



MINORITY SHAREHOLDER WATCHDOG GROUP



ANNUAL REPORT 2016  
*Advocating Corporate Governance*

## FACTS AT A GLANCE



**254** Companies Monitored



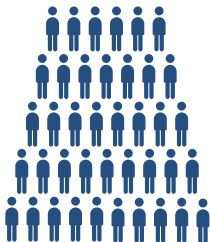
**320** Shareholder Meetings Covered in 2016



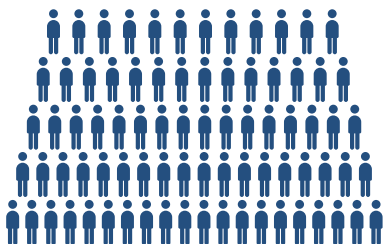
**868** PLCs Assessed Using the ASEAN CG Scorecard in 2016



**9** institutional subscribers



**52** corporate subscribers



**797** retail subscribers

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## VISION

*To be a recognised and respected organisation in promoting corporate governance through shareholder activism.*

## MISSION

*To increase sustainable shareholder value in companies through engagement with relevant stakeholders, with a focus on minority shareholder interests.*

## CORPORATE PROFILE

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

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

MSWG's four founding organisations are:

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

# CORPORATE OBJECTIVES

MSWG HAS A CHARTER UNDER ITS MEMORANDUM AND ARTICLES OF ASSOCIATION, WHICH SPELS OUT ITS OBJECTIVES AS FOLLOWS:

1 To become the forum on minority shareholders' experiences;

2 To become the Think-Tank and Resource Centre for minority interests and corporate governance matters in Malaysia;

3 To develop and disseminate the educational aspects of corporate governance;

4 To become the platform to initiate collective shareholder activism on unethical or questionable practices made by management of public listed companies (PLCs);

5 To influence the decision-making process in PLCs as the leader for minority shareholders' legislative rights and interests;

6 To monitor for breaches and non-compliance in corporate governance practices by PLCs; and

7 To initiate, where appropriate, reports to regulatory authorities and transform MSWG into an effective deterrent of such events or activities that can work against the interests of minority shareholders.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Tan Sri Dato' Seri Dr Sulaiman Mahbob**

Chairman

**Dato' Larry Gan**

Director

**Mr Philip Koh Tong Ngee**

Director

**Datuk Gazali bin Haji Harun**

Director

**Tan Sri Dato' Seri Lodin Wok Kamaruddin**

Director

**Dato' Wan Kamaruzaman bin Wan Ahmad**

Director

**Encik Nor Hizam Hashim**

Director

**Datuk Zakaria Sharif**

*Alternate Director to Tan Sri Dato' Seri Lodin Wok Kamaruddin*

### COMPANY SECRETARY

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

### REGISTERED OFFICE

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

### AUDITORS

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

### BANKERS

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

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

### CONTACT PERSON

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General Manager  
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[watchdog@mswg.org.my](mailto:watchdog@mswg.org.my)

## PROFILE OF DIRECTORS

### Tan Sri Dato' Seri Dr Sulaiman Mahbob

Chairman

Age	:	69
Date of Appointment	:	16 April 2012
Date of Appointment as Chairman	:	11 April 2013
Length of Service	:	5 years



### Academic / Professional Qualification(s)

Degree (Hons) in Economics, University of Malaya

Master of Science, University of London

PhD, Syracuse University, USA

### Present Directorship(s)

#### Directorship in PLC(s):

Chairman, Telekom Malaysia Berhad

Independent Director, Felda Global Ventures Holdings Berhad

### Other Public Companies/Institutions:

Chairman, Malaysian Institute of Economic Research

Board of Directors, Bank Negara Malaysia

Board of Directors, Institute of Strategic and International Studies

### Present Appointment(s)

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

## **Tan Sri Dato' Seri Lodin Wok Kamaruddin**

Director

Age : 68  
Date of Appointment : 5 November 2001  
Length of Service : 15 years 5 months



### **Academic / Professional Qualification(s)**

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

### **Present Directorship(s)**

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

Chairman, Boustead Heavy Industries Corporation Berhad  
Chairman, Pharmaniaga Berhad  
Vice Chairman, Boustead Plantations Berhad  
Deputy Chairman / Group Managing Director, Boustead Holdings Berhad

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

Director, Affin Hwang Investment Bank Berhad  
Director, Affin Hwang Asset Management Berhad  
Director, AXA Affin Life Insurance Berhad  
Director, MHS Aviation Berhad  
Director, Boustead Properties Berhad  
Director, UAC Berhad

### **Present Appointment(s)**

Chief Executive, Lembaga Tabung Angkatan Tentera

### **Awards/Achievements**

Received Chevalier De La Légion d'Honneur Award from the French Government - 2003  
Outstanding Entrepreneurship Award of APEA - 2008  
Degree in Doctor of Laws (honoris causa) The University of Nottingham, United Kingdom - 2010  
UiTM Alumnus of the Year 2010 Award - 2011



## Dato' Larry Gan

Director

Age : 63  
Date of Appointment : 20 July 2005  
Length of Service : 11 years 9 months

### Academic / Professional Qualification(s)

Certified Management Consultant  
Chartered Accountant

### Present Directorship(s)

#### Directorship in PLC(s):

Chairman, Cuscapi Berhad  
Chairman, Rev Asia Berhad  
Director, Tropicana Berhad

### Present Appointment(s)

#### Other Public Companies/Institutions:

Director, Graphene Nanochem Ltd (UK)  
Director, British Malaysian Chamber of Commerce  
Trustee, JC Jacobsen Foundation  
Chairman, Fatfish Internet Group Ltd (Australia)  
Director, 8 Common Ltd (Australia)  
Council Member, Badminton Association of Malaysia  
Director, Flexiroam Ltd (Australia)  
Director, Saujana Resort (M) Berhad



## Mr Philip Koh Tong Ngee

Director

Age : 62  
Date of Appointment : 2 June 2005  
Length of Service : 11 years 10 months

### Academic / Professional Qualification(s)

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

### Present Directorship(s)

#### Directorship in PLC(s):

Nil

### Present Appointment(s)

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



## **Encik Nor Hizam Hashim**

Director

Age : 69  
Date of Appointment : 2 December 2009  
Length of Service : 7 years 4 months



### **Academic / Professional Qualification(s)**

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

### **Present Directorship(s)**

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

Independent Non-Executive Director, Malayan Banking Berhad  
Non-Executive Director, MCB Bank Limited

### **Present Appointment(s)**

Nil

## **Dato' Wan Kamaruzaman bin Wan Ahmad**

Director

Age : 58  
Date of Appointment : 1 September 2016  
Length of Service : 7 months



### **Academic / Professional Qualification(s)**

Bachelor of Economics, University of Malaya

### **Present Directorship(s)**

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

Non-Executive Director, Malakoff Corporation Berhad  
Non-Executive Director, Prima Ekuiti (UK) Limited

### **Present Appointment(s)**

CEO, Kumpulan Wang Persaraan (Diperbadankan)  
Chairman, Institutional Investors Council Malaysia

## Datuk Gazali bin Haji Harun

Director

Age : 59  
Date of Appointment : 26 October 2016  
Length of Service : 6 months

### Academic / Professional Qualification(s)

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

### Present Directorship(s)

#### Directorship in PLC(s):

Nil

### Present Appointment(s)

Nil

## Datuk Zakaria Sharif

Alternate Director to Tan Sri Dato' Seri Lodin Wok Kamaruddin

Age : 60  
Date of Appointment : 16 January 2012  
Length of Service : 5 years 3 months

### Academic / Professional Qualification(s)

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

### Present Directorship(s)

#### Directorship in PLC(s):

Director, Boustead Plantations Berhad

### Other Public Companies/Institutions:

LTP Wibawa Sdn Berhad  
Yayasan Veteran ATM  
Chery Automobile (Malaysia) Sdn Bhd  
Chery International (Malaysia) Sdn Bhd  
Labuan Reinsurance (L) Ltd  
ATES/Beta Tegap Sdn Bhd

### Present Appointment(s)

Deputy Chief Executive of Lembaga Tabung Angkatan Tentera



## MANAGEMENT TEAM AND ASSOCIATES



**PN LYA RAHMAN**  
General Manager  
[lyarahman@mswg.org.my](mailto:lyarahman@mswg.org.my)



**MS REBECCA YAP**  
Head, Corporate Monitoring/Finance  
[rebecca.yap@mswg.org.my](mailto:rebecca.yap@mswg.org.my)



**MR QUAH BAN AIK**  
Head, Corporate Monitoring  
[banaik.quah@mswg.org.my](mailto:banaik.quah@mswg.org.my)



**EN NORHISAM SIDEK**  
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**MS S PADMA DEVI**  
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## ASSOCIATES

**PN NORAI DA MARIA MOHD HATTA**

**MR LEE LEOK SOON**

**PUAN SRI RUSILA ABD RAZAK**

**MR CHONG CHEE FERN**

**MR KHOO HSU CHUANG**

**MS JOSEPHINE EDWARDS**

**MR LEE CHEE MENG**

**MS RATHIMALAR SUNDRAM**

**MR ONG TECK LEE**

## CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, it gives me great pleasure to present to you the Minority Shareholder Watchdog Group (MSWG) Annual Report for the financial year ended 31 December 2016.

This statement together with the Management Discussion & Analysis, provides a more detailed overview of MSWG's operations in 2016.

We have had a challenging year in 2016, as we forge ahead in our core monitoring activities and stepped up on efforts to advocate higher corporate governance standards in the marketplace. It was a challenging year for the Malaysian economy. Despite the persistently weak external environment and volatility affecting emerging markets in 2016, Malaysia's economy registered a commendable growth of 4.2% in 2016, shaped by commodity performance and external demand. According to Bank Negara Malaysia, the Malaysian economy recorded a robust growth of 5.6% in the first quarter of 2017. The economy is on track to register higher growth in 2017 with domestic demand projected to continue to expand. The Securities Commission Malaysia (SC) reported that almost RM100 billion was raised through the capital market in 2016, with RM87 billion in corporate bond issuances and IPOs (initial public offerings) while the rest was secured through secondary fundraising.

### ADVOCATING CORPORATE GOVERNANCE

Despite the challenging operating backdrop we noted that our public listed companies (PLCs) had showed improvements in their corporate governance standards, as reflected in the Transparency Index for the Top 100 Companies in the MSWG-ASEAN CG Scorecard assessment which had increased from 80.41 points in 2015 to 85.02 points in 2016. This is indeed a testament of their commitment to good governance, which is among the fundamental ingredients to achieving sustainable value.

MSWG is in the midst of updating our own *MSWG Policy Statement on Corporate Governance & Shareholder Voting Guidelines*, first issued in 2009, to be more reflective of the host of changes in rules, regulations and CG best practices which had evolved over the years.

The 2016 AGM season saw important issues highlighted by our analysts in our monitoring portfolio of 254 PLCs. Our selected engagement sessions with the Board and key senior Management of PLCs proved to be beneficial dialogues to convey our expectations on CG best practices as well as other issues highlighted by minority shareholders. This regular and consistent approach towards engagement outside of the AGM platform is an open two-way exchange, and is an important means of assessing the degree to which each other's expectations have been met.

### DRIVING STEWARDSHIP

On the local investor stewardship front, we undertook several initiatives to further advocate greater investor stewardship as a key pillar in the CG agenda. In March 2016, we collaborated with the Institutional Investors Council Malaysia (IIC) to organise the inaugural *MSWG-IIC Governance Week 2016* where we brought in global and local corporate governance advocates, senior representatives of institutional investors, asset managers and corporate captains to discuss and speak on key issues on investor and corporate stewardship, including sustainability. As a member of the IIC and IIC Secretariat, MSWG contributed significantly towards the research work, coordination and publication of the *Investor Stewardship and Future Key Priorities 2016* report, which was launched by the IIC at the SC on 5 September 2016. I believe the efforts undertaken by the IIC and MSWG over the years to advocate greater investor stewardship had struck a chord with the asset owners. Early in 2017, the largest pension fund in the country, the Employees Provident Fund and Malaysia's sovereign wealth fund, Khazanah Nasional Berhad have joined as signatories to the Malaysian Code for Institutional Investors (Code). This is a significant development bringing to the fore the importance of active stewardship. On a personal note, I am delighted to see the progress that has been made over the last four years in the local investor stewardship landscape since the inaugural Steering Committee Meeting to develop the Code way back in year 2013. I look forward to more institutional investors becoming signatories to the Code this year.

## FORGING PARTNERSHIPS

MSWG continued to strengthen its relationships with global governance organisations and the academia in knowledge sharing and strategic partnerships with the International Corporate Governance Network (ICGN), the Organisation for Economic Co-operation and Development (OECD), as well as local institutions of higher learning. In this regard, we are deeply honoured to have been given the opportunity by ICGN to be the Premier Partner alongside main host, Kumpulan Wang Persaraan (Diperbadankan) (KWAP) for the **ICGN Annual Conference 2017** to be held in Kuala Lumpur from 11 to 13 July 2017. This would be an opportune time for Malaysia to share our significant progress in corporate governance given that a large group of delegates worldwide, comprising mainly institutional investors will be making their way to Kuala Lumpur to discuss critical global and regional governance issues of relevance to investors.

## MOVING FORWARD

We are conscious of the tough and complex business environment ahead of us, and potential challenges that come with it. Nevertheless, I am confident we will be able to build on the strong foundation laid by our predecessors and will strive to remain steadfast in our main role, especially to bring to light issues that are detrimental to the minority shareholders. On the regional front, this year will see significant enhancements to the ASEAN CG Scorecard after extensive deliberations by the ASEAN CG experts, of which MSWG is also a team member. We are excited with this new development which is expected to further raise the bar on CG practices in the region. We hope our PLCs will be prepared to meet the higher standards expected from them.

Internally, our human capital will also be strengthened to recruit the right talent to ensure that we are able to meet higher work demands and expectations of our key stakeholders.

## ACKNOWLEDGEMENT

On behalf of the Board, I would like to record our highest appreciation to all our valued stakeholders – our subscribers, partners and media, who have continued to support MSWG for all these years. We hope that our relationship will continue into the future as we grow together.

MSWG announced the retirement of Puan Rita Benoy Bushon as CEO effective 1 January 2017. On behalf of the Board, I would like to thank Puan Rita for her leadership and commitment in charting the strategic direction of MSWG during her tenure as the Chief Executive Officer of MSWG for the last eight years and wish her all the best in her future undertakings. Puan Rita had also relinquished her position as a Board member of MSWG with effect from 31 March 2017.

At the same time, I am also pleased to welcome our new Board members, Dato' Wan Kamaruzaman bin Wan Ahmad and Datuk Gazali bin Haji Harun who were appointed on 1 September 2016 and 26 October 2016 respectively. Their combined experience will undoubtedly be beneficial to MSWG. The search for the next CEO has begun, but in the mean time be rest assured MSWG's operations are in capable hands.

Let me also take this opportunity to recognise and thank the Management and staff of MSWG, who are the driving force behind our business operations. The Board is grateful for their continued loyalty, diligence and whole-hearted commitment, which have been key reasons for MSWG's success. Also my personal appreciation goes to my fellow Directors for their wisdom and guidance.

Finally, the Board and Management would like to thank the Capital Market Development Fund, SC, Bursa Malaysia and other relevant regulatory authorities for the support and guidance to us throughout the year.



**Tan Sri Dato' Seri Dr Sulaiman Mahbob**

Chairman

## CORPORATE GOVERNANCE STATEMENT

The Board and Management of MSWG strongly uphold the highest standards of corporate governance and affirm that good corporate governance is vital to the continuous growth of MSWG. The Company remains resolute in ensuring uncompromised integrity in pursuing its main objectives of promoting shareholder activism and influencing good practices amongst the PLCs.

The Board of Directors is guided by the following:

### Code of Conduct & Ethics

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

### Board Composition

- (1) The Board of Directors shall comprise directors with the requisite skills, competency, knowledge, experience and diversity of perspectives and who are able to discharge their fiduciary duties and responsibilities without any conflict of interest.
- (2) The maximum number of directors to be appointed to the Board shall be ten (10).
- (3) In accordance with MSWG's activities, objectives, and the licensing requirements of the Capital Markets and Services Act 2007, at least one Board Member must hold a Capital Markets Services Representative's (CMSR) license.
- (4) The members of the Board shall be persons of reputable character and standing.
- (5) The Chairman of the Board shall be elected by members of the Board.
- (6) The Securities Commission of Malaysia must be notified 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.
- (3) Decisions in the Board meeting shall be based on majority of votes and in the event of an equality of votes the Chairman shall be entitled to the casting vote.
- (4) Notice of Board Meetings should be given at least 14 days before the date of the meeting.
- (5) Board papers are to be distributed at least seven (7) days before the meeting.
- (6) Each Director must be in attendance of at least 50% of the Board Meetings per annum in person.

## Directors' Attendance at Board Meetings held in 2016

Details of attendance of each Director at the Board Meetings for the financial year ended 31 December 2016 are as follows:

Directors	No. of Meetings					% of Attendance
	29/2/16	17/5/16	13/6/16	1/9/16	5/12/16	
Tan Sri Dato' Seri Dr Sulaiman Mahbob	✓	✓	✓	✓	✓	100
Rita Benoy Bushon	✓	✓	✓	✓		80
Tan Sri Dato' Seri Lodin Wok Kamaruddin (Alternate Director: Datuk Zakaria Sharif)	✓	✓	✓		✓	80
Dato' Larry Gan		✓		✓	✓	60
Mr Philip Koh Tong Ngee	✓		✓	✓	✓	80
Encik Nor Hizam Hashim	✓	✓	✓	✓	✓	100
Dato' Wan Kamaruzaman bin Wan Ahmad (Appointed on 1 September 2016)					✓	100
Datuk Gazali bin Haji Harun (Appointed on 26 October 2016)					✓	100

## NOMINATION & REMUNERATION COMMITTEE

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

### Composition

The NRC comprises the following directors:

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

### Terms of Reference

The NRC is governed under the following Terms of Reference:

#### Nomination Committee

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

#### Remuneration Committee

To review and recommend the following:

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

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

## NRC Meetings

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

The NRC convened three (3) meetings during the financial year 2016. During the year, the NRC performed its functions including considering and making recommendations to the Board on the appointment of Dato' Wan Kamaruzaman bin Wan Ahmad and Datuk Gazali bin Haji Harun to the MSWG Board. The Board accepted the recommendations and Dato' Wan Kamaruzaman bin Wan Ahmad and Datuk Gazali bin Haji Harun were duly appointed as directors on 1 September 2016 and 26 October 2016 respectively.

The details of the NRC members' attendance are as follows:

NRC Member	No. of Meetings		
	25/2/16	4/8/16	2/12/16
Tan Sri Dato' Seri Dr Sulaiman Mahbob ( <i>Chairman</i> )	✓		✓
Dato' Larry Gan	✓	✓	✓
Encik Nor Hizam Hashim	✓	✓	✓

## DIVIDEND

No dividend was declared or paid as MSWG is a company limited by guarantee and has no share capital.

## MANAGEMENT DISCUSSION AND ANALYSIS

Year 2016 saw us building on the momentum from the previous year, as we geared up on strategies to further promote corporate governance through shareholder activism. We hit the ground running early in the year by bringing to the fore high level discussions and debates on corporate and investor stewardship issues, through our collaboration with the Institutional Investors Council Malaysia (IIC) in the inaugural MSWG-IIC Governance Week 2016. To keep the investor stewardship momentum going, we worked closely with the IIC members and contributed significantly toward the research and coordination of a report on the state of institutional investor stewardship in Malaysia. This collaborative effort culminated in the successful launch of IIC's inaugural report entitled *Investor Stewardship and Future Key Priorities 2016*, which among others, outlined the strategies to encourage more active investor stewardship in the local CG landscape.

We strengthened our 'on the ground' presence through coverage of 320 shareholder meetings in 2016, and raised pertinent financial and strategic as well as governance issues to be addressed by the Boards. We believe that one should lead by example, and thus pleased to observe that more and more retail shareholders, particularly in the larger capitalised listed companies, are expressing their views and raising thought-provoking questions at the AGMs. While we are aware that institutional investors often prefer to engage with listed companies on various issues behind closed doors, we do hope to see more institutional investors speaking at AGMs to share relevant concerns with other shareholders moving forward.

We continued to deploy our resources to promote corporate governance awareness and research through publications, e-newsletters, forums and speaking engagements. The MSWG website has also been revamped to give it a fresh look and increase its effectiveness through various enhanced features.

The close of the year also saw the retirement of MSWG's CEO, Puan Rita Benoy Bushon who has helped MSWG for the past eight years. The Management and staff would like to take this opportunity to thank her for her leadership and contributions, and wish her all the best in her future endeavours.



## 2016 HIGHLIGHTS

### FINANCIAL HIGHLIGHTS

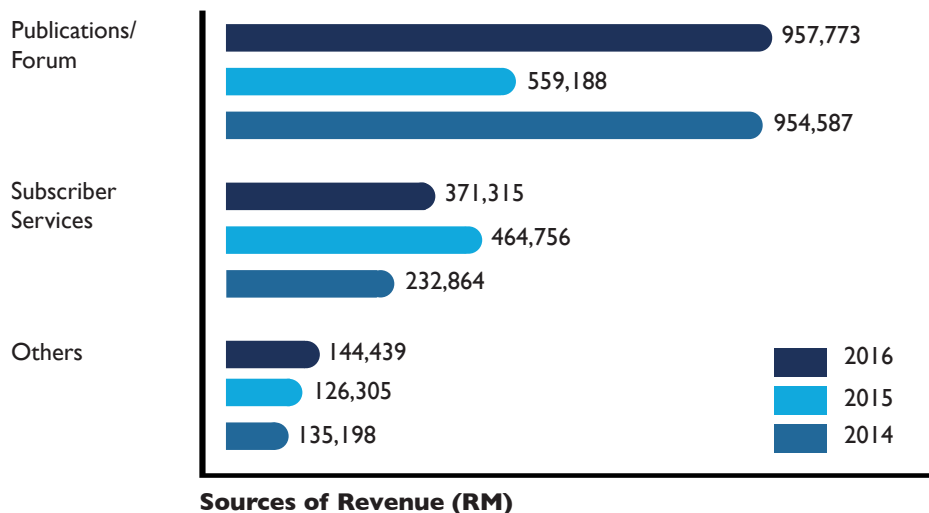
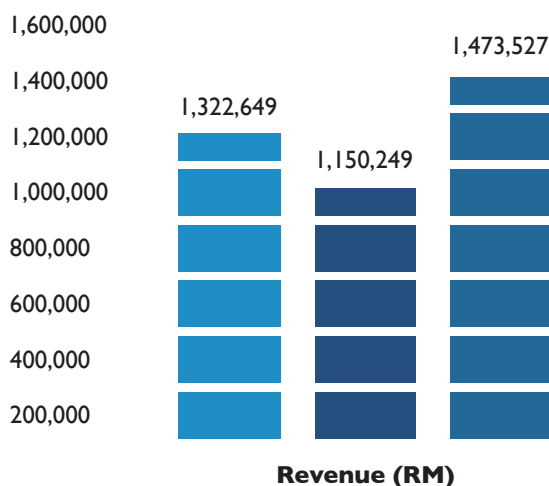
#### FUNDING FROM THE CAPITAL MARKET DEVELOPMENT FUND (CMDF)

The CMDF continued to provide the funding of RM5 million for MSWG's operations and activities in 2016. The funding of RM5 million would continue until 2017 based on the approved Business Plan for 3 years commencing 2015.

#### REVENUE & EXPENDITURE

For the financial year ended 31 December 2016, MSWG generated revenue of RM1.47 million compared to RM1.15 million in 2015. The increase was attributed to the MSWG-IIC Governance Week event held during the year as well as the MSWG CG Awards Ceremony. There was a decline in subscriber services in 2016 compared to 2015 due to timing difference in recognising the renewal period of the subscriber services. Other revenues mainly comprises interest income.

For 2016, the total expenditure reduced by 5.8% from RM5.82 million in 2015 to RM5.48 million in 2016, mainly due to prudent measures taken in expenditure. The breakdown of revenue generated by MSWG for 2016 and comparative figures for 2014 and 2015 are illustrated in the charts below:



## CORPORATE MONITORING

MSWG continued to focus on our core activities under Corporate Monitoring to further drive shareholder activism and the corporate governance agenda.

In 2016 MSWG had 254 companies under its monitoring portfolio comprising about 28 per cent of the total number of companies listed on Bursa Malaysia, including large and medium as well as small cap companies representing about 90 per cent of Bursa's total market capitalisation. The selection of companies to be monitored was based on the following criteria:

- » FBM KLCI companies
- » 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

During the year, MSWG analysts covered **320** general meetings, of which 70 were extraordinary general meetings, and one each for Special General Meeting and Court Convened Meeting respectively.

We focused on key issues and raised pertinent questions related to the company's performance, strategies and outlook, as well as corporate governance matters. Points raised in the previous year were followed up to ensure that the Board took appropriate actions to address the issues. Resolutions tabled by the companies were assessed by our analysts, with our voting decisions clearly indicated in our Pre-AGM Report for the respective companies. Corporate proposals tabled to shareholders for approval were reviewed and assessed in detail, especially taking into account the impact on the minority shareholders of the company. Key issues were highlighted in our AGM/EGM Weekly Watch and also our weekly e-newsletter, *The Observer*, so that shareholders are made aware of key issues prior to the AGMs and can seek further clarification from the Board at the AGMs.

### Highlights of Issues 2016

In reaching out to the public, our monitoring unit also handles complaints from minority investors, both institutional and retail, wanting MSWG to take their issues collectively. There is a robust complaints management process to ensure that each complaint is looked into and appropriate action taken accordingly. During the year, 68 complaints were received which centred on the following issues:

- » Unfair offers on privatisation
- » Concerns on delisting of companies
- » Conflict of interest situations
- » Excessive directors' remuneration without clear justifications
- » Concerns over large private placements to undisclosed third parties
- » Removal of independent directors by major shareholders without appropriate explanations
- » Concerns on time commitment of Independent Directors
- » Concerns on companies classified as PNI7/GN3
- » ESOS or Share Option Grants to Non-Executive Directors
- » Capping of Directors' Fees

## Pre and Post AGM/EGM Reports

The pre Annual General Meeting Reports or pre-AGM Reports provides a succinct snapshot of the companies' Annual Report, covering particulars of the directors and their membership of various Committees, ownership structure, company's corporate governance practices as well as key highlights of the financial performance for the year. Most importantly, the pre-AGM Report contains our voting decisions for all the resolutions to be tabled at the AGM. The Report is thus an important reference document for our corporate representatives at the AGMs. For 2016, 247 pre-AGM reports were prepared by our analysts. The Pre-AGM Reports were also made available to our institutional and retail subscribers.

During the year, 278 letters were sent to companies to seek clarification on issues at the AGMs and EGMs. All companies had responded to the queries and shared with other shareholders either via formal presentations or uploading the answers on their website or distributing the replies to the shareholders that were present. In addition to the questions raised in the letter, our corporate representatives also raised additional points at the meeting, where necessary.

The Post AGM/EGM reports provided an independent overview on the proceedings of the general meetings including the questions raised, responses by the Board of Directors and voting results. These reports were also made available to MSWG's corporate and institutional subscribers. During the year, 247 Post AGM reports and 31 Post EGM Reports were produced respectively.

Our corporate representatives also assessed the conduct of the AGMs, through our Conduct of AGM assessment form. This assessment among others, covered the administrative details, AGM proceedings, directors' attendance, voting procedures and participation of shareholders at the AGM.

MSWG also deployed various other ways under the ambit of corporate monitoring to widen our reach to shareholders, stakeholders and the public at large. Among these are regular columns in mainstream newspapers and business weekly, as well as through shareholder forums and speaking engagements.

## AGM/EGM Weekly Watch

The MSWG AGM/EGM Weekly Watch provides readers with information on the general meetings of the companies in our monitoring portfolio, stating the time and venue of meetings as well as extracts of our questions to the companies prior to the meetings. The abridged version of the AGM/EGM Weekly Watch is published in The New Straits Times and Nanyang Siang Pau (Mandarin version) newspapers as well as in the well-circulated business weekly, Focus Malaysia. The Weekly Watch helps to alert shareholders in advance on issues of concern so that they will be better prepared for the AGMs/EGMs and also prompts them to raise follow-up questions at the meetings. The full version of the Weekly Watch list which includes all points to be raised at the AGMs/EGMs is uploaded onto the MSWG website at the end of every working week and accessible to all visitors without any charge.

## E-Newsletter

Our weekly e-newsletter, *The Observer*, is now into its fifth year and continues to provide readers with important corporate happenings on the local and international front on a weekly basis. It includes MSWG's views on current corporate exercises, and provide news briefs on market, economic, regulatory and governance updates. Key issues highlighted in the *CEO Message* have also been translated into both Malay and Mandarin languages and published in the bi-weekly columns in *Berita Harian* and *Nanyang Siang Pau* respectively.

*The Observer* has now been widely recognised as an important source of information and research on CG issues, thereby, becoming an effective tool to raise MSWG's profile, particularly in communicating its stand on corporate, governance and market issues. It has been distributed to over 2,000 recipients including subscribers, fund managers, institutional investors, brokerage firms, universities, PLCs Board, regulators and the media.



# The Observer

22 April 2016

## MARKET AND REGULATORY UPDATE

### SC INVITES PUBLIC FEEDBACK ON DRAFT MALAYSIAN CODE ON CORPORATE GOVERNANCE 2016

The Securities Commission Malaysia (SC) released the proposed draft Malaysian Code on Corporate Governance 2016 (MCCG 2016) for public consultation on 18 April 2016.

The first Malaysian Code on Corporate Governance (Code) was introduced in the year 2000. The Code was revised twice in 2007 and 2012 to ensure that its principles and recommendations were aligned with business practices and market development.

## The Observer

08 September 2016

MESSAGE FROM THE CEO

The launch of The Institutional Investor Council Malaysia (IIC)'s 'Investor Stewardship and Future Key Priorities 2016' report on Monday 5 September provided some thoughts and priorities that the Council will embark on the next 5 years.

I am absolutely confident that the level of engagement undertaken by member investors of the IIC to impose (and disclose) their stewardship policies and voting guidelines as well as their direct address of the requisite environmental, social and governance (ESG) issues with their investee companies will better manage risks and provide sustainable returns for shareholders at such companies.

At a time when corporate profits are being eroded by poor operating conditions and uncertain economic factors, now is as good a time as any to up the levels of institutional stewardship in our listed companies.

In fact, although the report acknowledges that the PLCs, especially GLCs had improved overall governance and performance, the IIC's 'Investor Stewardship and Future Key Priorities' report nevertheless had shown these companies have still room for improvement such as to improve the quality of their leadership, accountability and transparency, including adding a larger number of professional directors on their boards.

By virtue of their considerable financial resources, global standards of compliance/governance and depth in human capital and processes, institutional investors are best-placed to drive value creation and increase standards exchange-wide.

As at the end of last year, the EPF, PNB, KWAP, Lembaga Tabung Haji, Khazanah Nasional Bhd, SOCSO and Aberdeen Asset Management were managing funds totalling RM1.32 trillion, approximately a third of which is invested in local public equities.

Via their membership, these bodies have undertaken stewardship responsibilities as institutional investors such as active engagement with the investee companies as well as paying close heed to the strategy, performance, risk management, voting, corporate governance or sustainability issues within their investments.

These are actions which we believe bodes well for the capital market as we progress towards greater self and market-discipline.

## The Observer

06 May 2016

MSWG'S QUICK TAKE ON ONGOING CORPORATE TRANSACTIONS

### CHINA OUHUA WINERY HOLDINGS LIMITED ("CHINA OUHUA")

The Board of Directors of China Ouhua informed that Messrs Helmi Talib & Co., the External Auditors of China Ouhua, had qualified their report for the Audited Financial Statements of the company for the financial year ended 31 December 2015.

China Ouhua Group entered into a contract to purchase land, buildings and ancillary facilities for a cash consideration of RMB132,000,000 ("Assets") and the Group had made a deposit of RMB118,800,00 representing 90% of the total cash consideration price, which was made to Huangwu Sub district Office, People's Republic of China. However, no independent professional valuation of the acquired Assets was made.

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### GLOBAL NEWS AND DEVELOPMENTS

Buffett Hits Hedge Funds While They're Down, Faulting Fees  
<http://www.bloomberg.com/news/articles/2016-05-01/buffett-hits-hedge-funds-while-they-re-down-faulting-high-fees>

China financial regulator clamps down on shadow banking  
<https://next.ft.com/content/46b772de-1045-11e6-91da-096d89bd2173>

China Manufacturing Gauge Weakens Further as Economy Loses Steam  
<http://www.wsj.com/articles/china-manufacturing-gauge-weakens-further-as-economy-loses-steam-1462248735>

Australia's Central Bank Cuts Rates to Record Low  
<http://www.bloomberg.com/news/articles/2016-05-03/australia-cuts-rates-to-combat-disinflation-currency-gain>

Whistleblowing Claims Spark Debate Over Meaning Of Fraud At Supreme Court  
<http://www.forbes.com/sites/danielfraser/2016/04/19/whistleblowing-claims-spark-debate-over-meaning-of-fraud-at-supreme-court/#2a2a048586c6>



## INVESTOR EDUCATION PROGRAMMES & FORUMS

MSWG believes that it is crucial for investors to be knowledgeable investors, not only to capitalise on the benefits of the capital market, but more importantly to protect themselves. In addition, it is also important for us to engage with companies and the public to raise awareness on issues affecting minority shareholders, particularly corporate governance issues. MSWG is thus committed towards enhancing investor education and engagements through the following channels:

### Investor Workshop

A Special Investors' Workshop was conducted during the year where we engaged various speakers to speak on corporate exercises and what investors should look for, AGM conduct and CG issues as well as the rights, remedies and liabilities of shareholders under the Companies Act 1965.

### Forums

MSWG conducts forums for retail investors on corporate issues, often on request basis from shareholders, both institutional and/or minority shareholders. In such forums, our senior analysts will conduct a presentation on issues at hand, and open the floor for discussion with the attendees. Corporate finance advisers or legal advisers may also be invited, where necessary, if the issues involved are complex and required further explanation on the technicalities from professional advisers. In 2016, we conducted one forum with retail shareholders on the privatisation of PJ Development Berhad to obtain the views of minority shareholders on the privatisation.

### Company Engagements

MSWG employs a varied range of engagement strategies with companies, the main ones being sending letters to companies and attending AGM/EGMs. Another important engagement strategy is having active dialogue with the companies' Board of Directors outside the AGM season, through our annual company visits. During these engagement sessions, we share our insights into significant governance developments, including environmental, social and governance (ESG) issues which helps directors comply with evolving expectations and regulations.

The engagement team is led by either the CEO or the General Manager, and comprised MSWG's senior management team and the sector analyst. During the year, MSWG conducted six (6) company engagements as follows:

- » Batu Kawan Berhad
- » Kuala Lumpur Kepong Berhad
- » Petronas Chemicals Group Berhad
- » Petronas Dagangan Berhad
- » UMW Holdings Berhad
- » United Plantations Berhad

### Speaking Engagements and Media Interviews

One of the ways to build our outreach presence is through talking to a wide variety of audience both local and overseas. In 2016, MSWG's representatives were invited to speak at various conferences and events, as well as at institutions of higher learning on a variety of topics, often closely related to shareholder activism and governance.

We also actively participated in dialogues and seminars organised by local institutions such as the Malaysian Institute of Accountants (MIA) and Securities Industry Development Corporation (SIDC).

## SUBSCRIBER SERVICES

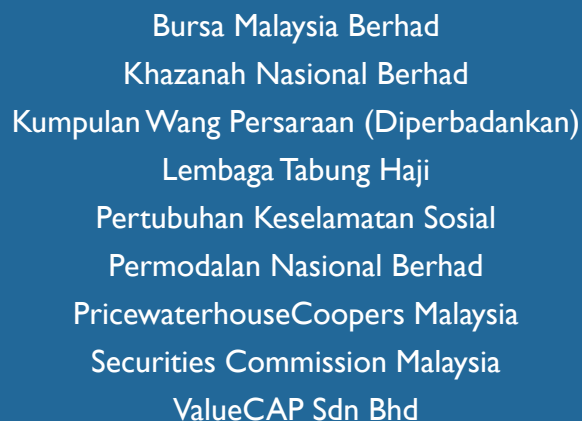
MSWG offers Subscriber Services under the following categories:

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

In 2016 the Company had nine Institutional Subscribers compared to five in the previous year and 52 Corporate Subscribers compared to 60 in 2015. The number of Corporate Subscribers dropped as a few did not renew their subscribership despite our best efforts, citing among others cost cutting measures. Nevertheless, we will continue to promote our Subscriber Services and enhance the value propositions to attract new subscribers.

The number of retail subscribers increased during the year as more individuals realised the benefits of having access to our retail education programmes, forums as well as being alerted on important happenings through our weekly e-newsletter. Similar to 2015, we continued to provide Retail Subscriber Services on a complimentary basis. The base for retail subscribers had grown from 656 in 2015 to 797 subscribers in 2016.

### Institutional Subscribers



Bursa Malaysia Berhad  
Khazanah Nasional Berhad  
Kumpulan Wang Persaraan (Diperbadankan)  
Lembaga Tabung Haji  
Pertubuhan Keselamatan Sosial  
Permodalan Nasional Berhad  
PricewaterhouseCoopers Malaysia  
Securities Commission Malaysia  
ValueCAP Sdn Bhd

## Corporate Subscribers

01	Affin Holdings Berhad	27	Master-Pack Group Berhad
02	AMMB Holdings Berhad	28	Media Prima Berhad
03	Astro Malaysia Holdings Berhad	29	MSM Malaysia Holdings Berhad
04	Axiata Group Berhad	30	Muhibbah Engineering (M) Berhad
05	Bintulu Port Holdings Berhad	31	Oriental Holdings Berhad
06	Boustead Heavy Industries Corp Berhad	32	Paramount Corporation Berhad
07	Boustead Holdings Berhad	33	Parkson Holdings Berhad
08	British American Tobacco (M) Berhad	34	Perdana Petroleum Berhad
09	Bursa Malaysia Berhad	35	Petra Energy Berhad
10	Cahaya Mata Sarawak Berhad	36	Petronas Chemicals Group Berhad
11	Chemical Company of Malaysia Berhad	37	Petronas Dagangan Berhad
12	CIMB Group Holdings Berhad	38	Petronas Gas Berhad
13	Concrete Engineering Products Berhad	39	Public Bank Berhad
14	Dayang Enterprise Holdings Berhad	40	RHB Bank Berhad
15	DRB-Hicom Berhad	41	S P Setia Berhad
16	Eastern & Oriental Berhad	42	Sarawak Plantations Berhad
17	Felda Global Ventures Holdings Berhad	43	Sime Darby Berhad
18	Genting Berhad	44	Telekom Malaysia Berhad
19	IOI Corporation Berhad	45	Tenaga Nasional Berhad
20	Jaya Tiasa Holdings Berhad	46	Top Glove Corporation Berhad
21	KKB Engineering Berhad	47	TSH Resources Berhad
22	Malayan Banking Berhad	48	UEM Sunrise Berhad
23	Malaysia Airports Holdings Berhad	49	UMW Holdings Berhad
24	Malaysian Building Society Berhad	50	UMW Oil & Gas Corporation Berhad
25	Malaysian Resources Corporation Berhad	51	Utusan Melayu (Malaysia) Berhad
26	Malaysia Smelting Corporation Berhad	52	YTL Corporation Berhad

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## ASEAN CORPORATE GOVERNANCE SCORECARD 2016

We continued to play a leading role in the ASEAN CG landscape with our annual CG Assessment using the ASEAN CG Scorecard methodology. A total of 868 companies listed on Bursa Malaysia were assessed in 2016. The cut-off date for annual report was 31 July 2016 with assessments done based on the latest website information as of assessment date. This annual assessment allows us to see whether our PLCs have made any significant progress in improving their CG practices, and also to a certain extent to measure whether our engagements with PLCs on CG issues have borne positive results.

Thus we are delighted with the findings that the quality of disclosures has improved during the year to 85.02 points for the Top 100 companies with an upward trend observed since 2012. The Average CG Score trended upward from 68.20 points in 2012 to 80.41 points in 2015 and has further risen to 85.02 points in 2016. This trend shows that companies had indeed made consistent effort to improve their disclosures. The report on the full findings for the 868 PLCs assessed will be released in the second quarter of 2017.

As in the past, MSWG organised its Annual Malaysia-ASEAN Corporate Transparency Index, Findings and Recognition event for the Malaysian Chapter. The event, held on 15 December 2016 was well attended by over 600 corporate attendees and saw 12 categories of awards being presented to PLCs which demonstrated leadership excellence in delivering long-term success and shareholder value by adhering to the highest standards of corporate governance, as well as to individuals who had contributed towards raising the corporate governance standards in the capital market.

The CG experts from the six ASEAN countries involved in the ASEAN CG scorecard namely Malaysia (represented by MSWG), Singapore, Indonesia, Thailand, Philippines and Vietnam had during the year engaged in several discussions to further enhance the quality of the scorecard. A newly revamped ASEAN CG Scorecard has been announced and will be used for assessment of PLCs in 2017.



## INSTITUTIONAL INVESTORS COUNCIL MALAYSIA

MSWG is the Secretariat to the Institutional Investors Council Malaysia (IIC) which was established on 3 July 2015. Since its establishment, the MSWG and IIC had undertaken various initiatives to enhance investor stewardship in Malaysia, particularly to encourage more institutions to become signatories to the Malaysian Code for Institutional Investors.

In March 2016, the MSWG and IIC forged a successful partnership through the inaugural MSWG-IIC Corporate Governance Conference 2016, with the Keynote Address delivered by YB Senator Dato' Sri Abdul Wahid bin Omar, the then Minister in the Prime Minister's Department. The two-day conference featured high level institutional representatives from both the global and local institutions, corporate captains and CG experts who spoke and discussed on a wide variety of institutional and corporate stewardship matters, including sustainability issues.



MSWG played an important role in ensuring the successful release of the “*Investor Stewardship and Future Key Priorities 2016*” report which was launched by the IIC on 5 September 2016. The report is a collaborative effort among the member organisations to share their experience and observations in discharging their stewardship responsibilities and also outlined the strategic priorities to be undertaken by the IIC for the next five years (2016-2020).

The efforts undertaken to-date have shown positive results with more institutional investors coming on board as signatories to the Code. The signatories to the Code as at the date of this Annual Report are as follows:

Hermes Fund Managers  
 Hermes Equity Ownership Services  
 Aberdeen Asset Management Sdn Bhd  
 Legal & General Investment Management  
 BNP Paribas Investment Partners Malaysia Sdn Bhd  
 BNP Paribas Investment Partners Najmah Malaysia Sdn Bhd  
 Kumpulan Wang Persaraan (Diperbadankan)  
 ValueCAP Sdn Bhd  
 Khazanah Nasional Berhad  
 Employees Provident Fund  
 Aiiiman Asset Management Sdn Bhd  
 Affin Hwang Asset Management Berhad  
 Nomura Asset Management Malaysia Sdn Bhd  
 Nomura Islamic Asset Management Sdn Bhd



## OTHER CAPITAL MARKET ACTIVITIES

### Consultative Draft

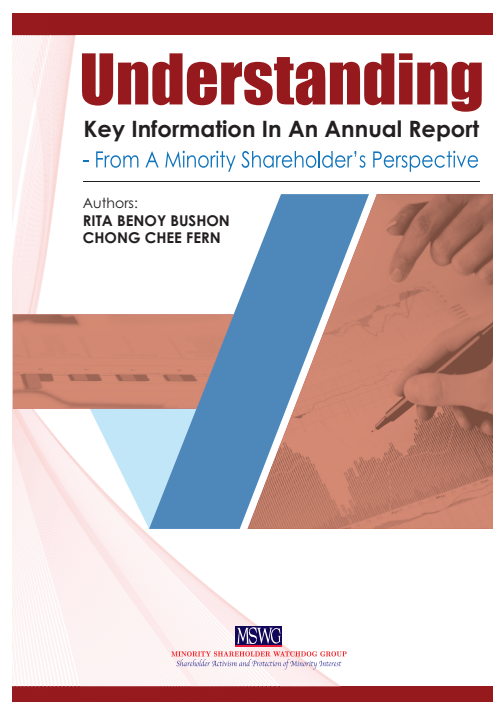
MSWG provided feedback and comments on the Securities Commission Malaysia's (SC) *Public Consultation Paper No. 2/2016 - Proposed Draft of the Malaysian Code on Corporate Governance 2016*. We were also involved in the focus group sessions organised by the SC to provide our views and recommendations on the proposed new CG code.

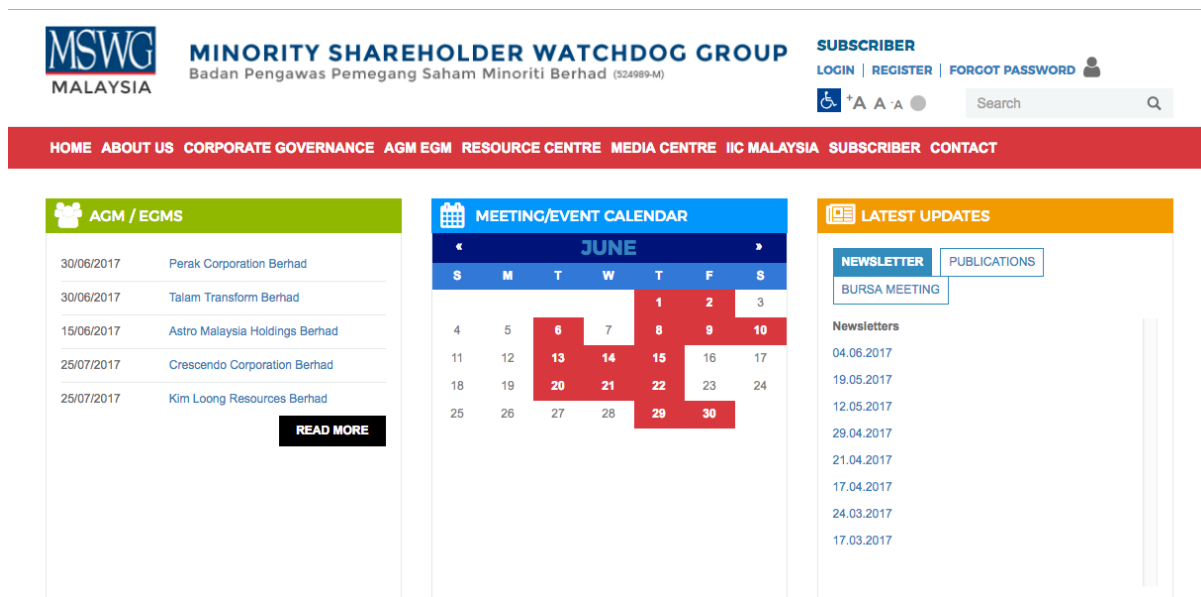
## PUBLICATIONS & RESEARCH

As a think tank and resource centre for minority interests and corporate governance matters in Malaysia, MSWG publishes reports on corporate governance areas. In 2016, MSWG published the following reports:

- » **Malaysia-ASEAN Corporate Governance Report 2015**  
The full findings of the assessment of 870 PLCs in 2015 using the ASEAN CG Scorecard methodology was published in the Malaysia-ASEAN Corporate Governance Report 2015. The findings showed that the average base score for all 870 PLCs assessed was 62.98 points, showing a marked improvement from 60.23 points in 2014 when 873 PLCs were assessed.
- » **Understanding Key Information In An Annual Report – From A Minority Shareholder's Perspective**  
This report is intended to facilitate users of annual reports, in particular, minority shareholders and investors, to understand and analyse the annual report. The Report, which was published in December 2016 is also available on MSWG's website at [www.mswg.org.my](http://www.mswg.org.my).

Also, based on our track record as the domestic ranking body for the ASEAN CG Scorecard assessment and our CG expertise, we have also been engaged to conduct comparative studies on CG practices of PLCs in Malaysia with those in other jurisdictions such as Australia, Hong Kong, Thailand, Singapore and United Kingdom. We hope to be able to expand our research and analysis capacity, and use our research work to improve corporate governance in the capital market. Advocacy programmes on the expectation of ASEAN CG Scorecard assessment will also be organised.





MSWG’s newly revamped website was launched on 9 December 2016 which provides a user-friendly browsing experience for our subscribers and website visitors. We have refined the product category and menu structure for enhanced user experience, keeping them up-to-date with the latest news and updates. List of general meetings in a diary format as well as e-forum platform for our subscribers are among the additional features added to further enhance the website. In addition, a live chat application is now available on our website whereby our support staff will assist users during office hours. Our website is also mobile friendly, which makes it easily readable and useable for users who access the website from their smartphones.

In a move to further increase productivity and efficiency as well as reduce costs and be more eco-friendly, we have moved towards an online Document Management System whereby files and documents will be stored digitally rather than the traditional filing of papers. This initiative, which began in August 2016 is still in progress and we hope to be able to fully move towards a paperless environment in the near future.

## HUMAN CAPITAL

### Staff Strength

Our employees are our greatest assets. As a responsible employer, we are committed to create a working environment which is conducive to nurture, develop and retain competent and dedicated employees. As at end December 2016, MSWG had a total of 20 employees, of which 60 per cent were in the Management and analysts' categories. We have a diverse workforce and well-represented in terms of age, gender and ethnicity. We also advocate a workplace culture which promotes work-life balance, employs family-friendly policies and free from gender bias.

MSWG also has in place accommodative policies to maximise its resources in the most efficient manner. We engage part-time professionals, referred to as MSWG Associates, to complement the MSWG workforce and provide additional support especially during the peak AGM season as well as for special projects in governance research and publications. There is a variety of professional expertise in our Associates' pool from accountants, lawyers and writers. This policy has enabled us to attract professionals of the right calibre without putting too heavy a burden on our overheads.

### Staff Development

We recognise the importance of managing our talents and employee development. All MSWG analysts are encouraged to obtain the Investment Representative Licence under the Capital Market Services Act. To facilitate analysts to sit for these examinations, study leave had been granted and fees reimbursed upon successful passing of the modules.

As part of succession planning, all management personnel were required to work in teams and also have a mentor-mentee relationship with junior personnel. This system provided junior analysts with the necessary on-the-job training and at the same time promoted information and knowledge sharing between the team members.

Employees are also encouraged to participate in professionally conducted training courses, seminars and conferences to enhance their work knowledge and competencies. The Management staff attended the following conferences, seminars and training courses in 2016:

- » Malaysian Institute of Accountants (MIA) – Valuation on Mergers & Acquisitions
- » 2016 BNM's Governor's Address on the Malaysian Economy & Panel Discussion
- » MIA Investment Analysis in Plantation Industry Course
- » MAICSA Annual Conference 2016: Sustainability – Shaping the Future
- » CPA Congress 2016: Connecting The Biggest Minds
- » MIA Conference 2016: Strengthening The Profession for A Sustainable Future

### Internship programme

MSWG also offers an internship programme where successful candidates will join MSWG as interns for a period of one month. During this period, the interns will be provided with job exposure and experience through on-the-job training with identified mentors within the various MSWG Departments. The interns will also be provided with classroom training on various topics conducted by our Analysts to enhance their knowledge, skills and competencies. At present, the internship programme is only open to students of institutions of higher learning. We are looking into extending this programme to local graduates.

### Staff activities

We encourage a healthy work-life balance among our employees through various staff activities under the auspices of the MSWG Sports Club. During the year, the MSWG Sports Club organised various activities such as sporting activities and staff luncheons to foster closer bonds among employees across all levels and divisions. Five employees, including the CEO also participated in the Bursa Bull Charge 2016 event organised by Bursa Malaysia, as part of our support towards fostering a sustainable and inclusive marketplace.



# CALENDAR OF EVENTS



**JAN 19** Engagement with Petronas Chemicals Group Bhd



**JAN 22** Engagement with UMW Holdings Bhd



**FEB 16** Site visit to United Plantations Bhd



**FEB 16** Company visit to Batu Kawan Bhd



**FEB 22** MSWG Chinese New Year Luncheon



**MAR 28** MSWG 15th AGM

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**30 - 31 MARCH - MSWG-IIC GOVERNANCE WEEK**



Group photo with guest-of-honour, YB Senator Dato' Sri Abdul Wahid bin Omar, Minister in the Prime Minister's Department



Panel discussion – from left to right: Mr Chandran Nair, Founder & Chief Executive, Global Institute for Tomorrow, Mr PK Basu, Economist (Moderator), YBhg Dato' Sri Mohd Nazir Razak, Group Chairman, CIMB Group Holdings Bhd



Presentation by Ms Kerrie Waring, Executive Director, International Corporate Governance Network (ICGN)



Panel discussion – from left to right: Ms Fiona Ross, Senior Analyst, Aberdeen Asset Management, Dato' Mohamad Nasir bin Ab Latif, Deputy CEO (Investment), Employees Provident Fund, Mr Shan Kamahl Mohammad, CEO, VCAP Asset Managers, Mr Benjamin McCarron, Independent ESG Specialist (Moderator)



From left to right: Dato' Sri Mohd Nazir Razak, YB Senator Dato' Sri Abdul Wahid bin Omar, Mr PK Basu, Dato' Wan Kamaruzaman bin Wan Ahmad, Madam Rita Benoy Bushon



Active participation from the floor during Q&A sessions



**APR 1** Special Investors Workshop



**APR 1** Special Investors Workshop



**APR 12** IIC Working Committee Engagement with Securities Commission



**APR 19** 4<sup>th</sup> Institutional Investors Council (IIC) Meeting



**JUL 13** MSWG Hari Raya Open House (Retail Subscribers)



**JUL 14** MSWG Hari Raya Open House (Corporate Subscribers)



**AUG 30** ASEAN CG Expert Meeting in Sama-sama Hotel, Sepang

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**SEP 5** Launch of the IIC's Investor Stewardship and Future Key Priorities 2016 Report



**SEP 8** The Bursa Bull Charge 2016



**SEP 8** The Bursa Bull Charge 2016



**SEP 14** Forum with Retail Investors



**OCT 6** CG Expert Meeting in Manila, Philippines



**OCT 27** 6<sup>th</sup> IIC Meeting



**NOV 30** Visitors from School of Economics and Management, Pontifical Catholic University of Valparaiso, Chile

**15 Dec – Malaysia-ASEAN CG Transparency Index, Findings and Recognition 2016**



**CEO of the Year – Dato' Rohana Rozhan (Astro Malaysia Holdings Berhad)**



**Top CG and Performance (Overall) winners**



**Top CG and Performance for Market Cap between RM300 million and RM1 billion**



**Top CG and Performance for Market Cap between RM100 million and RM300 million**



**Merit Award for CG Disclosures**



**Industry Excellence Winners**

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## SPEAKING ENGAGEMENTS



**MAR 8** Persidangan Kepimpinan Wanita 2016:  
“Menginspirasi Perubahan, Memupuk  
Pemimpin Wanita Masa Hadapan”  
*Parkroyal Hotel, Kuala Lumpur*



**MAR 30 - 31** MSWG-IIC Governance Week 2016: “Stewardship Matters for Long Term Sustainability”  
*Renaissance Hotel, Kuala Lumpur*



**APR 22** Aktiespararna (The Swedish  
Shareholders’ Association)  
International Conference in  
conjunction with the association’s 50  
Years Anniversary organised by The  
Swedish Shareholders’ Association in  
cooperation with the Stockholm Stock  
Exchange OMX  
*Nasdaq OMX, Stockholm, Sweden*



**MAY 4** Asia Asset Management - The 6<sup>th</sup>  
Annual Malaysia Roundtable  
*Mandarin Oriental, Kuala Lumpur*



**MAY 27** Talk on Corporate Governance  
Monash University Malaysia Campus



**SEP 5** Panel discussion in conjunction with the launch of the Institutional Investor Council's *Investor Stewardship and Future Key Priorities Report*  
Securities Commission Malaysia



**NOV 1** ASLI - The 21<sup>st</sup> Malaysian Capital Market Summit "Beyond Boundaries Soaring Higher"  
Seri Pacific Hotel



**NOV 7** The 8th IICD Corporate Governance & Awards  
Jakarta, Indonesia



**NOV 17** Konvensyen Integriti Nasional 2016  
Institut Integriti Malaysia

# ARTICLES / COMMENTARIES

## MSWG AGM/EGM Weekly Watch (May 16-20, 2016)

**UAMG OIL & GAS BHD (AGM)**  
**May 16, 2016 (10am)**  
**Mohd Azlan Bin Yusoff**  
**COO/Chief Operating Officer**  
**UAMG OIL & GAS BHD**  
 UAMG will discuss the company's performance for the first half of 2016 and the results achieved since the end of FY15. Further details will be discussed during the AGM.

**UOCHI TECHNOLOGIES BHD (AGM/EGM)**  
**May 16, 2016 (10am)**  
**Chong Kah Kit**  
**CEO**  
**UOCHI TECHNOLOGIES BHD**  
 UOCHI will discuss the company's performance for the first half of 2016 and the results achieved since the end of FY15. Further details will be discussed during the AGM.

**SP Setia Bhd (AGM)**  
**May 16, 2016 (11am)**  
**Lim Guan Eng**  
**CEO**  
**SP Setia Bhd**  
 SP Setia will discuss the company's performance for the first half of 2016 and the results achieved since the end of FY15. Further details will be discussed during the AGM.

**SHANGHAI HOTEL BHD (AGM)**  
**May 16, 2016 (11am)**  
**Lim Guan Eng**  
**CEO**  
**SHANGHAI HOTEL BHD**  
 Shanghai Hotel will discuss the company's performance for the first half of 2016 and the results achieved since the end of FY15. Further details will be discussed during the AGM.

## Is Malaysia ready for dual-class shares?

By **Yusuf Haniff**  
 The Malaysian Companies Act 2016 (MCA 2016) has introduced a new concept of dual-class shares. This allows companies to issue shares with different voting rights, which can be used to protect the interests of existing shareholders. However, this raises the question of whether Malaysia is ready for such a structure.

The MCA 2016 allows companies to issue shares with different voting rights, which can be used to protect the interests of existing shareholders. This is a significant change from the current Companies Act 1965, which does not allow for dual-class shares. The new provisions are intended to provide companies with more flexibility in their capital structure and to protect the interests of existing shareholders.

However, the introduction of dual-class shares also raises concerns about the potential for abuse. For example, a company could issue shares with a large number of votes to a few individuals, giving them disproportionate control over the company. This could be used to entrench a small group of individuals and to prevent other shareholders from participating in the company's affairs.

Therefore, it is important to consider whether Malaysia is ready for dual-class shares. This will depend on the regulatory framework that is put in place to govern the use of such shares. If the framework is robust and effective, then dual-class shares could be a useful tool for companies. However, if the framework is weak and ineffective, then dual-class shares could be a source of abuse and a threat to the integrity of the capital markets.

## Don't sting on AGMs/EGMs

By **Yusuf Haniff**  
 Companies should consider having meetings in accessible venues to ensure that all shareholders can attend. This is particularly important for companies with a large number of shareholders, as it ensures that all shareholders have an equal opportunity to participate in the company's affairs.

The current practice of holding AGMs and EGMs in inaccessible venues is a significant barrier to shareholder participation. Many shareholders, particularly those who are geographically dispersed, are unable to attend these meetings. This means that the company's affairs are being decided by a small group of shareholders, which is not representative of the entire shareholder base.

Therefore, companies should consider having meetings in accessible venues. This could be done by holding meetings in multiple locations, or by using virtual meeting platforms. This would ensure that all shareholders have an equal opportunity to participate in the company's affairs and to vote on the company's proposals.

## Hotels/resorts most popular

By **Yusuf Haniff**  
 Hotels and resorts are the most popular destinations for tourists in Malaysia. This is due to the country's diverse and beautiful scenery, as well as its rich cultural heritage. The tourism industry is a major contributor to the country's economy and is expected to continue to grow in the coming years.

The tourism industry in Malaysia is a major contributor to the country's economy. It is expected to continue to grow in the coming years, driven by the country's diverse and beautiful scenery, as well as its rich cultural heritage. The government has implemented various measures to attract tourists, including improving infrastructure and promoting the country's tourism products.

## Weekly Watch 一周检视

### “MSWG之声”登场

各位新年好! 我们很高兴能和各位股东及家人朋友一起庆祝2017年新年。MSWG (Minority Shareholder Watchdog Group) 是一个非牟利组织，旨在为小股东的权益发声。我们很高兴能和各位股东及家人朋友一起庆祝2017年新年。MSWG (Minority Shareholder Watchdog Group) 是一个非牟利组织，旨在为小股东的权益发声。我们很高兴能和各位股东及家人朋友一起庆祝2017年新年。MSWG (Minority Shareholder Watchdog Group) 是一个非牟利组织，旨在为小股东的权益发声。

## Improved disclosures seen in PLCs

By **Yusuf Haniff**  
 Transparency index for top 100 firms continues to be upward trend: MSWG chief. The transparency index for the top 100 firms has continued to show an upward trend, indicating that companies are providing more detailed and accurate disclosures. This is a positive sign for the integrity of the capital markets and for the protection of investors.

The transparency index for the top 100 firms has continued to show an upward trend, indicating that companies are providing more detailed and accurate disclosures. This is a positive sign for the integrity of the capital markets and for the protection of investors. The index measures various aspects of disclosure, including financial performance, risk management, and corporate governance. The upward trend suggests that companies are becoming more transparent and more accountable to their shareholders.

## Syur pengundian secara elektronik

By **Yusuf Haniff**  
 Syarikat disaran tegu prosiding AGM secara cekap. Electronic voting is a more efficient and secure way of conducting AGMs. It allows shareholders to vote from anywhere and at any time, which makes it more convenient for them to participate in the company's affairs. Companies are encouraged to use electronic voting to improve the efficiency and security of their AGMs.

Electronic voting is a more efficient and secure way of conducting AGMs. It allows shareholders to vote from anywhere and at any time, which makes it more convenient for them to participate in the company's affairs. Companies are encouraged to use electronic voting to improve the efficiency and security of their AGMs. This will help to ensure that all shareholders have an equal opportunity to participate in the company's affairs and to vote on the company's proposals.

## MSWG tidak galak saham dwikelas

MSWG does not encourage dual-class shares. The organization believes that dual-class shares can be used to entrench a small group of individuals and to prevent other shareholders from participating in the company's affairs. This is not in the best interests of the company or its shareholders. Therefore, MSWG does not encourage the use of dual-class shares.

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## Malaysia-ASEAN Corporate Governance Index, Findings and Recognition 2016

Category	Rank	Score
Overall	1st	85.5
Financial	1st	88.5
Human Resources	1st	82.5
Environmental	1st	83.5
Product	1st	84.5
Customer	1st	85.5
Community	1st	86.5
Supplier	1st	87.5
Government	1st	88.5
Other	1st	89.5

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Other	1st	89.5

## Tahap penyediaan pelabur institusi dipertingkatkan

The level of institutional investor readiness has been improved. This is due to the implementation of various measures by the government and the industry to attract institutional investors. These measures include improving the regulatory framework, enhancing the transparency and accuracy of disclosures, and promoting the country's investment opportunities. The improved level of institutional investor readiness is a positive sign for the integrity of the capital markets and for the protection of investors.

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## Malaysia-ASEAN Corporate Governance Award Winners

Category	Winner
Overall	Bank Rakyat Malaysia Bhd
Financial	Bank Rakyat Malaysia Bhd
Human Resources	Bank Rakyat Malaysia Bhd
Environmental	Bank Rakyat Malaysia Bhd
Product	Bank Rakyat Malaysia Bhd
Customer	Bank Rakyat Malaysia Bhd
Community	Bank Rakyat Malaysia Bhd
Supplier	Bank Rakyat Malaysia Bhd
Government	Bank Rakyat Malaysia Bhd
Other	Bank Rakyat Malaysia Bhd

## Malaysia-ASEAN Corporate Governance Award Winners

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Overall	Bank Rakyat Malaysia Bhd
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Other	Bank Rakyat Malaysia Bhd

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## Summary of findings for Bursa Malaysia's Top 100 companies based on the ASEAN Scorecard

Category	Score
Overall	85.5
Financial	88.5
Human Resources	82.5
Environmental	83.5
Product	84.5
Customer	85.5
Community	86.5
Supplier	87.5
Government	88.5
Other	89.5

## Comments On Key Areas

Comments on key areas of the ASEAN Scorecard. The findings indicate that companies are performing well in most areas, but there are still some areas that need improvement. For example, companies need to improve their financial reporting and their human resources practices. The findings also indicate that companies are becoming more transparent and more accountable to their shareholders, which is a positive sign for the integrity of the capital markets and for the protection of investors.

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## Raising the bar for shareholder activism

More companies have taken cognisance of suggestions and recommendations by MSWG to improve their ESG disclosures. This is a positive sign for the integrity of the capital markets and for the protection of investors. MSWG will continue to work with companies to improve their ESG disclosures and to ensure that they are providing accurate and detailed information to their shareholders.

More companies have taken cognisance of suggestions and recommendations by MSWG to improve their ESG disclosures. This is a positive sign for the integrity of the capital markets and for the protection of investors. MSWG will continue to work with companies to improve their ESG disclosures and to ensure that they are providing accurate and detailed information to their shareholders.

## Gender diversity statistics for top 100 companies

Category	2015	2016
Overall	15.5%	16.5%
Financial	18.5%	19.5%
Human Resources	12.5%	13.5%
Environmental	14.5%	15.5%
Product	16.5%	17.5%
Customer	18.5%	19.5%
Community	20.5%	21.5%
Supplier	22.5%	23.5%
Government	24.5%	25.5%
Other	26.5%	27.5%

## WHISTLE-BLOWING POLICY

Whistle-blowing policy is a key element of a company's internal controls and risk management system. It allows employees to report any wrongdoing or unethical behavior within the company. This helps to ensure that the company is operating in a transparent and accountable manner and that it is providing accurate and detailed information to its shareholders.

Whistle-blowing policy is a key element of a company's internal controls and risk management system. It allows employees to report any wrongdoing or unethical behavior within the company. This helps to ensure that the company is operating in a transparent and accountable manner and that it is providing accurate and detailed information to its shareholders.



Company No.

524989	M
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## **BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**

(Incorporated in Malaysia as a company limited by guarantee)

STATUTORY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

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**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**  
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Statement of Changes in General Fund and Reserve	49
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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 together with the audited financial statements of the Company for the financial year ended 31 December 2016.

### 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>770,917</u>

### DIVIDENDS

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

### MOVEMENTS ON RESERVES AND PROVISIONS

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

### DIRECTORS

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

Tan Sri Dato' Seri Dr. Sulaiman Bin Mahbob  
Tan Sri Dato' Lodin bin Wok Kamaruddin  
Datuk Zakaria bin Sharif  
(Alternate Director to Tan Sri Dato' Lodin bin Wok Kamaruddin)  
Dato' Larry Gan  
Phillip Koh Tong Ngee  
Rita Benoy Bushon (resigned w.e.f. 31<sup>st</sup> March 2017)  
Nor Hizam bin Hashim  
Dato' Wan Kamaruzaman Bin Wan Ahmad (appointed w.e.f. 1<sup>st</sup> September 2016)  
Datuk Gazali Bin Haji Harun (appointed w.e.f. 26<sup>th</sup> October 2016)

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## BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated in Malaysia as a company limited by guarantee)

### DIRECTORS' REPORT (CONTINUED)

#### DIRECTORS (CONTINUED)

In accordance with Article 61 of the Company's Article of Association, Tan Sri Dato' Seri Che Lodin Bin Wok Kamaruddin and Koh Tong Ngee retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

In accordance with Article 67 of the Company's Article of Association, Dato' Wan Kamaruzaman Bin Wan Ahmad and Datuk Gazali Bin Haji Harun retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

#### DIRECTORS' INTERESTS

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

#### DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than Directors' remuneration disclosed in Note 5 and Note 6) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

### STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

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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, there does not exist:

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

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

In the opinion of the Directors,

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

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BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD  
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### **DIRECTORS' REPORT (CONTINUED)**

#### **AUDITORS**

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

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



TAN SRI DATO' SERI DR SULAIMAN BIN MAHBOB  
DIRECTOR



DATO' LARRY GAN  
DIRECTOR

Kuala Lumpur  
3<sup>rd</sup> May 2017

Company No.

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

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

	<u>Note</u>	<u>2016</u> RM	<u>2015</u> RM
Revenue	2	1,329,088	1,023,944
Grant	3	5,000,000	5,746,252
Other operating income	4	144,439	126,305
Staff costs	5	(2,986,774)	(3,292,519)
Depreciation of property and equipment		(114,779)	(95,932)
Other operating expenses	6	(2,376,252)	(2,433,579)
Total expenditure		(5,477,805)	(5,822,030)
Surplus before taxation	7	995,722	1,074,471
Taxation	8	(224,805)	(327,575)
Surplus for the financial year		770,917	746,896
Other comprehensive income:			
Items that may be reclassified subsequently to the profit or loss:			
Fair value change on available-for-sale financial assets			
Gross fair value charge		(4,971)	9,327
Deferred tax		958	888
Net fair value change		(4,013)	10,215
Total comprehensive income for the financial year		766,904	757,111

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**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**  
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**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016**

	<u>Note</u>	<u>2016</u> RM	<u>2015</u> RM
<b>NON-CURRENT ASSETS</b>			
Property and equipment	9	316,196	361,042
Intangible assets	10	399,662	-
Financial assets available-for-sale	11	142,286	147,811
Deferred tax asset	12	56,729	261,806
		<u>914,873</u>	<u>770,659</u>
<b>CURRENT ASSETS</b>			
Other receivables, deposits and prepayments	13	234,619	377,114
Cash and cash equivalents	14	5,213,562	4,558,644
Tax recoverable		221,721	250,000
		<u>5,669,902</u>	<u>5,185,758</u>
<b>LESS: CURRENT LIABILITIES</b>			
Deferred grant	3	-	-
Other payables and accruals		1,161,216	1,299,762
Current tax liability		-	-
		<u>1,161,216</u>	<u>1,299,762</u>
<b>NET CURRENT ASSETS</b>		<u>4,508,686</u>	<u>3,885,996</u>
		<u>5,423,559</u>	<u>4,656,655</u>
<b>REPRESENTED BY:</b>			
General fund		5,801,000	5,801,000
Accumulated losses		(426,426)	(1,197,343)
Available-for-sale reserve		48,985	52,998
		<u>5,423,559</u>	<u>4,656,655</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 2016**

	<u>General fund</u> RM	<u>Accumulated losses</u> RM	<u>Available- for-sale reserve</u> RM	<u>Total</u> RM
At 1 January 2016	5,801,000	(1,197,343)	52,998	4,656,655
Comprehensive income:				
- Surplus for the financial year	-	770,917	-	770,917
Other comprehensive income:				
- Financial assets available-for-sale, net of deferred tax	-	-	(4,013)	(4,013)
At 31 December 2016	<u>5,801,000</u>	<u>(426,426)</u>	<u>48,985</u>	<u>5,423,559</u>
At 1 January 2015	5,801,000	(1,944,239)	42,783	3,899,544
Comprehensive income:				
- Surplus for the financial year	-	746,896	-	746,896
Other comprehensive income:				
- Financial assets available-for-sale, net of deferred tax	-	-	10,215	10,215
At 31 December 2015	<u>5,801,000</u>	<u>(1,197,343)</u>	<u>52,998</u>	<u>4,656,655</u>

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BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD  
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**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

	<u>Note</u>	<u>2016</u> RM	<u>2015</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus before taxation		995,722	1,074,471
Adjustments for non-cash items:			
Subscriber services fee		(371,315)	(464,756)
Gain on disposal of financial assets available-for-sale		(1,027)	(132)
Property and equipment written-off		9,463	-
Depreciation of property and equipment		114,779	95,932
Dividend income		(4,873)	(5,323)
Interest income		(134,498)	(116,844)
		<hr/> 608,251	<hr/> 583,348
Changes in working capital:			
Receivables		142,496	(165,043)
Payables		(177,234)	273,387
		<hr/> 573,513	<hr/> 691,692
Cash used in operating activities		573,513	691,692
Subscriber services fee received		410,000	400,000
Dividend income received		4,873	5,323
Purchase of property and equipment		(79,396)	(230,467)
Purchase of Intangible Assets		(399,662)	-
Grant		(5,000,000)	(5,746,252)
Tax paid		9,510	(291,906)
		<hr/> 4,481,162	<hr/> (5,171,610)
Net cash used in operating activities		(4,481,162)	(5,171,610)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income received		134,498	150,196
Purchase of financial assets available-for-sale		(373)	(973)
Proceeds from disposal of financial assets available-for-sale		1,955	1,417
		<hr/> 136,080	<hr/> 150,640
Net cash used in investing activities		136,080	150,640
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Grant received		5,000,000	3,600,000
		<hr/> 5,000,000	<hr/> 3,600,000
Net cash generated from financing activities		5,000,000	3,600,000
Increase/(Decrease) in cash and cash equivalents during the financial year		654,918	(1,420,970)
Cash and cash equivalents at beginning of the financial year		4,558,644	5,979,614
		<hr/> 4,558,644	<hr/> 5,979,614
Cash and cash equivalents at end of the financial year	13	5,213,562	4,558,644
		<hr/> 5,213,562	<hr/> 4,558,644

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

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

### A BASIS OF PREPARATION

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

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

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

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

The following amendment has been adopted by the Company for the first time for the financial year beginning on or after 1 January 2016:

- Amendments to MFRS 101 ‘Presentation of financial statements’ - Disclosure initiative
- Annual Improvements to MFRSs 2012 – 2014 Cycle

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

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

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016:

- Amendments to MFRS 107 ‘Statement of Cash Flows – Disclosure Initiative’ (effective from 1 January 2017) introduce an additional disclosure on changes in liabilities arising from financing activities.
- Amendments to MFRS 112 ‘Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses’ (effective from 1 January 2017) clarify the requirements for recognising deferred tax assets on unrealised losses arising from deductible temporary difference on asset carried at fair value.

In addition, in evaluating whether an entity will have sufficient taxable profits in future periods against which deductible temporary differences can be utilised, the amendments require an entity to compare the deductible temporary differences with future taxable profits that excludes tax deductions resulting from the reversal of those temporary differences.

The amendments shall be applied retrospectively.

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## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

### A BASIS OF PREPARATION (CONTINUED)

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

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

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

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

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

- MFRS 15 'Revenue from contracts with customers' (effective from 1 January 2018) replaces MFRS 118 'Revenue' and MFRS 111 'Construction contracts' and related interpretations. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services.

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

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## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

### B PROPERTY AND EQUIPMENT

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

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

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

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

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

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

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

### C INCOME TAXES

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

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

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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BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD  
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## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

### C INCOME TAXES (CONTINUED)

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

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

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

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

### D CASH AND CASH EQUIVALENTS

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

### E REVENUE RECOGNITION

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

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

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## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

### E REVENUE RECOGNITION (CONTINUED)

Revenue is recognised on the following basis:

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

### F GRANT

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

### G EMPLOYEE BENEFITS

#### Short term benefits

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

#### Post employment benefit

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

### H FINANCIAL ASSETS AVAILABLE-FOR-SALE

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

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

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## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)**

### **H FINANCIAL ASSETS AVAILABLE-FOR-SALE (CONTINUED)**

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

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

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

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

### **I OPERATING LEASES**

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

### **J PROVISIONS**

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

### **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.



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## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

### L IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

### M CRITICAL ACCOUNTING ESTIMATES

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

#### Income taxes

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

### N INTANGIBLE ASSETS

#### DMS and website integration

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

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

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

### 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 20 (2015: 22).

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

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

### 2 REVENUE

	<u>2016</u> RM	<u>2015</u> RM
Contribution received from publications/reports published	37,736	283
Forums and events	920,037	558,905
Subscriber services fee	371,315	464,756
	<u>1,329,088</u>	<u>1,023,944</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>2016</u> RM	<u>2015</u> RM
Balance as at 1 January	-	2,146,252
Grant received during the financial year	5,000,000	3,600,000
Grant utilised during the financial year	(5,000,000)	(5,746,252)
	<u>-</u>	<u>-</u>
Balance as at 31 December	<u>-</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)**

4	<b>OTHER OPERATING INCOME</b>	<u>2016</u> RM	<u>2015</u> RM
	Dividend income	4,873	5,323
	Interest income	134,498	116,845
	Gain on disposal of financial assets available-for-sale	1,027	132
	Other income	4,041	4,005
		<u>144,439</u>	<u>126,305</u>
5	<b>STAFF COSTS</b>		
	Salaries and bonus	2,380,007	2,521,131
	Defined contribution plan ('EPF')	347,867	377,816
	Staff gratuity	144,791	206,558
	Other employee benefits	114,109	187,014
		<u>2,986,774</u>	<u>3,292,519</u>
	<p>The Chief Executive Officer and Director of the Company received salaries of RM539,208 (2015 RM525,600). She also received bonuses of RM113,400 and RM116,802 for financial years ended 31 December 2016 and 31 December 2015, respectively while contribution to EPF amounted to RM153,222 (2015 :RM141,237)</p>		
6	<b>OTHER OPERATING EXPENSES</b>	<u>2016</u> RM	<u>2015</u> RM
	Directors' fees	72,000	70,000
	Outsourcing expenses	325,780	314,788
	Project funding expenses		
	- Asean Corporate Governance Scorecard Assessment	292,125	387,000
	- Institutional Investors' Council	62,879	74,450
	- Research projects and reports	114,616	137,321
	Rental expenses	287,958	280,596
	Travelling, accommodation and promotion expenses	182,529	168,287
	Forum and event expenses	471,933	308,591
	Telecommunication expenses	163,795	142,310
	Insurance	118,569	131,933
	Professional fees	105,254	227,191
	Office Upkeep expenses	132,007	146,809
	Others	46,807	44,303
		<u>2,376,252</u>	<u>2,433,579</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)**

**7 SURPLUS BEFORE TAXATION**

	<u>2016</u> RM	<u>2015</u> RM
Surplus before taxation is arrived at after (charging)/crediting:		
Auditors' remuneration		
- Statutory Audit	(15,000)	(15,000)
- Non-audit services		
- Tax Compliance	(5,880)	(4,920)
- GST Advisory	(10,800)	(169,770)
Directors' meeting attendance allowance	(33,000)	(34,000)
Interest income	134,498	116,845
Dividend income	4,873	5,323
Gain on disposal of financial assets available-for-sale	1,027	132
	<u>                    </u>	<u>                    </u>

**8 TAXATION**

Current year tax	20,185	-
Over provision of prior years' tax	(1,415)	(4,276)
Deferred tax (Note 12)	206,035	331,851
	<u>                    </u>	<u>                    </u>
	224,805	327,575
	<u>                    </u>	<u>                    </u>

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

	<u>2016</u> RM	<u>2015</u> RM
Surplus before taxation	995,722	1,074,471
	<u>                    </u>	<u>                    </u>
Tax calculated at the Malaysian tax rate of 24% (2015: 23%)	238,973	252,071
Tax effects of:		
- expenses not deductible for tax purposes	50,478	69,953
- income not subject to tax	(1,410)	(1,273)
- utilisation of previously unrecognised tax losses	(64,638)	-
- over provision of prior years' tax	(1,415)	(4,276)
- change in different tax rate	2,817	11,100
	<u>                    </u>	<u>                    </u>
Taxation	224,805	327,575
	<u>                    </u>	<u>                    </u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)**

9 PROPERTY AND EQUIPMENT

	Computer and electronic equipment	Furniture and fittings	Office equipment	Renovations	Renovation WIP	Total
	RM	RM	RM	RM	RM	RM
<u>2016</u>						
<u>Cost</u>						
At 1 January 2016	281,405	107,104	183,845	174,291	75,316	821,961
Additions	23,983	28,841	12,450	13,572	18,850	97,696
Write-off	-	-	(12,996)	-	-	(12,996)
Reclassification	-	32,280	(18,300)	43,036	(75,316)	(18,300)
At 31 December 2016	305,388	168,225	164,999	230,899	18,850	888,361
<u>Accumulated depreciation</u>						
At 1 January 2016	186,485	71,828	99,131	103,475	-	460,919
Charge for the financial year	29,545	17,335	24,791	43,108	-	114,779
Write-off	-	-	(3,533)	-	-	(3,533)
Reclassification	-	-	-	-	-	-
At 31 December 2016	216,030	89,163	120,389	146,583	-	572,165
<u>Net book value</u>						
At 31 December 2016	89,358	79,062	44,610	84,316	18,850	316,196

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)**

9 PROPERTY AND EQUIPMENT (CONTINUED)

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)**

10 INTANGIBLE ASSETS

	<u>DMS and website integration</u>	
	<u>2016</u>	<u>Total</u>
	RM	RM
<u>Net book value</u>		
At 1 December 2016	-	-
Additions	399,662	399,662
Amortisation	-	-
	<u>399,662</u>	<u>399,662</u>
<u>As at 31 December</u>		
Cost	399,662	399,662
Accumulated amortisation	-	-
Net book value	<u>399,662</u>	<u>399,662</u>

11 FINANCIAL ASSETS AVAILABLE-FOR-SALE

	<u>2016</u>	<u>2015</u>
	RM	RM
At fair value:		
Quoted shares in Malaysia	150,256	155,924
Allowance for impairment	(7,970)	(8,113)
	<u>142,286</u>	<u>147,811</u>
At fair value:		
Quoted shares in Malaysia	<u>142,286</u>	<u>147,811</u>

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524989	M
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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 2016 (CONTINUED)**

**11 FINANCIAL ASSETS AVAILABLE-FOR-SALE (CONTINUED)**

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

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

**12 DEFERRED TAX ASSET/ DEFERRED TAX LIABILITY**

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

	<u>2016</u> RM	<u>2015</u> RM
<u>Subject to income tax:</u>		
Deferred tax asset (after offsetting)	56,729	261,806

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

	<u>2016</u> RM	<u>2015</u> RM
At 1 January	261,806	592,769
(Charged)/credited to profit or loss (Note 8)	(206,035)	(331,851)
- Unutilised tax losses	(203,126)	203,126
- Property and equipment	3,125	(10,368)
- Subscriber fees	24,268	(15,192)
- Deferred grant	-	(503,511)
- Provisions	(30,302)	(5,906)
Charged to comprehensive income	958	888
At 31 December	56,729	261,806



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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 2016 (CONTINUED)**

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

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

	<u>2016</u> RM	<u>2015</u> RM
Deferred tax asset (before offsetting)		
- Unutilised tax losses	-	203,126
- Provisions	86,960	117,262
	<u>86,960</u>	<u>320,388</u>
Offsetting	(30,231)	(58,582)
Deferred tax asset (after offsetting)	<u>56,729</u>	<u>261,806</u>
Deferred tax liability (before offsetting)		
- Property and equipment	(28,040)	(31,165)
- Available-for-sale reserve	(11,267)	(12,225)
- Subscriber fees	9,076	(15,192)
	<u>(30,231)</u>	<u>(58,582)</u>
Offsetting	30,231	58,582
Deferred tax liability (after offsetting)	<u>-</u>	<u>-</u>

**13 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

Other receivables	118,172	74,900
Deposits and prepayments	116,447	302,214
	<u>234,619</u>	<u>377,114</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 2016 (CONTINUED)**

14 CASH AND CASH EQUIVALENTS

	<u>2016</u> RM	<u>2015</u> RM
Cash and bank balances	357,026	2,413,524
Deposits with a financial institution	4,856,536	2,145,120
	<u>5,213,562</u>	<u>4,558,644</u>

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

	<u>2016</u> %	<u>2015</u> %
Deposits with a financial institution	<u>3.2</u>	<u>3.4</u>

Deposits with a financial institution have an average maturity of 18 days (2015: 17 days).

15 OPERATING LEASE COMMITMENT

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

	<u>2016</u> RM	<u>2015</u> RM
Within 1 year	255,322	255,322
Within 2 to 5 years	106,384	361,706
	<u>361,706</u>	<u>617,028</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 2016 (CONTINUED)**

16 FINANCIAL RISK MANAGEMENT

(a) Market risk

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

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

(b) Credit risk

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

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

	<u>2016</u> RM	<u>2015</u> RM
Other receivables, deposits and prepayments	234,619	377,114
Cash and cash equivalents	5,213,562	4,558,644

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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 2016 (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>2016</u>		
Other receivables, deposits and prepayments	-	234,619
Cash and cash equivalents	5,213,562	-
	<hr/>	<hr/>
<u>2015</u>		
Other receivables, deposits and prepayments	-	377,114
Cash and cash equivalents	4,558,644	-
	<hr/>	<hr/>

(c) Liquidity risk

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

The financial liabilities of the Company have no specific maturity.

(d) Fair value of financial instruments

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

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

The carrying amounts of the Company's financial assets and financial liabilities as at 31 December 2016 and 31 December 2015 approximates its fair value due to the limited term to maturity of these instruments or limited sensitivity to interest rates.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)**

16 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Capital risk management

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

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

17 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 3<sup>rd</sup> May 2017.

Company No.

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


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

We, Tan Sri Datuk Dr Sulaiman Bin Mahbob and Dato' Larry Gan, two of the Directors of Badan Pengawas Pemegang Saham Minoriti Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 5 to 27 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2016 and of its financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of Companies Act, 1965.

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



TAN SRI DATO' SERI DR SULAIMAN BIN MAHBOB  
DIRECTOR



DATO' LARRY GAN  
DIRECTOR

Kuala Lumpur  
3<sup>rd</sup> May 2017

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

I, Yap Sook Yeen, the Officer primarily responsible for the financial management of Badan Pengawas Pemegang Saham Minoriti Berhad, do solemnly and sincerely declare that the financial statements set out on pages 5 to 27 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



YAP SOOK YEEN

Subscribed and solemnly declared by the above named Yap Sook Yeen at Kuala Lumpur on 3<sup>rd</sup> May 2017.

Before me:

No: W465  
Nama: KAPT. (B) JASNI BIN YUSOFF



COMMISSIONER FOR OATH

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



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

REPORT ON THE AUDIT 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 2016, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 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 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 27.

Basis for opinion

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

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

Independence and other ethical responsibilities

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



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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the directors for the financial statements

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

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





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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

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



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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS  
(No. AF: 1146)  
Chartered Accountants

ONG CHING CHUAN  
(No. 2907/11/17 (J))  
Chartered Accountant

Kuala Lumpur  
3<sup>rd</sup> May 2017



**MINORITY SHAREHOLDER WATCHDOG GROUP**  
*Shareholder Activism and Protection of Minority Interest*

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the **16<sup>th</sup> Annual General Meeting** of the Company will be held at the 11<sup>th</sup> Floor, Bangunan KWSP, No. 3, Changkat Raja Chulan, Off Jalan Raja Chulan, 50200 Kuala Lumpur on **Thursday, 22 June 2017** at **2.00 p.m.**

### AGENDA

1. To receive and adopt the Company's Audited Financial Statements for the financial year ended 31 December 2016, together with the Directors' and Auditors' Reports thereon.
2. To approve the payment of Directors' Fee of RM39,000.00, Nomination & Remuneration Committee Fee of RM4,000.00 and Directors' Meeting Allowance of RM29,000.00 for the financial year ended 31 December 2016.
3. 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) Tan Sri Dato Seri Che Lodin Bin Wok Kamaruddin
  - (b) Mr Koh Tong Ngee
4. To re-elect the following Directors who retire in accordance with Article 67 of the Constitution of the Company, as Directors of the Company:
  - (a) Dato' Wan Kamaruzaman Bin Wan Ahmad
  - (b) Datuk Gazali Bin Haji Harun
5. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

By Order of the Board

**Chew Phye Keat**  
Secretary

**Dated: 1 June 2017**

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

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**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**

(Incorporated in Malaysia • Company No: 524989-M)  
Tingkat 11, Bangunan KWSP, No: 3, Changkat Raja Chulan, Off Jalan Raja Chulan, 50200 KUALA LUMPUR.  
Tel: (603) 2070 9090 Fax: (603) 2070 9107  
E-Mail: [watchdog@mswg.org.my](mailto:watchdog@mswg.org.my) Website: [www.mswg.org.my](http://www.mswg.org.my)

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**MINORITY SHAREHOLDER WATCHDOG GROUP**  
*Shareholder Activism and Protection of Minority Interest*

**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 **16th Annual General Meeting** of  
the said Company to be held on **Thursday, 22 June 2017** at **2.00 p.m.** and at any adjournment  
thereof.

Dated:

\_\_\_\_\_  
Director

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

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The background of the page is an abstract design consisting of multiple overlapping, wavy bands of blue. The colors range from a deep, dark blue to a very light, almost white blue, creating a sense of depth and movement. The waves flow from the top left towards the bottom right, filling the entire page.

**MINORITY SHAREHOLDER WATCHDOG GROUP**

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