u>2020</u>		
Other receivables, deposits and prepayments	-	192,320
Cash and cash equivalents	<u>5,150,887</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 2021 and 31 December 2020 approximate their fair values due to the limited term to maturity of these instruments or limited sensitivity to interest rates.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (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 EVENT 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 12 January 2022, the Company entered into a 3 years rental agreement with AIA Bhd. to lease Unit 23.2, Level 23 of Menara AIA Sentral as new office starting from 1 May 2022.

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 2022.

Registration No.

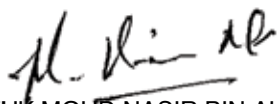
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BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia as a company limited by guarantee)

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

We, Datuk Mohd Nasir Bin Ali and Devanesan J.A. Evanson, two of the Directors of Badan Pengawas Pemegang Saham Minoriti Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 5 to 33 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2021 and financial performance of the Company for the financial year ended 31 December 2021 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 2022.



DATUK MOHD NASIR BIN ALI
DIRECTOR



DEVANESAN J.A. EVANSON
DIRECTOR

Kuala Lumpur

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

I, Devanesan J.A. Evanson, the officer primarily responsible for the financial management of Badan Pengawas Pemegang Saham Minoriti Berhad, do solemnly and sincerely declare that, the financial statements set out on pages 5 to 33 are, to the best of my knowledge, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



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

Subscribed and solemnly declared by the abovenamed at Wilayah Persekutuan Kuala Lumpur on 18 March 2022.

Before me:



COMMISSIONER FOR OATH

LEVEL 25, MENARA HONG LEONG,
NO 6, JALAN DAMANLELA, BUKIT DAMANSARA
50490 KUALA LUMPUR



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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Badan Pengawas Pemegang Saham Minoriti Berhad (“the Company”) give a true and fair view of the financial position of the Company as at 31 December 2021, 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 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 33.

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.

Information other than the financial statements and auditors’ report thereon

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

*PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my*



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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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)

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)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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 2022

NOTICE OF 21ST ANNUAL GENERAL MEETING



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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **21st Annual General Meeting** (“AGM”) of the Company will be held at the Meeting Room, Level 23, Unit 23-2, Menara AIA Sentral, No. 30, Jalan Sultan Ismail, 50250 Kuala Lumpur on **Monday, 20 June 2022** at **10.00 a.m.** to transact the following ordinary and special business -

A G E N D A

1. To receive and adopt the Company's Audited Financial Statements for the financial year ended 31 December 2021, together with the Directors' and Auditors' Reports thereon.
2. To approve the payment of Directors' Fee for the financial year ending 31 December 2022 as follows:
(a) RM18,000 for the Chairman; and
(b) RM12,000 for each Non-Executive Director
Ordinary Resolution 1
3. To approve the payment of Directors' Meeting Allowance for the period from 20 June 2022 until the date of the next AGM as follows:
(a) RM1,500 per meeting for the Chairman; and
(b) RM1,000 per meeting for each Non-Executive Director
Ordinary Resolution 2
4. To re-elect the following Directors who retire in accordance with Article 61 of the Constitution of the Company, as Directors of the Company:
(a) Dato' Wan Kamaruzaman Bin Wan Ahmad
(b) Datuk Gazali Bin Haji Harun
Ordinary Resolution 3
Ordinary Resolution 4
5. To re-elect the following Director who retires in accordance with Article 67 of the Constitution of the Company, as Director of the Company:
(a) Encik Muhammad Fitri Bin Othman
Ordinary Resolution 5
6. 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 6

Special Business

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

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

6B. The terms and conditions which allow salaries, fees, fixed allowances and other benefits to be given and include salaries, fees, fixed allowances and other benefits that relate to prior years but provided for in the audited financial statements of those years, are –

- (a) The Company must be solvent immediately after the payment is made. The Company is regarded as solvent if it can satisfy the Registrar that it is able to pay its debts as and when the debts become due within twelve months immediately after the payment is made based on the annual audited financial statements of the Company;
- (b) The members of the Board are satisfied, before entering the agreement, that it is in the interest of the Company for that person to provide those services for that amount; and
- (c) The maximum amount is reasonable in the circumstances and is set out in the written agreement and should not exceed the amount provided for in the Constitution.

6C. Any change to the amount of the salaries, fees, fixed allowances and other benefits are subject to the approval by the members of the Company and the Minister charged with the responsibility for companies / Registrar.

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

**Ordinary Resolution 7:
PAYMENT OF SALARIES, FEES, FIXED ALLOWANCES AND OTHER BENEFITS TO DIRECTORS**

THAT the payment of salaries, fees, fixed allowances and other benefits to Directors of the Company is for the purpose of achieving the objects of the Company.

By Order of the Board



Chew Phye Keat
Secretary

Dated: 27 May 2022

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, Level 23, Unit 23-2, Menara AIA Sentral, No. 30, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time appointed for holding the Meeting.

Explanatory Notes:

(a) Agenda 1 – Audited Financial Statements

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

(b) Special Business

At the Extraordinary General Meeting held on 27 November 2020, the Constitution of the Company has been amended and included clause 6A, 6B and 6C as per the format and wordings provided by the Companies Commission of Malaysia (CCM) in its letter to the Company dated 27 July 2020. The amount of salaries, fees, fixed allowances and other benefits to the Directors of not more than RM50,000 per month was approved by CCM on 10 February 2021.

Following the Company's application to the Registrar, CCM for approval of the revised amount of salaries, fees, fixed allowances and other benefits of RM50,000 per month (RM600,000 per year) to RM850,000 per year, CCM has replied and required the Company to further amend the Constitution to follow the revised Guidelines on Company Limited by Guarantee dated 27 September 2021 and the revised checklist.

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

Existing Clause with proposed amendments in bold	Amended Clause
6A. The member 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 which shall be approved by the members of the Company and Minister charged with the responsibility for companies / Registrar .	The members of the Board appointed by the Board or Members of the Company may be paid salaries, fees, fixed allowances and other benefits of not more than RM850,000 per year but not excessively given which shall be approved by the members of the Company and Minister charged with the responsibility for companies / Registrar.
6B. The terms and conditions which allow salaries, fees, fixed allowances and other benefits to be given and include salaries, fees, fixed allowances and other benefits that relate to prior years but provided for in the audited financial statements of those years , are - (a) The Company must be solvent immediately after the payment is made. The Company is regarded as solvent if it can satisfy the Registrar that it is able to pay its debts as and when the debts become due within twelve months immediately after the payment is made based on the annual audited financial statements of the Company. (b) The members of the Board are satisfied, before entering the agreement, that it is in the interest of the Company for that person to provide those services for that amount; and (c) The maximum amount is reasonable in the circumstances and is set out in the written agreement and should not exceed the amount provided for in the Constitution.	The terms and conditions which allow salaries, fees, fixed allowances and other benefits to be given and include salaries, fees, fixed allowances and other benefits that relate to prior years but provided for in the audited financial statements of those years, are - (a) The Company must be solvent immediately after the payment is made. The Company is regarded as solvent if it can satisfy the Registrar that it is able to pay its debts as and when the debts become due within twelve months immediately after the payment is made based on the annual audited financial statements of the Company. (b) The members of the Board are satisfied, before entering the agreement, that it is in the interest of the Company for that person to provide those services for that amount; and (c) The maximum amount is reasonable in the circumstances and is set out in the written agreement and should not exceed the amount provided for in the Constitution.
6C. Any change to the amount of the salaries, fees, fixed allowances and other benefits are subject to the approval by the members of the Company and the Minister charged with the responsibility for companies / Registrar .	Any change to the amount of the salaries, fees, fixed allowances and other benefits are subject to the approval by the members of the Company and the Minister charged with the responsibility for companies / Registrar.

PROXY FORM



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

PROXY FORM

We, of
..... being a member of
the above named Company, hereby appoint of
..... or failing him/her
..... of
.....
as our proxy to attend and vote for us and on our behalf at the 21st Annual General Meeting of the said
Company to be held on **Monday, 20 June 2022 at 10.00 a.m.** and at any adjournment thereof.

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

Ordinary Business		For	Against
Payment of Directors' Fees for year ending 31 December 2022	Ordinary Resolution 1		
Payment of Directors' Meeting Allowance for the period from 20 June 2022 until the date of the next AGM	Ordinary Resolution 2		
Re-election of Directors who retire in accordance with Article 61 of the Company's Constitution:			
(a) Dato' Wan Kamaruzaman Bin Wan Ahmad	Ordinary Resolution 3		
(b) Datuk Gazali Bin Haji Harun	Ordinary Resolution 4		
Re-election of Directors who retire in accordance with Article 67 of the Company's Constitution:			
(a) Encik Muhammad Fitri Bin Othman	Ordinary Resolution 5		
Re-appointment of Messrs PricewaterhouseCoopers PLT as Auditors and to authorise the Directors to fix their remuneration	Ordinary Resolution 6		
Special Business		For	Against
Amendments to Company's Memorandum Of Association (known as the Company's Constitution pursuant to the Companies Act 2016)	Special Resolution		
Payment Of Salaries, Fees, Fixed Allowances And Other Benefits To Directors	Ordinary Resolution 7		

Dated:

Director

Director/Secretary

MINORITY SHAREHOLDERS WATCH GROUP

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

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