



ANNUAL REPORT 2023



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Who We Are

The Minority Shareholders Watch Group (MSWG) was established in 2000 as a government initiative as part of a broader capital market framework. Its primary purpose is to raise awareness of minority shareholders' interests, and corporate governance matters through shareholder activism and stakeholder engagement.

MSWG is licensed by the Securities Commission Malaysia (SC Malaysia) under the Capital Markets and Services Act 2007. It is a self-governing, non-profit organisation substantially funded by the Capital Market Development Fund (CMDf). MSWG is an essential channel of capital market discipline that encourages good governance intending to create sustainable value.

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

Vision

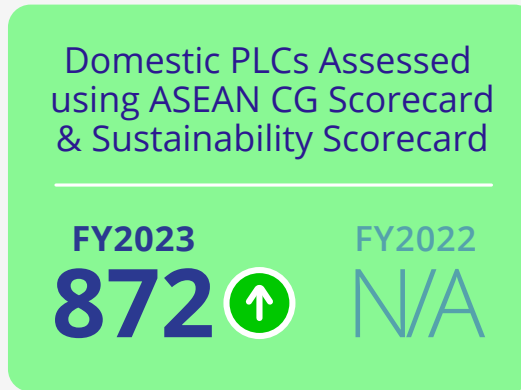
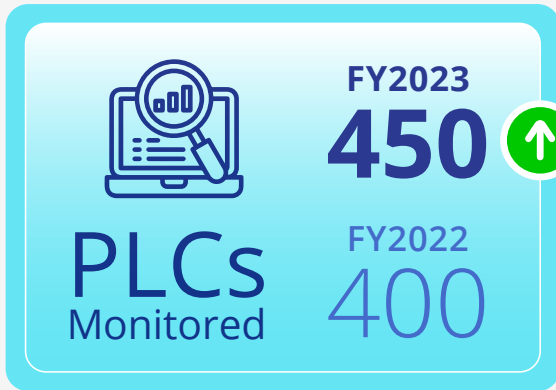
To be a recognised and respected organisation which promotes corporate governance through minority shareholder activism.

Mission

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

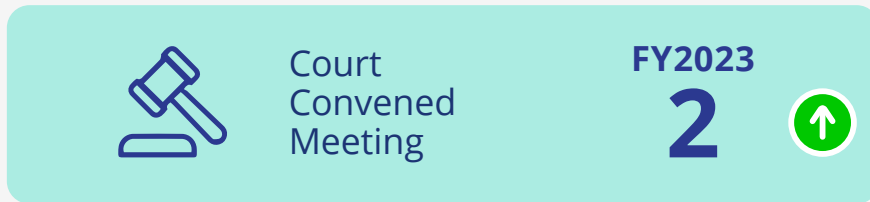
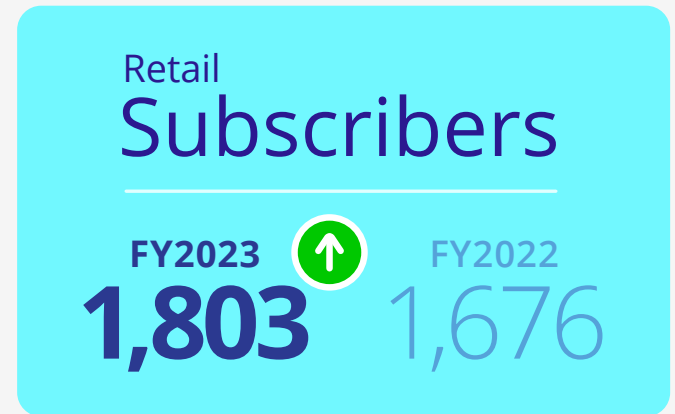
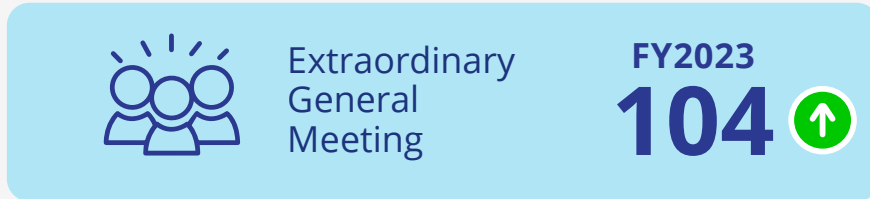
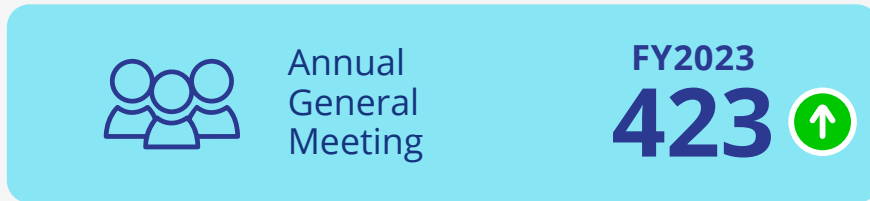
Corporate Objectives

- ➔ To become the forum for minority shareholders' experiences.
- ➔ To become the think-tank and resource centre for minority interests and corporate governance matters in Malaysia.
- ➔ To develop and disseminate guidance and best practices on corporate governance.
- ➔ To become the platform to initiate collective shareholder activism on unethical and questionable practices by public listed companies (PLCs).
- ➔ To influence the decision-making process in PLCs as the leader for minority shareholders' legislative rights and interests.
- ➔ To monitor breaches and non-compliance in corporate governance practices by PLCs.
- ➔ To initiate, where appropriate, reports to regulatory authorities and transform MSWG into an effective deterrent of events or activities that are detrimental to the interests of minority shareholders.



2023

IN NUMBERS



We continued to deliver our mandate in promoting good corporate governance and sustainability practices through shareholder activism.

DATUK MOHD NASIR ALI
Chairman, Independent Non- Executive Director



On behalf of the Board of Directors, I have the pleasure of presenting MSWG's Annual Report and Audited Financial Statements for the financial year ended 31 December 2023 ("FY2023").

The Malaysian economy navigated through myriad challenges in 2023, growing at a moderate pace of 3.7% amidst a backdrop of slower global trade, a downturn in global technology, geopolitical tensions, and tighter monetary policies. Despite these headwinds, our capital market and financial system demonstrated resilience and robustness. The total capital market expanded by 5.6%, reaching RM3.8 trillion in 2023 from RM3.6 trillion in the preceding year. Notably, the Bursa Malaysia stock exchange remained vigorous, witnessing 32 new initial public offerings (IPOs), collectively raising RM3.6 billion. This performance, although slightly lower than the previous year, underscores the enduring appeal of our market despite challenging global conditions.

As advocates for responsible corporate governance and sustainability, we recognise the growing importance of responsible business conduct in today's dynamic landscape. There is an escalating expectation from investors and stakeholders alike for companies to operate sustainably and ethically. This is reflected in the rising demand for sustainable and responsible investment (SRI) funds, which saw significant growth in Malaysia. The number of SRI funds surged to 68, amounting to RM7.7 billion in assets under management as of December 2023, compared to 58 funds valued at RM7.05 billion in the preceding year.

Furthermore, the regulators have proactively integrated Environmental, Social, and Governance (ESG) principles into our market ecosystem. Initiatives such as mandatory sustainability onboarding programs for directors, the introduction of trading on the Bursa Carbon Exchange, and the issuance of tools to facilitate Enhanced ESG Reporting Framework adoption by listed issuers signify a concerted effort towards fostering sustainable practices across the board.

Therefore, it is imperative that we, as minority shareholders, remain vigilant and proactive in advocating for transparent and ethical business practices. As stewards of shareholder rights, we must continue engaging with companies and regulatory authorities to uphold the highest corporate governance and sustainability standards. By fostering a culture of accountability and transparency, we can contribute to the long-term prosperity of our capital market and ensure that businesses operate in a manner that benefits both shareholders and society.

TAKING THE LEAD IN SHAREHOLDERS' ACTIVISM

We continued to deliver our leading role in promoting corporate governance through shareholder activism, with a focus on minority interests. Under MSWG's Strategic Roadmap 2022-2024 ("Strategic Roadmap"), we focused on three key pillars of shareholder activism, corporate governance and investor education.

Corporate monitoring remains our core activity for shareholder activism. This year, we expanded our corporate monitoring portfolio to 450 PLCs, covering approximately 45% of PLCs and 88% of Bursa Malaysia's total market capitalisation¹. MSWG's broader monitoring has allowed for the voice of minority shareholders to be amplified, mainly through the annual general meeting platform. With the expanded coverage, our corporate representatives attended a record high of 529 general meetings in 2023 compared to 457 general meetings in 2022. We continued to raise important issues of concern in advance of general meetings, covering financial performance, corporate governance and sustainability matters to influence positive changes in PLCs and create vibrant activism in virtual and physical meeting settings.

After a one-year hiatus, we resumed the domestic-level corporate governance and sustainability scorecard assessments for all PLCs. This sets the groundwork for the much-anticipated corporate governance awards ceremony, which is expected to be held in the third quarter of 2024.

On the regional front, the ASEAN CG Scorecard (ACGS) initiative also gained traction as Corporate Governance Experts from the six jurisdictions, namely Malaysia (represented by MSWG), Indonesia, the Philippines, Singapore, Thailand and Vietnam, worked tirelessly and spent significant time in 2023 revising the ACGS. The revised ACGS was successfully endorsed by the ASEAN Capital Market Forum (ACMF) Chairs on 16 October 2023 at the ACMF International Conference in Bali, Indonesia.

Under the investor education pillar, we continued to offer webinars and training programmes targeted at PLCs and investors, covering topics on corporate governance, risk management, cyber security and sustainability. We also believe in educating and creating awareness on corporate governance matters, particularly among young graduates entering the workforce. In this regard, we also engaged with local universities through talks or dialogues on corporate governance.

In 2023, we expanded the companies we monitored to 450 public listed companies (PLCs), covering approximately 45% of PLCs and approximately 88% of Bursa Malaysia's total market capitalisation¹. The wider monitoring by MSWG has allowed for the voice of minority shareholders to be amplified, particularly at the general meeting.

¹ As of 29 December 2023.

KEY LEADERSHIP CHANGES

On 18 December 2023, Mr Devanesan Evanson retired as the Company's Executive Director and Chief Executive Officer (CEO). Under his stewardship, MSWG strengthened its presence as a collective voice to minority shareholders and significantly expanded its monitoring portfolio from 250 PLCs to 450 PLCs, representing about one for every two PLCs listed on Bursa Malaysia. On behalf of the Board, I would like to thank him and record our heartfelt appreciation for his leadership and invaluable contributions over the past six years since he joined on 17 December 2017. I wish him the best in his retirement.

In this regard, we would like to extend our warm welcome to Dr Ismet Yusoff, appointed as the new CEO, effective 18 March 2024. Dr Ismet brings a wealth of experience and expertise in corporate governance, and we have complete confidence in his ability to lead MSWG to new heights.

FINANCIAL PERFORMANCE

To support our mandate and ensure independence in our activism, we received funding from the Capital Market Development Fund (CMDf), which enabled us to implement and execute the strategies set out for 2023 to ensure sustained growth and value delivery to our stakeholders.

The Company recorded a surplus of RM438,775 (2022: RM856,795) for the financial year ended 31 December 2023, representing a 48.8% year-on-year decrease due to lower forums and events revenue. For further details on the financial performance, please refer to the From the Desk of Our CEO on page 18.

FORGING AHEAD

We will continue to build on the progress over the past two years under the Strategic Roadmap. We are cautiously optimistic about the Company's ability to deliver a commendable performance in the coming year, building on existing foundations and projects in the pipeline. 2024 will also be crucial as we take stock of our progress and craft a new strategic roadmap to further drive MSWG's next growth phase.

ACKNOWLEDGEMENT

In achieving its mandate, MSWG has had the unwavering support of the CMDf and regulators, especially the Securities Commission Malaysia (SC) and Bursa Malaysia. On behalf of our Board, I would like to express our most profound appreciation to the CMDf, SC and Bursa Malaysia for their valuable guidance and continued support. I would also like to thank our institutional, corporate and retail subscribers, strategic partners, media and other stakeholders for their continued support.

I would also like to sincerely thank my fellow Board members for their insights, robust discussions and valuable contributions throughout the year. There were also several changes to the board composition in 2023 up to the date of this Annual Report. We bid farewell to Datuk Hajah Nik Amlizan Mohamed, who retired after MSWG's 22nd AGM held on 22 June 2023, and to Puan Sharifatu Laila Syed Ali, who resigned from the Board with effect from 21 February 2024. We thank you for your invaluable contributions and wish both of you every success in your future endeavours. At the same time, I would like to extend a warm welcome to Ms Selvarany Rasiah, who joined the Board on 11 January 2024.

Finally, I want to express my heartfelt appreciation to the MSWG team and associates for their dedication, commitment, and hard work throughout the year, which has brought us to where we are today. I am confident that together, we will be able to accomplish even greater things in the future.

DATUK MOHD NASIR ALI

Chairman
3 April 2024

BOARD OF DIRECTORS

Datuk Mohd Nasir Ali	Independent Non-Executive Director
Datuk Gazali Haji Harun	Independent Non-Executive Director
Dato' Abdul Alim Abdullah	Independent Non-Executive Director
Muhammad Fitri Othman	Non-Independent Non-Executive Director
Selvarany Rasiah (appointed w.e.f. 11.1.2024)	Independent Non-Executive Director
Datuk Hajah Nik Amlizan Mohamed (retired w.e.f. 22.6.2023)	Independent Non-Executive Director
Devanesan Evanson (retired w.e.f. 18.12.2023)	Executive Director
Sharifatu Laila Syed Ali (resigned w.e.f. 21.2.2024)	Independent Non-Executive Director

COMPANY SECRETARY

Mr Chew Phye Keat (BC/C/282)
SSM Practising Certificate No: 202008002753

Messrs Raja, Darryl & Loh
Level 26, Menara Hong Leong
No. 6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur

BANKER

Malayan Banking Berhad

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

REGISTERED OFFICE

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

AUDITORS

PricewaterhouseCoopers PLT, Malaysia

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

CONTACT PERSON

Dr Ismet Yusoff
Chief Executive Officer
ismet@mswg.org.my

CORPORATE WEBSITE

www.mswg.org.my

BOARD OF DIRECTORS



DATUK MOHD NASIR ALI

Chairman, Independent Non- Executive Director

Gender	Age	Nationality
Male	65	Malaysian

DATE OF APPOINTMENT

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

ACADEMIC AND PROFESSIONAL QUALIFICATIONS

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

PRESENT DIRECTORSHIPS

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

OTHER PUBLIC COMPANIES/INSTITUTIONS

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

PRESENT APPOINTMENT(S)

- Nil

BOARD COMMITTEES MEMBERSHIP(S)

- Nil



DATUK GAZALI HAJI HARUN

Independent Non- Executive Director

Gender	Age	Nationality
Male	66	Malaysian

DATE OF APPOINTMENT

- 26 October 2016

ACADEMIC AND PROFESSIONAL QUALIFICATIONS

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

PRESENT DIRECTORSHIPS

- Nil

OTHER PUBLIC COMPANIES/INSTITUTIONS

- Nil

PRESENT APPOINTMENT(S)

- Nil

BOARD COMMITTEES MEMBERSHIP(S)

- Audit & Risk Committee - Chairman
- Nomination & Remuneration Committee - Member



DATO' ABDUL ALIM ABDULLAH

Independent Non-Executive Director

Gender	Age	Nationality
Male	75	Malaysian

DATE OF APPOINTMENT

- 20 November 2019

ACADEMIC AND PROFESSIONAL QUALIFICATIONS

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

PRESENT DIRECTORSHIPS

- Nil

OTHER PUBLIC COMPANIES/INSTITUTIONS

- Nil

PRESENT APPOINTMENT(S)

- Nil

BOARD COMMITTEES MEMBERSHIP(S)

- Nomination & Remuneration Committee - Chairman



MUHAMMAD FITRI OTHMAN

Non-Independent Non-Executive Director

Gender	Age	Nationality
Male	40	Malaysian

DATE OF APPOINTMENT

- 19 November 2021

ACADEMIC AND PROFESSIONAL QUALIFICATIONS

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

PRESENT DIRECTORSHIPS

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

OTHER PUBLIC COMPANIES/INSTITUTIONS

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

PRESENT APPOINTMENT(S)

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

BOARD COMMITTEES MEMBERSHIP(S)

- Audit & Risk Committee - Member



SELVARANY RASIAH

Independent Non-Executive Director

Gender	Age	Nationality
Female	59	Malaysian

DATE OF APPOINTMENT

- 11 January 2024

ACADEMIC AND PROFESSIONAL QUALIFICATIONS

- Bachelor of Laws, Universiti Malaya
- Advanced Management Program, Harvard Business School

PRESENT DIRECTORSHIPS

- Nil

OTHER PUBLIC COMPANIES/INSTITUTIONS

- Kapital DX Sdn Bhd
- Kapital DX Nominee Sdn Bhd
- Edas Consulting Sdn Bhd
- ESGA Sdn Bhd

PRESENT APPOINTMENT(S)

- Nil

BOARD COMMITTEES MEMBERSHIP(S)

- Nil



THE FOLLOWING DIRECTOR HAS
RETIRED SINCE THE 22ND ANNUAL
GENERAL MEETING IN 2023

DATUK HAJAH NIK AMLIZAN MOHAMED

Independent Non-Executive Director

Gender	Age	Nationality
Female	55	Malaysian

DATE OF APPOINTMENT

- 23 December 2019

DATE OF RETIREMENT

- 22 June 2023

ACADEMIC AND PROFESSIONAL QUALIFICATIONS

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



THE FOLLOWING DIRECTOR HAS
RETIRED SINCE THE 22ND ANNUAL
GENERAL MEETING IN 2023

DEVANESAN EVANSON

Executive Director

Gender	Age	Nationality
Male	68	Malaysian

DATE OF APPOINTMENT

- 17 April 2018

DATE OF RETIREMENT

- 18 December 2023

ACADEMIC AND PROFESSIONAL QUALIFICATIONS

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



THE FOLLOWING DIRECTOR HAS
RESIGNED SINCE THE 22ND ANNUAL
GENERAL MEETING IN 2023

SHARIFATU LAILA SYED ALI

Independent Non-Executive Director

Gender	Age	Nationality
Female	61	Malaysian

DATE OF APPOINTMENT

- 17 April 2018

DATE OF RESIGNATION

- 21 February 2024

ACADEMIC AND PROFESSIONAL QUALIFICATIONS

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

MANAGEMENT TEAM



DR ISMET YUSOFF
Chief Executive Officer

DATE OF APPOINTMENT
• 18 March 2024

Dr Ismet Yusoff is a seasoned corporate governance advocate with vast experience as a policymaker and strategist on governance and sustainability practices. He plays an active role in raising the corporate governance and sustainability standards of corporates in Malaysia by working closely with local and international stakeholders, including regulators, standard setters, professional bodies, and corporates.

Before MSWG, Dr Ismet was the Chief Executive Officer of the Malaysian Institute of Corporate Governance (MICG) and served the Securities Commission Malaysia. He was instrumental in formulating Malaysia's corporate governance and sustainability regulatory framework, best practices, and strategic priorities. These include the development of the Malaysian Code of Corporate Governance, Malaysia's Corporate Governance Strategic Priorities, Governance Code for Malaysia MSMEs, Guidelines on the Conduct of Directors of Listed Corporations and Their Subsidiaries, Guidelines on Corporate Governance for Capital Market Intermediaries and Bursa Malaysia Listing Requirements, including Bursa Malaysia Sustainability Reporting Framework. He was also involved in developing analytics and machine learning systems for regulatory monitoring of governance disclosures, establishing the Institute of Corporate Directors Malaysia and other industry-led initiatives on corporate governance and sustainability.

Dr Ismet graduated from the International Islamic University Malaysia. His doctoral thesis was on the effect of corporate governance and capital structures on the performances of Malaysian publicly listed companies.



RITA FOO
Head, Corporate Monitoring



EMILY LIM
Head, Finance/HR & Admin



PADMA DEVI SUBRAMANIAM
Head, Information Technology & Training

The Board of Directors (“the Board”) is committed to ensuring high corporate governance practices throughout the Company as a fundamental part of managing its business affairs. This will allow the Board to promote shareholder activism and influence good corporate governance practices among PLCs in the capital market.

The Company's corporate governance practices and procedures are periodically reviewed by the Board and are guided by the following:

BOARD CHARTER

The Board has established and adopted a Board Charter to ensure that all Board members know the Board's fiduciary duties and responsibilities, particularly their obligation to act in the Company's best interest. The charter sets out the standards and principles governing the Board processes and outlines the roles, functions and responsibilities of the Board.

CODE OF CONDUCT & ETHICS

The Directors acknowledge and accept the scope and extent of their duties as Directors. The Board is responsible for carrying out an oversight function in the interests of MSWG within the scope of its authority and consistent with its fiduciary duties.

The Board will adhere to the standards of loyalty and good faith and avoid/disclose conflict of interest situations.

THE BOARD MEMBERS OF MSWG WILL:

- Act in the best interests of MSWG and fulfil their fiduciary duties to MSWG;
- Act honestly, reasonably, ethically and with integrity;
- Conduct themselves in a professional, courteous and respectful manner;
- Comply with all applicable laws, rules and regulations;
- Act in good faith, responsibly, with due care, competence and diligence, without allowing independent judgment to be subordinated to interests other than that of MSWG;
- Maintain high ethical and moral character – both professionally and personally – and act in a manner that enhances and maintains the reputation of MSWG;
- Disclose any potential conflicts of interest, including those that they may have regarding any matters that may come before the Board, and abstain from discussion and voting on any matters in which they have or may have a conflict of interest;
- Make available to fellow Directors information as may be appropriate to ensure proper conduct and sound operation of MSWG and its Board of Directors;
- Respect the confidentiality of information relating to the affairs of the Company acquired in the course of service as Directors except when authorised or legally required to disclose such information; and
- Do not use confidential information acquired during their service as Directors to their advantage.

MSWG WHISTLEBLOWER POLICY

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

The whistleblower will be accorded protection of identity confidentiality to the extent reasonably practicable. In addition, an employee who whistle blows internally will also be protected against any adverse and detrimental actions for disclosing any improper conduct committed or about to be committed within MSWG, to the extent reasonably practicable, provided that the disclosure is made in good faith. Such protection is accorded even if the investigation later reveals that the whistleblower is mistaken about the facts, rules and procedures involved.

The MSWG Whistleblower Policy is published on the Company's website at www.mswg.org.my.

MSWG ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

The MSWG Anti-Bribery and Anti-Corruption Policy outlines the Company's commitment to conducting business ethically and complying with all applicable laws, including the Malaysian Anti-Corruption Commission Act 2009 and any amendments made by the relevant authority from time to time. It incorporates MSWG's core principles and aims to guide employees and third parties in dealing with improper solicitation, bribery and other corrupt activities and issues that may arise in business.

The Company adopts a zero-tolerance policy against all forms of bribery and corruption. We are pleased to report that no incidences of bribery or corruption were reported during the year. The MSWG Anti-Bribery and Anti-Corruption Policy is published on the Company's website at www.mswg.org.my.

BOARD COMMITTEES

The board is led by an independent non-executive chairman accountable for ensuring the integrity and effectiveness of the board's governance process. The Board Committees also assist the Board in ensuring appropriate checks and balances in discharging its oversight function and statutory and fiduciary obligations.

Two Board Committees, the Audit & Risk Committee (ARC) and the Nomination & Remuneration Committee (NRC), operated during the year under review. Each Committee has a formal written Terms of Reference that effectively stipulates the delegated responsibilities by the Board.

A total of 2 ARC meetings were held during FY2023 since its establishment on 29 March 2023. The ARC comprises the following members:

- Datuk Gazali Haji Harun – Chairman
- Muhammad Fitri Othman - Member
- Sharifatu Laila Syed Ali – Member (resigned w.e.f. 21 February 2024)

A total of 6 NRC meetings were held during FY2023. The NRC comprises the following members:

- Dato' Abdul Alim Abdullah – Chairman
- Datuk Gazali Haji Harun - Member
- Sharifatu Laila Syed Ali - Member (resigned w.e.f. 21 February 2024)

BOARD & BOARD COMMITTEE MEETING ATTENDANCE 2023

The attendance of the Directors and Board Committee members during the financial year under review is provided below:

Name	Board Meetings	ARC**	NRC***
Datuk Mohd Nasir Ali	8/8		
Devanesan Evanson ¹	8/8		
Datuk Gazali Haji Harun	8/8	2/2	6/6
Dato' Abdul Alim Abdullah	8/8		6/6
Muhammad Fitri Othman	7/8	2/2	
Datuk Hajah Nik Amlizan Mohamed ²	4/4		
Sharifatu Laila Syed Ali ³	7/8	1/2	5/6

Notes:

¹ Retired w.e.f. 18 December 2023

² Retired following conclusion of MSWG's 22nd AGM held on 22 June 2023

³ Resigned w.e.f. 21 February 2024

* There were four scheduled and four special Board meetings in 2023

** Audit and Risk Committee

*** Nomination and Remuneration Committee

DIVIDEND

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

FROM THE DESK OF OUR CEO



DR ISMET YUSOFF
Chief Executive Officer

Dear Stakeholders,

I am pleased to present this report as the Chief Executive Officer of MSWG, a role I assumed on 18 March 2024. I am delighted to be here and humbled to have been entrusted with leading MSWG forward on our next growth phase.

The Company stayed focused on achieving its goals for 2023 under my predecessor, Mr Devanesan Evanson, who retired on 18 December 2023. The following highlights the company's financial performance and achievements for the financial year ended 31 December 2023.

FINANCIAL PERFORMANCE

MSWG secured RM13.97 million from the Capital Market Development Fund (CMDf) to fund our operational and capital expenditures under the MSWG Strategic Roadmap 2022-2024 (Strategic Roadmap). The second tranche of the grant, amounting to RM4.564 million, was disbursed in 2023.

The Company recorded a surplus for the financial year ended 31 December 2023 of RM0.44 million RM438,775 (2022: RM856,795), representing a year-on-year decrease of 48.8% on lower forums and events revenue. This was mainly due to the decline in revenue from report advertisements, given the hiatus in CG assessment in 2022. The unabsorbed tax losses of the Company, which had been fully utilised in the current year, also resulted in higher tax charges for the year.

Activities Review

CORPORATE MONITORING

In 2023, MSWG expanded its monitoring portfolio to 450 from the 400 PLCs covered in 2022. As of 29 December 2023, this represented approximately 45% of the companies listed on Bursa Securities and about 88% of Bursa Malaysia's total market capitalisation.

MSWG Monitoring Portfolio Selection Criteria:



FBM KLCI
Component
Companies

100

TOP 100
by Market
Capitalisation



Mid & Small
Cap PLCs



Companies
Flagged with
Complaints

2023 was a record year for MSWG as we attended a record-high number of general meetings, 529, representing a marked increase of 15.8% year-on-year from 457 general meetings attended in 2022. Of the 529 meetings, 423 were Annual General Meetings (AGMs), 104 were Extraordinary General Meetings, and 2 were Court-Convened Meetings.

Virtual AGMs are the preferred mode for conducting AGMs in 2023, with 368 meetings (69.5%) being hosted virtually. PLCs leveraged technology to streamline their operations, improve efficiency, and enhance shareholder engagement. Meanwhile, physical and hybrid meetings made up 158 (29.9%) and 3 (0.6%) of the total meetings attended, respectively. As the COVID-19 pandemic subsided, we saw more physical meetings held compared to 2022. MSWG's preference remains for hybrid AGMs and, if not, physical AGMs.

Our corporate representatives also prepared a Conduct of AGM report that assessed how well a PLC conducted its AGM regarding the timeliness, registration process, the conduct of the chairman, Q&A session, directors' attendance, the poll voting process, etc. For instance, an assessment will be made on the conduct of chairmen in facilitating AGMs in terms of their preparation, leadership, time management, decision-making and conflict resolution. Our tabulation showed that out of the 423 AGMs attended, 21 companies (5%), primarily large-cap companies, scored 90% and above in their conduct of AGMs. One hundred-three companies (24%) scored between 80% and 89%, while 178 (42%) scored between 70% and 79%. Finally, the remaining 121 companies (29%) scored between 46% and 69%.

Based on our observations, some practices in AGMs' conduct could be further improved. There were instances of PLCs not addressing the questions raised by MSWG at the AGM, which were already sent in advance to the PLCs. Instead, they responded to our questions after the conclusion of the meeting. This practice is not encouraged as the PLCs' response will not be recorded in the AGM minutes for the benefit of all shareholders.

Some PLCs conduct virtual meetings hastily, running through the questions-and-answer session. Some PLCs present their answers to shareholders' questions on screen for a few seconds, giving shareholders little time to read and digest the answers. We hope to see further improvement from PLCs in facilitating a practical discourse between the shareholders and the board of directors / management.

Enquiries & Complaints Cases

Our corporate monitoring department handled 65 enquiries and complaints cases in 2023 (2022:71), mostly from retail investors. Each complaint will be documented and addressed through the complaints handling process. Broadly, the complaints/enquiries were related to:

- Granting of ESOS to executive directors and senior management despite the PLC suffering an unprecedented loss in financial performance
- Acquisitions by PLC were overpriced to benefit the significant shareholders
- The board did not answer pre-submitted questions during the AGM
- Unfair voluntary take-over offer price
- The Executive Director received high remuneration despite PLC's dismal performance
- Possible breach of fiduciary duty and conflict of interest by directors of PLC relating to share acquisition in another PLC
- Frequent changes in financial year end by PLCs

Pre-Voting Decisions Report

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

AGM/EGM Weekly Watch

The MSWG AGM/EGM Weekly Watch highlights critical points to be raised at forthcoming general meetings and is available on the MSWG website. 50 Weekly Watch editions were issued in 2023 and published in the New Straits Times and Nanyang Siang Pau (Mandarin) newspapers. The Weekly Watch is a valuable source of information that alerts shareholders on issues of concern before the general meetings. It covers financial performance, corporate governance, and ESG matters.

e-Newsletter



In 2023, we published 49 editions of our weekly e-newsletter, The Observer, which provided readers with insights on the latest corporate happenings on the local and international front. The e-newsletter also contains our in-house analysts' write-ups on topical issues relating to regulatory measures, shareholder activism, corporate governance, ESG and issues affecting minority interests. The e-newsletter also contains the "Weekly Watch" section, which alerts readers to key topics at forthcoming general meetings.

The Observer, distributed to over 2,000 recipients, including subscribers, institutional investors, fund managers, brokerage firms, universities, PLCs Board, regulators, media and retail shareholders, remains a valuable tool for communicating our viewpoints on shareholder activism, corporate governance and sustainability matters. Readers can also obtain the Bahasa Melayu version uploaded to our website.

INVESTOR EDUCATION & FORUMS

Investor Education Programmes

MSWG conducted six webinars and two in-person seminars targeted at the Board and management of PLCs and the general public in 2023. The programmes were as follows:

- Webinar: Cyber Security - What Directors Need to Know (30 March 2023)
- Conducting a Better Annual General Meeting, The Majestic Hotel, KL (11 May 2023)
- Webinar: Managing Liability of Officers under Corporate Law (28 June 2023)
- Webinar: Assessment of the Board, Board Committees and Individual Directors (6 July 2023)
- Webinar: Cyber Security for Finance and Accounting Professional (27 July 2023)
- Webinar: Sustainability Governance Reporting (19 September 2023)
- Webinar: Managing Liability of Officers under Corporate Law (2 November 2023)
- Governance, Risk & Controls, The Majestic Hotel, KL (6 November 2023)

Participants were charged a fee, which contributed to our income-generating efforts. In addition to onsite seminars and webinars, we also catered to requests for in-house training programmes at the company's office premises. This year, we provided an in-house training programme on Cyber Security Awareness at KUB Malaysia Berhad.

MSWG is an HRD Corp Registered Training provider. In October 2023, it also attained the Securities Industry Development Corporation (SIDC) accreditation as a CPE Training Provider, which will facilitate more training programmes with CPE points.



Governance, Risk & Controls
6 November 2023



Conducting a Better AGM
11 May 2023

MSWG is committed to enhancing investor education targeted at retail investors through speaking engagements or educational sessions. Our investor education for retail investors in the year under review involved the following:

- **26 May 2023**

MSWG participated in “Bersama InvestSmart® @Penang 2023” with the theme “Silap Labur Duit Lebur”. Organised by the SC, it is a flagship investor education event for retail investors outside of Klang Valley. One of the event’s main highlights was industry experts’ talks and panel discussions, which aimed to promote investor confidence and empowerment to enable informed investment decision-making without falling victim to scams.

- **4 June 2023**

MSWG participated as a Speaker at INVEST FAIR 2023, organised by Share Investor Malaysia on “Improving the Chances of Winning in the Stock Market”. The theme for INVEST FAIR 2023 was “Grow Your Money Lah!” with a message to simplify investing through diversified assets.

- **7 November 2023**

A complimentary virtual session was held for retail investors to enhance their investment knowledge. The session, themed “Successful Investing—the Peter Lynch way,” was conducted by the CEO of MSWG with the support of the Corporate Monitoring team.

Investor Forums

Investor forums are organised by MSWG, usually on a request basis by small groups of minority shareholders to encourage shareholder activism. Such forums allow shareholders to share their concerns and raise their issues collectively with the companies concerned. In addition, the forums also provide them with a better understanding of the issues at hand, and they can better coordinate their actions before making their respective investment decisions.

SPEAKING ENGAGEMENTS

The CEO was a trainer for the Capital Markets Director Programme (CMDP) organised by the SIDC. This exclusive platform equips directors of licensed intermediaries with the relevant knowledge, skills and abilities to meet the expected competencies required of a board. In 2023, he conducted 3 CMDP modules for the directors.

In 2023, we had undertaken 15 speaking engagements, covering topics closely related to shareholder activism, directors’ responsibilities and corporate governance best practices.

SUBSCRIBER SERVICES

MSWG offered three Subscriber Services categories:

- Institutional Subscribers
- Corporate Subscribers
- Retail Subscribers

In 2023, we had one institutional subscriber, Bursa Malaysia Berhad (2022: 1) and 53 corporate subscribers (2022: 60), comprising PLCs. A key challenge for us is to grow our institutional and corporate subscriber base, which declined overall in 2023.

Our retail subscriber base grew 7.6% to 1,803 from 1,676 subscribers in 2023. Retail subscriptions continued to be popular as subscribers have access to our AGM and EGM letters to PLCs, the reply from the PLCs to our letters and The Observer weekly newsletter on a complimentary basis. Subscribers are also informed of opportunities to participate in investor-related forums or training programmes tailored for retail investors.

ASEAN CG SCORECARD & SUSTAINABILITY SCORECARD ASSESSMENTS

The Asian Development Bank developed the ASEAN CG Scorecard (ACGS) in partnership with the ASEAN Capital Market Forum (ACMF). This initiative aims to raise the CG standards and practices among ASEAN PLCs and acknowledge well-governed ASEAN companies. This initiative involves six ASEAN countries: Malaysia, Indonesia, the Philippines, Singapore, Thailand and Vietnam. MSWG is the Domestic Ranking Body (DRB) appointed by the SC in 2012 to undertake the annual CG assessment of Malaysian PLCs using the ACGS.

Domestic ACGS & Sustainability Scorecard Assessments

In 2023, MSWG commenced CG and sustainability assessments under a new assessment framework following discussions with key corporate governance stakeholders in the capital market undertaken in the preceding years. The CG and sustainability assessments involved over 870 PLCs, with the final results expected to be announced by the third quarter of 2024.

In the year under review, we continued to receive requests from our corporate subscribers for engagements on the ACGS 2021 results, which were announced on 5 November 2022. In addition to the engagements conducted in the 2022 post-results announcement, MSWG conducted 8 ACGS engagement sessions with our corporate subscribers in the year's first quarter.

Regional ACGS

The revised G20/OECD Principles of Corporate Governance was endorsed by the Organization for Economic Cooperation and Development (OECD) and the G20 in September 2023. As the ACGS was developed mainly based on the G20/OECD Principles of Corporate Governance, there was a need to identify potential areas of review of the ACGS, which was last revised in 2017.

As part of this initiative, the ACMF and the OECD organised a policy dialogue on the review of the ACGS, followed by a CG Experts meeting in Manila, Philippines, on 27-28 February 2023. The Securities and Exchange Commission Philippines hosted the meetings. MSWG was represented by the CEO and Head of the CG Scorecard project, while representatives of DRBs from Indonesia, the Philippines, Singapore, Thailand and Vietnam also participated in the meetings.

The CG Experts displayed a high level of commitment, with 25 CG Experts' progress meetings and sub-committee meetings being conducted in 2023 to discuss the revisions to the ACGS. The respective DRBs conducted the beta-testing exercise in September 2023 to address or uncover any issues before the official launch. The 2023 Revised ACGS was approved by the ACMF Chairs on 16 October 2023 and officially launched during the ACMF International Conference in Bali, Indonesia, on 17 October 2023. The 2024 regional ACGS assessment using the 2023 Revised Scorecard covering the top 100 PLCs in each jurisdiction is expected to commence in mid-July 2024, with the awarding ceremony scheduled for May 2025.

OTHER ENGAGEMENTS

Engagement with Delegates from Taiwan

In March 2023, we welcomed delegates from the Taiwan Securities & Futures Institute (SFI), Taiwan Depository & Clearing Corporation (TDCC) and the College of Law, National Chengchi University, Taiwan. The delegation was led by Dr. Bing-Huei Lin, Chairman of SFI. The nine-member delegation was keen to learn and better understand MSWG's setup and its role as a body promoting shareholder activism in the Malaysian capital market.

In October 2023, we were honoured to receive again a second 8-member delegation from Taiwan, represented by the Taiwan Financial Supervisory Commission (FSC), Securities and Futures Bureau (SFB), TDCC and SFI. Ms Jean Chiu, Vice Chairperson, FSC, led the second delegation to MSWG.



Engagement with Inland Revenue Board Malaysia

In March 2023, we also had a knowledge-sharing session with the Inland Revenue Board Malaysia (IRB), which was keen to better understand the ACGS assessment and awarding criteria. The delegation from the IRB was led by Encik Abang Ehsan bin Abang Abu Bakar, Director of the Tax Compliance Department. The IRB team also shared the IRB's Tax Corporate Governance framework with MSWG, hoping the sharing sessions would benefit both organisations.



Engagements Organised By Institutional Investors Council Malaysia (IIC)

MSWG is a member of the Institutional Investors Council Malaysia (IIC). In 2023, we participated in company engagements organised by IIC, namely with PETRONAS Dagangan Berhad and PETRONAS Gas Berhad. Issues raised under the IIC platform were often common concerns among institutional investors, covering financial performance, corporate risk management and ESG matters.

HUMAN CAPITAL

Staff Strength

MSWG believes in creating a fair workplace that supports its diverse workforce. We do not tolerate discrimination against race, gender, age, religion, nationality, or harassment in our work environment. We focus on relevant capabilities and expertise in our hiring process to ensure that employees can contribute to the success of the Group. As of December 2023, MSWG had 19 employees.

Talent Development

We encourage the development of a culture of continuous learning and professional achievement among our employees. Employees must attend training sessions or professional courses to address skill gaps and fortify competencies. Our analysts are encouraged to obtain the Capital Markets Services Representative's Licence (CMSRL) under the Capital Markets and Services Act 2007 and/or pursue other professional qualifications. The Company has provided various incentive schemes, such as study leave, examination leave, and examination fee reimbursement upon successfully passing the SC Licensing Examinations. We currently have three analysts who are CMSRL holders.

We conducted two in-house training programmes for all employees in 2023, facilitated by external trainers:

- 20 March 2023 – Growth Mindset and Change
- 7 August 2023 – Mastering Emotional Intelligence



Growth Mindset and Change Training Session
20 March 2023



Mastering Emotional Intelligence Training Session
7 August 2023

Staff Activities & Well-being

MSWG endeavours to adopt industry best practices regarding benefits and wellness, including annual leave, family-friendly policies, medical insurance coverage, and various allowances. These are regularly reviewed to ensure they are competitive and well-suited for our employees.

We believe in having a fully engaged workforce and leveraging channels such as electronic mail and office WhatsApp groups as essential modes of communication. During the year, we continued to take the necessary measures to ensure the safety and well-being of our employees, such as conducting office sanitisation exercises as and when required. We also provide our employees are well-informed of the standard operating procedures prescribed by the office building manager, such as building evacuation procedures in the event of fire.

During the year, the Company organised small-scale company luncheons and mini-office gatherings to foster greater team spirit and camaraderie among employees across all levels and divisions.



MOVING FORWARD

MSWG remains optimistic in navigating challenges in the year ahead despite a subdued outlook for 2024. As we enter the third and final year of the Strategic Roadmap, we will build on the achievements of the past two years while making adjustments to ensure the delivery of targets and KPIs set for 2024.

To drive progress, we will accelerate efforts to leverage digital technologies for optimum outcomes, driving transformative changes for increased growth and revenue generation for 2024 and beyond. 2024 will also be a crucial year for my team to set our medium and long-term priorities in crafting a new strategic plan, focusing on quality growth and more robust performance and capabilities to enhance MSWG's position as a key corporate governance and sustainability advocate domestically and within the region.

Having only recently come on board as CEO, I would like to take this opportunity to thank the Board of Directors for their trust in appointing me in my current position, as well as the senior management team who have kept me up to speed on the latest progress and developments in MSWG. I would also like to thank my predecessor, Mr. Devanesan Evanson, for his invaluable contributions to the Company. I look forward to a fruitful year ahead with the support of my team and guidance from the Board.

My appreciation also goes to the CMDF, SC Malaysia and Bursa Malaysia for their valuable advice and support. To all other stakeholders – our institutional, corporate and retail subscribers, strategic partners, media and other stakeholders, my heartfelt thanks, and I look forward to your continued support.

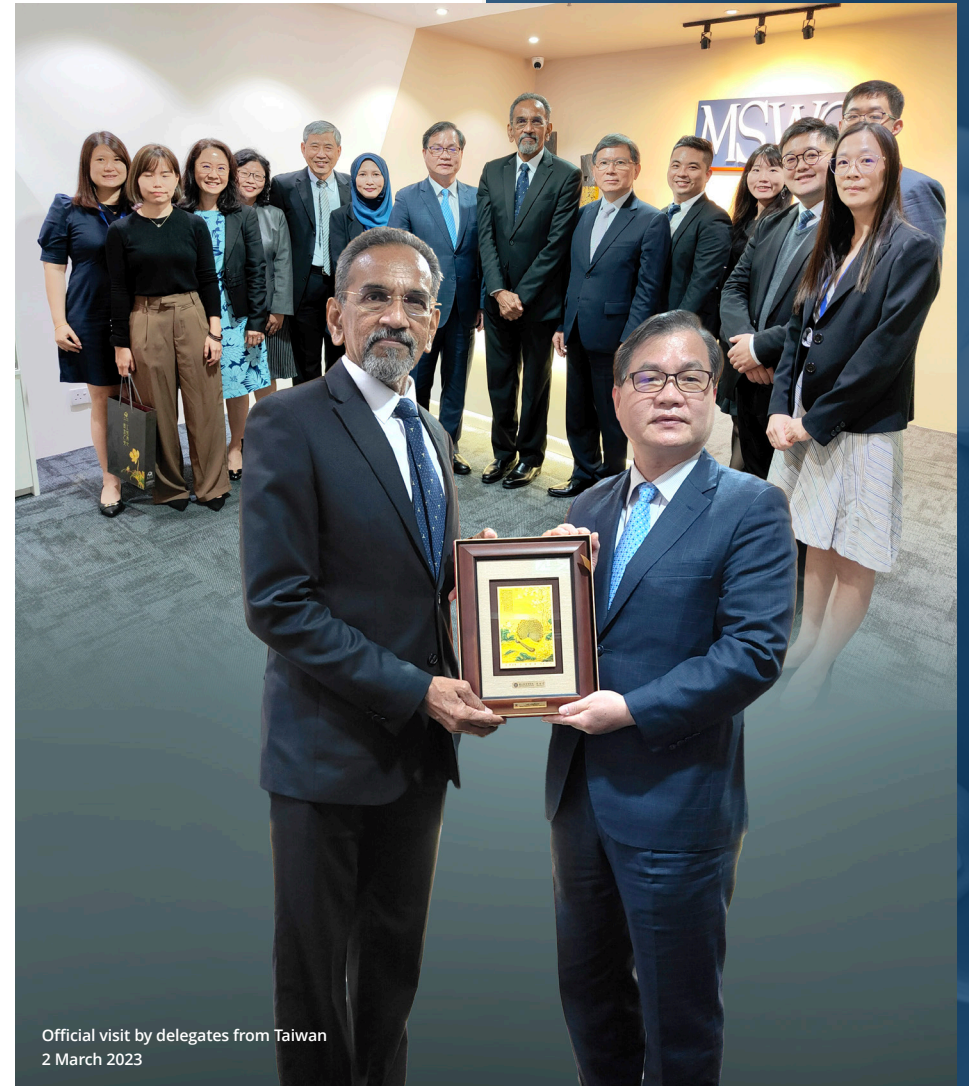
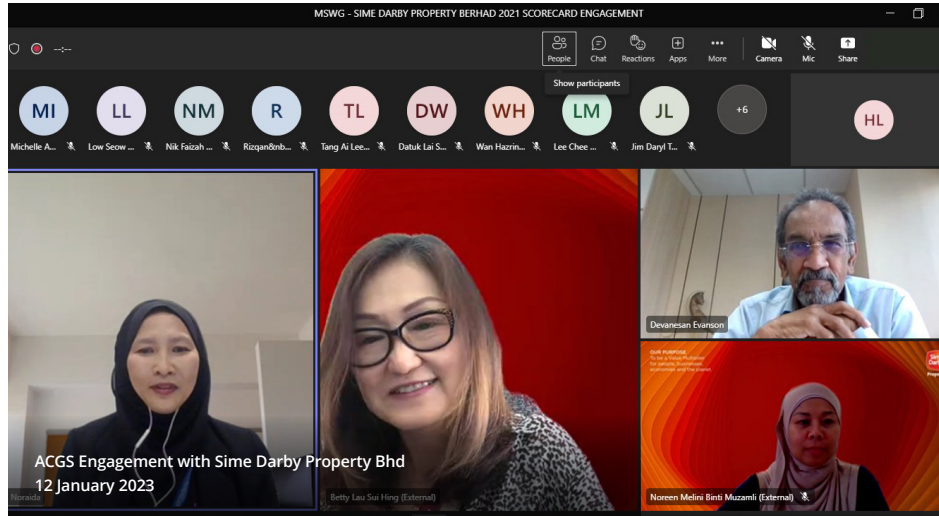
DR ISMET YUSOFF

Chief Executive Officer

3 April 2024

“Focusing on quality growth and more robust performance and capabilities to enhance MSWG's position as a key corporate governance and sustainability advocate domestically and within the region.”

CORPORATE GALLERY

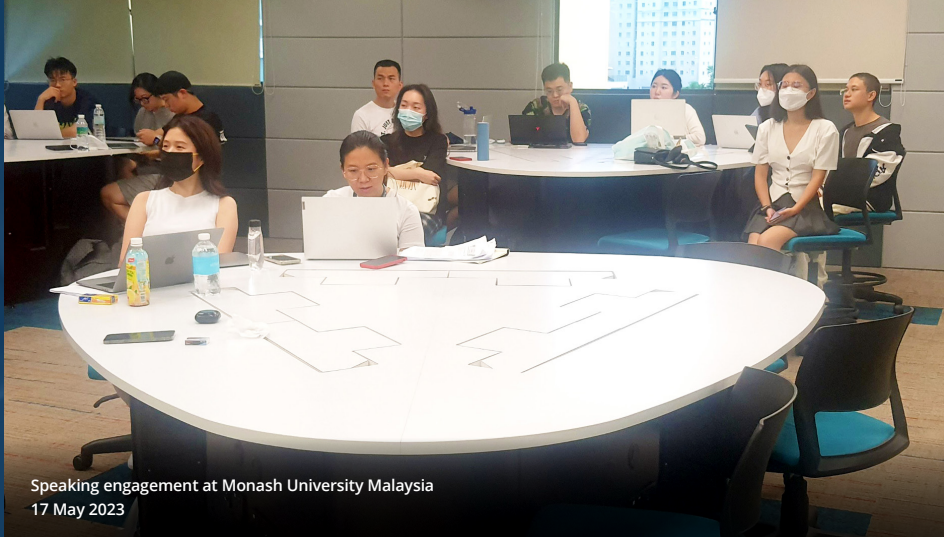




Engagement with Inland Revenue Board Malaysia
15 March 2023



Speaking engagement at Invest Fair 2023
4 June 2023



Speaking engagement at Monash University Malaysia
17 May 2023



MSWG 22nd Annual General Meeting
22 June 2023

CORPORATE GALLERY



New transfer framework to enhance vibrancy of LEAP and ACE Markets

BY LEE JIA HENG

Six years after the leading Singaporean stock exchange Platform – better known as the LEAP Market – was launched at Invest Malaysia Kuala Lumpur 2017, the alternative capital raising platform for small and medium enterprises (SMEs) finally has a new transfer framework for companies wanting to migrate to the ACE Market.

The new LEAP-to-ACE transfer framework, which took effect on April 15, allows an issuer to transfer its listing from the LEAP Market to the ACE Market without having to undergo a full IPO process. This is a significant milestone for the LEAP Market, which has been operating for nearly six years. The transfer framework is designed to provide a clear path for LEAP Market companies to migrate to the ACE Market and reach a broader pool of investors. "None-



Lee Jia Heng, Editor-in-Chief of MoneyWeek



Anwaris Wahyuni, Managing Director of MoneyWeek



Mohd Farhan Ezzudin, Managing Director of MoneyWeek



Anwaris Wahyuni, Managing Director of MoneyWeek

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Industry players want more pro-capital market measures

BY LEE WEN CHEN

A growing trend amongst industry players is to call for more pro-capital market measures. This is evident from the recent meeting of the MoneyWeek Investor Group, where industry leaders discussed the need for a more vibrant and investor-friendly capital market environment. The discussion centered on the challenges faced by companies and investors alike, and the measures that could be taken to address these issues. Key points raised included the need for improved corporate governance, enhanced transparency, and more robust regulatory frameworks. The industry players emphasized that a more pro-capital market environment is essential for attracting investment and fostering economic growth. They called for a balanced approach that addresses the concerns of both companies and investors, ensuring that the capital market remains a fair and efficient platform for all participants.

of having a dual-class share structure if the corresponding structure is not in place. This is not to say that dual-class structures are inherently bad, but they do raise concerns about the potential for abuse and the impact on minority shareholders. The industry players stressed the importance of clear and consistent rules regarding dual-class structures, ensuring that all shareholders are treated fairly and that the interests of minority shareholders are protected. They also highlighted the need for improved corporate governance and transparency, particularly in relation to the disclosure of information and the independence of the board of directors. The industry players called for a more balanced and investor-friendly capital market environment, one that encourages investment and fosters economic growth.

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MINORITY SHAREHOLDERS' DILEMMA: EYE OR MAY TO SHARE BUYBACKS

FRANCOIS DE VIVANESAN

Share buybacks have become a popular tool for companies to return value to shareholders. However, for minority shareholders, the decision to participate in a buyback can be a complex one. On the one hand, a buyback can increase the value of the remaining shares and provide a return on investment. On the other hand, it can also dilute the ownership of the company and potentially reduce the value of the shares. Minority shareholders need to carefully consider the implications of a buyback before deciding whether to participate. This article explores the dilemmas faced by minority shareholders when it comes to share buybacks and provides some guidance on how to make an informed decision.

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REASONS TO ADOPT ESG AGENDA



Devanesan

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CRITERIA HAVE BECOME AN ESSENTIAL PART OF COMPANIES' WORTH.

The ESG framework refers to three central factors that measure a company's sustainability and societal impact. Companies tend to adopt the ESG agenda for several reasons. First, it helps to attract and retain top talent, as employees are increasingly seeking companies that demonstrate a commitment to sustainability and social responsibility. Second, it can lead to improved financial performance, as companies with strong ESG ratings are often viewed as less risky and more attractive to investors. Third, it can help to build a strong reputation and brand, which can be a significant competitive advantage. Finally, it can contribute to long-term sustainability and resilience, as companies that address environmental, social, and governance issues are better positioned to withstand challenges and seize opportunities in the future.

These innovations can lead to a more sustainable and resilient company. ESG criteria have become an essential part of companies' worth, and investors are increasingly looking for companies that demonstrate a commitment to sustainability and social responsibility. Companies that address environmental, social, and governance issues are better positioned to attract and retain top talent, improve their financial performance, and build a strong reputation and brand. Finally, they are better positioned to withstand challenges and seize opportunities in the future.

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ENHANCING DECISION-MAKING: SHAREHOLDER ACTIVISM



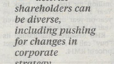
Devanesan

Shareholder activism refers to the actions taken by investors to influence the behavior of a company's management and board of directors. This can include actions such as filing proposals, engaging with management, and voting on shareholder resolutions. Shareholder activism has become an increasingly important part of corporate governance, as investors are becoming more active and vocal in their demands for transparency and accountability. This article explores the benefits of shareholder activism and provides some guidance on how to engage effectively with a company's management and board of directors.

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THE GOALS OF ACTIVIST SHAREHOLDERS CAN BE DIVERSE, INCLUDING PUSHING FOR CHANGES IN CORPORATE STRATEGY, ADVOCATING FOR BETTER ENVIRONMENTAL AND SOCIAL PRACTICES, DEMANDING IMPROVED FINANCIAL PERFORMANCE, OR SEEKING GREATER SHAREHOLDER RIGHTS.



Devanesan

Activist shareholders can have a variety of goals, ranging from pushing for changes in corporate strategy to advocating for better environmental and social practices. These activists can be individuals or groups of investors who are concerned about the company's performance and want to influence its behavior. They can use a variety of tactics to achieve their goals, including filing proposals, engaging with management, and voting on shareholder resolutions. Shareholder activism has become an increasingly important part of corporate governance, as investors are becoming more active and vocal in their demands for transparency and accountability. This article explores the different goals of activist shareholders and provides some guidance on how to engage effectively with a company's management and board of directors.

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GOLD STANDARD: EMBRACING HYBRID AGMS



Devanesan

Hybrid AGMs (Annual General Meetings) are a new format for companies to hold their general meetings. They combine the best features of both physical and virtual AGMs, allowing shareholders to participate in the meeting from anywhere. Hybrid AGMs can be a more inclusive and efficient way to hold general meetings, as they allow more shareholders to attend and participate in the discussion. This article explores the benefits of hybrid AGMs and provides some guidance on how to implement them effectively.

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WHILE HYBRID MEETINGS ARE THE BEST FOR THE SHAREHOLDERS, PERSPECTIVE, WE ARE CONCERNED THAT PUBLIC-LISTED COMPANIES TO HAVE HYBRID MEETINGS MAY BE OVERLY PRESCRIPTIVE.



Devanesan

While hybrid meetings are often seen as the best option for shareholders, there are concerns that public-listed companies may be overly prescriptive in their approach. This is particularly true in relation to the disclosure of information and the independence of the board of directors. Companies should ensure that they provide clear and consistent information to all shareholders and that the board of directors is independent and free from conflicts of interest. This article explores the concerns regarding prescriptive hybrid meetings and provides some guidance on how to ensure that hybrid meetings are conducted in a fair and transparent manner.

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LEGAL AND REGULATORY CONSIDERATIONS



Devanesan

Legal and regulatory considerations are an important part of any corporate strategy. Companies need to ensure that they are compliant with all applicable laws and regulations, and that they are taking steps to manage legal and regulatory risks. This is particularly true in relation to ESG issues, as there are a growing number of laws and regulations that relate to environmental, social, and governance matters. Companies should work closely with legal and regulatory experts to ensure that they are fully compliant and that they are taking appropriate steps to manage risks.

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DEVANESH EVANSON

INDEPENDENT DIRECTORS

THE 10 MUST-HAVE ATTRIBUTES

INDEPENDENT directors are crucial in promoting transparency, accountability and good governance within an organisation.

Self-assessment is becoming an increasingly popular assessment tool. But alas, it is fraught with conflicts of interest since you are assessing yourself.

As such, it is always better to get someone else to assess you even if that may prove to be an uncomfortable exercise. This is because we seldom take too kindly to criticism, even when they are constructive.

So, here is a 10-point checklist for independent directors:

Independence: Independence is the cornerstone attribute of an independent director. They should possess an impartial and objective mindset, free from any conflict of interest that could compromise their judgment.

Integrity: Integrity is of paramount importance for an independent director. They must maintain the highest ethical standards and act with honesty, fairness and transparency.

Expertise: Independent directors should bring diverse expertise and experience to the board. They should possess industry knowledge, financial acumen and strategic thinking abilities.

Analytical skills: Independent directors must have strong analytical skills to assess complex business situations, financial statements and regulatory frameworks.

Leadership: Independent directors should exhibit strong leadership qualities. They should be able to inspire and influence others, facilitate constructive boardroom discussions and mediate conflicts.

Sound judgment: Independent directors must possess sound judgment to evaluate risks, opportunities and strategic initiatives. They should be able to make informed decisions in the best interests of the organisation.

Integrity: Integrity is of paramount importance for an independent director. They must maintain the highest ethical standards and act with honesty, fairness and transparency.

Independence of mind: In addition to their independence from conflicts of interest, independent directors must also possess independence of mind. This means having the courage to express their views, even if they differ from the prevailing consensus.

Effective communication: Independent directors must be effective communicators. They should be able to articulate their thoughts clearly, listen actively and engage in constructive dialogue with fellow directors and management.

Commitment and dedication: Independent directors are expected to dedicate sufficient time and effort to fulfil their responsibilities. They should attend board and committee meetings regularly and actively participate in board activities.

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Continuous learning: Independent directors should embrace a mindset of continuous learning and professional development. They should stay updated on evolving governance practices, regulatory changes and emerging trends in their industry.

Every professional body has continuous professional education requirements. And such requirements must also apply to professional independent directors. Currently, such requirements are at a nascent stage in that the listing requirements only require all directors to attend training and disclose the training attended in the annual report.

In conclusion, independent directors play a critical role in corporate governance by providing impartial judgment, oversight, and guidance.

By embodying these attributes, independent directors can contribute to the long-term success and sustainability of the organisations they serve, while safeguarding the interests of stakeholders and upholding the principles.

The writer is chief executive officer of Minority Shareholders Watch Group.

举行更佳虚拟股东大会

小股东权益监管机构 (MSWG) 最近收到一封来自小股东的来信, 投诉一家上市公司的股东特别大会的召开方式。



前线把关 迪瓦尼山 MSWG总执行长

尽管如此, 我们还是致函给该上市公司, 要求他们回应小股东的指控。上市公司立即回复, 以下为投诉者和上市公司的答复信函摘要。

小股东的投诉:

疫情后, 上市公司会通过虚拟会议平台进行股东特别大会, 并提供远程参与和投票 (RPV)。

RPV 平台供应商的能力和素质参差不齐, 而且它们的营运还无需注册和没被管制。或者现在是什么时候要求这些平台供应商得获某种形式的注册或认证。

目前, 董事部有责任确保选定的平台供应商具备足够的能力和素质。一些上市公司的股东大会很简单直接, 可能不需要用到平台供应商提供优质服务。但有些公司的大会可能涉及复杂的过程, 例如混合型(线上+线下)股东大会, 因此可能需要平台供应商提供更广泛的服务。

没回答问题

关于我要投诉的特定, MSWG 被告知只有当天只有一项提案。投诉的小股东接着说, 不同的股东提出五道问题, 但没有一个获回答。公司给股东的答复是: "我们将通过电子邮件答复您"。

股东大会是股东提出问题和寻求答案的场所, 让所有出席会议的人都能知情。良好的上市公司会带着必要的信息和管理团队, 以及相关的顾问来到股东大会, 让所有的问题都可以在大会上得到解答。

上市公司的答复:

MSWG 的信尚发出一个星期内, 该公司就书面回答了我们的问题。在回覆中, 公司对因特大期间所产生的技术失误, 而导致他们延迟回答股东的问题深表歉意。

该公司指出, 他们之前以虚拟方式召开了年度股东大会, 这些会议进行得非常顺利, 没有出现任何故障。但是, 有时意外的错误总是无法预料的, 也超出了他们的控制

好。有时, 可能有一两个问题不能够即时给予准确的答案, 在这种情况下, 为了所有股东的利益, 稍后将答案发布在公司网站上是可以接受的。

私下回答股东的问题, 并不是对所有利益相关者有利的良好示范, 因为所有与会者都会想知道答案。

小股东还抱怨投票时间仅限于五分钟, 如果有数名家庭直成员使用同一个设备来投票, 分配的时间就不够用了。因为有可能有几名家庭成员都是同家上市公司的股东, 仅获分配五分钟事实上不足以让一名股东投票完成及登出后, 再换另一名股东使用不同的身份和账号来登录并投票。

我们被告知, 关于这种投票所需要的时间, 10 分钟是比较适合的, 因为一些人可能不善于使用科技, 尤其是那些老一小股东。最后, 该小股东分享说, 投票链接的通道是平台供应商 "在最后一分钟, 解锁的。而一些上市公司允许股东在会议开始后就可以马上投票。

我们不确定开放投票的时间是董事部的决定, 还是平台供应商系统里的限制。一些股东可能早已决定了他们想要如何投票, 并且可能不喜欢在股东大会期间参与长时间的会议。股东大会应该允许尽快投票, 而不是成为被奉串的观众, 得不到全程参与, 直到预定的投票程序开启时间。

范围, 尤其是在 "现场直播" 的会议期间。尽管如此, 该公司保证已采取必要的措施, 来确保这类事件不会在未来的股东大会上发生。该公司也将考虑调整分配给投票的时间以及投票链接开放时间, 并保证如果决定在不久将来再举行虚拟股东大会, 会努力重组流程。最后, 他们为自己的不足之处表示歉意, 并感谢 MSWG 的善意通知。

By embodying these attributes, independent directors can contribute to the long-term success and sustainability of the organisations they serve, while safeguarding the interests of stakeholders and upholding the principles.

MSWG 反对与马登交易 星报特大料有好戏! 原棕油价格下跌 马登净利挫65% 重资产先放准 重资产先放准

Pestech minorities caught between a rock and a hard place 可接受于两难, 他谈了马登。Pestech 在交易中的处境, 他谈了马登。Pestech 在交易中的处境, 他谈了马登。

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DIRECTORS

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

Datuk Mohd Nasir Bin Ali (Chairman)
 Datuk Gazali Bin Haji Harun
 Dato' Abdul Alim Bin Abdullah
 Muhammad Fitri Bin Othman
 Ms Selvarany a/p Rasiah (Appointed w.e.f 11 January 2024)
 Devanesan J.A. Evanson (Retired w.e.f 18 December 2023)
 Datuk Hajah Nik Amlizan Binti Mohamed (Retired w.e.f 22 June 2023)
 Puan Sharifatu Laila Syed Ali (Resigned w.e.f. 21 February 2024)

In accordance with Article 61 of the Company's Constitution, Datuk Mohd Nasir Bin Ali retire at the forthcoming 23rd Annual General Meeting and being eligible, have offered himself for re-election at the 23rd Annual General Meeting.

In accordance with Article 67 of the Company's Constitution, Ms Selvarany a/p Rasiah retire at the forthcoming 23rd Annual General Meeting and being eligible, have offered herself for re-election at the 23rd Annual General Meeting.

PRINCIPAL ACTIVITY

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

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

FINANCIAL RESULTS

	RM
Surplus for the financial year	438,775

RESERVES AND PROVISIONS

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

DIRECTORS' BENEFITS

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

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

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

DIVIDENDS

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

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

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

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

At the date of this report:

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

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

In the opinion of the Directors,

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

AUDITORS' REMUNERATION

Total fees for statutory audits provided by the Company's auditors amounted to RM18,100 (2022: RM15,000), while total fees for assurance related and non-audit services amounted to RM13,650 (2022:nil).

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

AUDITORS

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

This report was approved by the Board of Directors on 3 April 2024. Signed on behalf of the Board of Directors:

DATUK MOHD NASIR BIN ALI
DIRECTOR

DATUK GAZALI BIN HAJI HARUN
DIRECTOR

Kuala Lumpur
3 April 2024

STATEMENT OF COMPREHENSIVE INCOME

Ended 31 December 2023

	Note	2023 RM	2022 RM
Revenue	2	443,206	667,488
Grant	3	5,329,251	4,391,117
Other operating income	4	199,887	146,533
Staff costs	5	(3,138,909)	(3,095,849)
Depreciation of property and equipment		(283,772)	(268,069)
Finance cost		(19,448)	(19,911)
Other operating expenses	6	(1,887,122)	(1,093,872)
Total expenditure		(5,329,251)	(4,477,701)
Surplus before taxation	7	643,093	727,437
Taxation	8	(204,318)	129,358
Surplus for the financial year		438,775	856,795
Other comprehensive income:			
Items that may be reclassified subsequently to the profit or loss:			
Fair value change on financial investments at fair value through other comprehensive income			
Gross fair value charge		(305)	(18,251)
Net realized gain on disposal of equity instruments		113	151
Net fair value change		(192)	(18,100)
Total comprehensive income for the financial year		438,583	838,695

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

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	Note	2023 RM	2022 RM
NON-CURRENT ASSETS			
Property and equipment	9	216,634	295,522
Intangible assets	10	1	1
Right-of-use asset	11	276,105	483,185
Financial investments at fair value through other comprehensive income (FVOCI)	12	179,475	175,672
Deferred tax asset	13	193,162	232,530
		865,377	1,186,910
CURRENT ASSETS			
Other receivables, deposits and prepayments	14	386,147	329,958
Cash and cash equivalents	15	7,167,885	6,466,353
		7,554,032	6,796,311
LESS: CURRENT LIABILITIES			
Other payables and accruals		1,184,554	1,146,371
Lease liability	11	210,788	231,412
Deferred grant	3	425,632	390,883
Tax Liability		164,576	8,562
		1,985,550	1,777,228
LESS: NON-CURRENT LIABILITIES			
Lease liability	11	51,873	262,661
		51,873	262,661
TOTAL LIABILITIES		2,037,423	2,039,889
Net current assets		5,568,482	5,019,083
Net assets		6,381,986	5,943,332
REPRESENTED BY:			
General fund		5,801,000	5,801,000
Accumulated surplus		517,766	78,807
FVOCI reserve		63,220	63,525
		6,381,986	5,943,332

STATEMENT OF CHANGES IN GENERAL FUND AND RESERVE

Ended 31 December 2023

	General Fund RM	Accumulated Surplus RM	FVOCI Reserve RM	Total RM
At 1 January 2023	5,801,000	78,807	63,525	5,943,332
Comprehensive income:				
- Surplus for the financial year		438,775	-	438,775
Other comprehensive income: - Financial investments at FVOCI		-	(192)	(192)
Net realised gain on disposal of equity instruments	-	184	(113)	71
At 31 December 2023	5,801,000	517,766	63,220	6,381,986
At 1 January 2022	5,801,000	(778,458)	81,776	5,104,318
Comprehensive income:				
- Surplus for the financial year	-	856,795	-	856,795
Other comprehensive income: - Financial investments at FVOCI	-	-	(18,100)	(18,100)
Net realised gain on disposal of equity instruments	-	470	(151)	319
At 31 December 2022	5,801,000	78,807	63,525	5,943,332

STATEMENT OF CASH FLOWS

Ended 31 December 2023

	Note	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus before taxation		643,093	727,437
Adjustments for non-cash items:			
Subscriber services fee		(359,455)	(348,808)
Depreciation of right-of-use asset		207,079	208,522
Depreciation of property and equipment		76,693	59,547
Dividend income		(6,690)	(7,566)
Interest income		(197,223)	(127,055)
Finance cost		19,448	19,911
Loss on disposal of financial investments		-	294
Loss/(Gain) on disposal of property and equipment		4,026	(7,170)
		386,971	525,112
Changes in working capital:			
Receivables		(56,189)	(101,327)
Payables		42,637	(255,967)
Cash generated from operating activities		373,419	167,818
Subscriber services fee received		355,000	394,000
Dividend income received		6,690	7,566
Grant utilised		(5,329,251)	(4,391,117)
Tax paid		(8,937)	(8,264)
Net cash used in operating activities		(4,603,079)	(3,829,997)

Statement of Cash Flows

Ended 31 December 2023

	Note	2023 RM	2022 RM
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income received		197,223	127,055
Purchase of financial investments at FVOCI		(4,107)	(8,734)
Proceeds from disposal of financial investments at FVOCI		186	472
Purchase of property and equipment		(1,835)	(276,490)
Payment of lease liabilities		(250,860)	(217,999)
Proceeds from disposal of property and equipment		4	7,635
Net cash used in investing activities		(59,389)	(368,061)
CASH FLOWS FROM FINANCING ACTIVITIES			
Grant received		5,364,000	4,782,000
Net cash generated from financing activities		5,364,000	4,782,000
Increase in cash and cash equivalents during the financial year		701,532	583,942
Cash and cash equivalents at beginning of the financial year		6,466,353	5,882,411
Cash and cash equivalents at end of the financial year	15	7,167,885	6,466,353

A. BASIS OF PREPARATION

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

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

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

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

The Company has applied the following amendments for the first time for the financial year beginning on 1 January 2023:

i. Amendments to MFRS 116 on proceeds before intended use, effective for annual period beginning on or after 1 January 2023

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

ii. Annual Improvements to MFRSs 2018 - 2022 - effective 1 January 2023

- MFRS 16 “Leases” Illustrative Example 13

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

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

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

A. BASIS OF PREPARATION (CONTINUED)

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

The Company has applied the following amendments for the first time for the financial year beginning on 1 January 2023: (continued)

- ii. Annual Improvements to MFRSs 2018 - 2022 - effective 1 January 2023 (continued)

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

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

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

- iii. Amendments to MFRS 137 'Onerous Contracts – Cost of Fulfilling a Contract' - effective 1 January 2023

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

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

A. BASIS OF PREPARATION

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

i. Financial year beginning on/after 1 January 2023

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

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

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

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

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

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

A. BASIS OF PREPARATION (CONTINUED)

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

ii. Financial year beginning on/after 1 January 2024

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

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

The amendments shall be applied retrospectively.

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

The amendments shall be applied retrospectively.

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

B. PROPERTY AND EQUIPMENT

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

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

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

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

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

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

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

C. INCOME TAXES

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

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

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

C. INCOME TAXES (CONTINUED)

of an asset or liability in a transaction other than a business combination that at the time of the transactions affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

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

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

D. CASH AND CASH EQUIVALENTS

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

E. REVENUE RECOGNITION

Revenue is recognised on the following basis:

- (i) Contribution for publications and reports are recognised upon delivery of publications and reports.
- (ii) Income from forums and events is recognised upon performance of services.
- (iii) Income from subscriber services is recognised on an accrual basis.
- (iv) Interest income is recognised based on the effective interest method on an accrual basis.
- (v) 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

(a) Classification

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

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

(b) Recognition and derecognition

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

(c) Measurement

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

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

Debt instruments

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

H. FINANCIAL ASSETS (CONTINUED)

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

(i) Amortised cost

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

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

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

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

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

Equity Instruments

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

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

(d) Subsequent measurement - Impairment

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

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

I. LEASES

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

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

(a) Lease term

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

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

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

ROU assets are initially measured at cost comprising the following:

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

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

I. LEASES (CONTINUED)**(c) Lease liabilities**

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

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

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

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

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

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

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

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

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

K. CONTINGENT LIABILITIES AND CONTINGENT ASSETS (CONTINUED)

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

L. IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

Ended 31 December 2023

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 19 (2022: 18).

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

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

2. REVENUE

	2023	2022
	RM	RM
Forums and events	83,751	318,680
Subscriber services fee	443,206	667,488

3. GRANT

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

	2023	2022
	RM	RM
Balance as at 1 January	390,883	-
Grant received during the financial year	5,364,000	4,782,000
Grant utilised during the financial year	(5,329,251)	(4,391,117)
Balance as at 31 December	425,632	390,883

4. OTHER OPERATING INCOME

	2023	2022
	RM	RM
Dividend income	6,690	7,566
Interest income	197,223	127,055
Other income	(4,026)	11,912
	199,887	146,533

5. STAFF COSTS

	2023	2022
	RM	RM
Salaries and bonus	2,628,327	2,464,926
Defined contribution plan ('EPF')	389,343	367,285
Staff gratuity / Compensation	-	156,919
Other employee benefits	121,239	106,719
	3,138,909	3,095,849

The Chief Executive Officer has received salary and bonus of RM597,070 (2022: RM630,375) while contribution to EPF amounted to RM88,666 (2022: RM89,502).

6. OTHER OPERATING EXPENSES

	2023	2022
	RM	RM
Directors' fees	136,900	132,500
Associate Consultants	165,050	165,750
Malaysia-ASEAN Corporate Governance		
ASEAN Corporate Governance Scorecard Assessment	477,600	(83,850)
ASEAN Corporate Governance Award Ceremony	-	20,525
ASEAN Corporate Governance Report	-	(810)
DOMESTIC Sustainability Scorecard Assessment	314,420	-
MSWG's Annual Report	26,500	25,000
Rental expenses	17,469	17,806
Travelling, accommodation and promotion expenses	190,526	118,200
Telecommunication expenses	83,706	92,265
Insurance	182,554	159,563
Professional fees	143,887	123,800
Office expenses	117,512	97,493
Relocation of office expenses	-	189,982
Others	30,998	35,648
	1,887,122	1,093,872

During the financial year, Directors of the Company are covered under the Commercial Management Liability Insurance in respect of liabilities arising from acts committed in their capacity as, inter alia, Directors of the Company subject to the terms of the policy. The total amount of premium paid for the Commercial Management Liability Insurance by the Company was RM30,000 (2022 Directors' & Officers' Liability Insurance: RM25,500).

7. SURPLUS BEFORE TAXATION

	2023	2022
	RM	RM
Surplus before taxation is arrived at after (charging)/crediting:		
Auditors' remuneration		
· Statutory audit	(18,100)	(15,000)
· Agreed upon procedure	(13,650)	-
· Tax compliance	(6,300)	(6,000)
Directors' meeting attendance allowance	(64,900)	(50,000)
Interest income	197,723	127,055
Dividend income	6,690	7,566

8. TAXATION

	2023	2022
	RM	RM
Current year tax	165,000	17,250
Over provision of prior years' tax	(50)	(210)
Deferred tax (Note 13)	39,368	(146,398)
	204,318	(129,358)

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

	2023	2022
	RM	RM
Surplus before taxation	643,093	727,437
Tax calculated at the Malaysian tax rate of 26% (2022: 26%)	167,204	189,134
Tax effects of:		
· Expenses not deductible for tax purposes	89,225	109,647
· Income not subject to tax	(13,776)	(158,774)
· Utilisation of previously unrecognised tax losses	(19,747)	(253,352)
· Effects of different tax rate	(18,538)	(15,803)
· Over provision of prior years' tax	(50)	(210)
Taxation	204,318	(129,358)

9. PROPERTY AND EQUIPMENT

	Computer and Electronic Equipment RM	Furniture and Fittings RM	Office Equipment RM	Renovation RM	Total RM
2023					
Cost					
At 1 January 2023	242,776	124,612	64,031	77,444	508,863
Additions	1,835	-	-	-	1,835
Disposals	(46,262)	-	(11,128)	-	(57,390)
At 31 December 2023	198,349	124,612	52,903	77,444	453,308
Accumulated depreciation					
At 1 January 2023	129,493	28,355	45,167	10,326	213,341
Charge for the financial year	34,529	22,102	4,573	15,489	76,693
Disposals	(44,718)	-	(8,642)	-	(53,360)
At 31 December 2023	119,304	50,457	41,098	25,815	236,674
Net book value					
At 31 December 2023	79,045	74,155	11,805	51,629	216,634

9. PROPERTY AND EQUIPMENT (CONTINUED)

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

10. INTANGIBLE ASSETS

	DMS and website integration	
	2023	2022
	RM	RM
Cost		
At 1 January/ 31 December	399,662	399,662
Accumulated Amortisation		
At 1 January	399,661	399,661
Charge for the financial year	-	-
At 31 December	399,661	399,661
Net book value		
At 31 December 2023	1	1

11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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

	2023	2022
	RM	RM
Right-of-use assets:		
Property	276,105	483,185
Lease liabilities		
At 1 January	262,661	494,073

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

	RM
Depreciation charge on right-of-use assets:	
Finance cost	19,448
Expenses relating to short-term leases	207,079

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

Future minimum lease payments at 31 December 2023 are as follows:

	Minimum lease payment due		
	Within 1 year RM	1 – 3 years RM	Total RM
31 December 2023			
Lease payment	219,502	52,263	271,765
Finance cost	8,714	390	9,104
Net present value	210,788	51,873	262,661
	16,760	77,444	276,490
1 January 2023			
Lease payment	250,860	271,765	522,625
Finance cost	19,448	9,104	28,552
Net present value	231,412	262,661	494,073

12. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Future minimum lease payments at 31 December 2023 are as follows:

	2023 RM	2022 RM
At fair value:		
Quoted shares in Malaysia	179,475	175,672

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".

13. DEFERRED TAX ASSET/DEFERRED TAX LIABILITY

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

	2023 RM	2022 RM
Subject to income tax:		
Deferred tax assets	201,341	243,726
Deferred tax liabilities	(8,179)	(11,196)
	193,162	232,530

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

	2023 RM	2022 RM
At 1 January	232,530	86,132
Charged to profit or loss (Note 8)	(39,368)	146,398
· Property and equipment	3,017	(10,427)
· Right-of-use	(6,327)	2,713
· Subscriber fees	(12,908)	24,910
· Deferred grant	9,034	101,630
· Provisions	(32,184)	27,572
Charge to comprehensive income	-	-
At 31 December	193,162	232,530

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

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

	2023	2022
	RM	RM
Deferred tax assets (before offsetting)		
Provisions	95,331	127,515
Deferred grant	110,664	101,630
Right-of-use	(3,496)	2,831
Subscriber fees	-	11,750
	202,499	243,726
Deferred tax liabilities (before offsetting)		
Property and equipment	(8,179)	(11,196)
Subscriber fees	(1,158)	-
	(9,337)	(11,196)

The unabsorbed tax losses of the Company has been fully utilised in current year (2022: RM35,939) and no deferred tax assets are recognised as it is not probable that sufficient taxable profits will be available in the future. The deductible temporary differences have an expiry date of 7 years which is in line with Section 44(5F) of the Income Tax Act 1967 that comes into operation from year of assessment 2022 and subsequent years of assessment.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2023	2022
	RM	RM
Other receivables	29,500	64,305
Deposits and prepayments	356,647	265,653
	386,147	329,958

15. CASH AND CASH EQUIVALENTS

	2023	2022
	RM	RM
Cash and bank balances	344,486	367,801
Deposits with a financial institution	6,823,399	6,098,552
	7,167,885	6,466,353

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

	2023	2022
	%	%
Deposits with a financial institution	3.5	2.90

Deposits with a financial institution have an average maturity of 23 days (2022: 18 days).

16. FINANCIAL RISK MANAGEMENT

(a) Market risk

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

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

(b) Credit risk

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

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

	2023 RM	2022 RM
Other receivables, deposits and prepayments	386,147	329,958
Cash and cash equivalents	7,167,885	6,466,353

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

	Financial Institutions RM	Others RM
2023		
Other receivables, deposits and prepayments	-	386,147
Cash and cash equivalents	7,167,885	
	Financial Institutions RM	Others RM
2022		
Other receivables, deposits and prepayments	-	329,958
Cash and cash equivalents	6,466,353	-

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

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

The financial liabilities of the Company have no specific maturity.

(d) Fair value of financial instruments

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

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

The carrying amounts of the Company's financial assets and financial liabilities as at 31 December 2023 and 31 December 2022 approximate their fair values due to the limited term to maturity of these instruments or limited sensitivity to interest rates.

(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.

APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 3 April 2024.

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

We, Datuk Mohd Nasir Bin Ali and Datuk Gazali Bin Haji Harun, two of the Directors of Badan Pengawas Pemegang Saham Minoriti Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 5 to 34 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and financial performance of the Company for the financial year ended 31 December 2023 in accordance with the Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of Companies Act, 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 3 April 2024.

DATUK MOHD NASIR BIN ALI
DIRECTOR

DATUK GAZALI BIN HAJI HARUN
DIRECTOR

Kuala Lumpur

STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act, 2016

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

Subscribed and solemnly declared
by the abovenamed at Wilayah Persekutuan Kuala Lumpur
on 3 April 2024.

DATUK MOHD NASIR BIN ALI

Before me,
Mohd Aizuddin Bin Salim
Commissioner for Oath (*No. W958*)

Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

to the Members of Badan Pengawas Pemegang Saham Minoriti Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Badan Pengawas Saham Minoriti Berhad (“the Company”) give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Company, which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 34.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors’ report thereon

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

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

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

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

Responsibilities of the Directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

NIK SHAHRIZAL SULAIMAN
03747/05/2025 J
Chartered Accountant

Kuala Lumpur
3 April 2024

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **23rd Annual General Meeting (“AGM”)** of the Company will be held at the Meeting Room, Level 23, Unit 23-2, Menara AIA Sentral, No. 30, Jalan Sultan Ismail, 50250 Kuala Lumpur on **Thursday, 20 June 2024 at 2.30 p.m.** to transact the following ordinary business:

AGENDA

1. To receive and adopt the Company's Audited Financial Statements for the financial year ended 31 December 2023, together with the Directors' and Auditors' Reports thereon.
2. To approve the payment of Directors' Fee for the financial year ending 31 December 2024 as follows: **Ordinary Resolution 1**
 - (a) RM18,000 for the Chairman; and
 - (b) RM12,000 for each Non-Executive Director
3. To approve the payment of Directors' Meeting Allowance for the period from 21 June 2024 up to the date of the next AGM as follows: **Ordinary Resolution 2**
 - (i) Board Meetings:
 - (a) RM1,500 per meeting for the Chairman; and
 - (b) RM1,000 per meeting for each Non-Executive Director
 - (ii) Board Committee Meetings:
 - (a) RM800 per meeting for the Chairman; and
 - (b) RM500 per meeting for each Non-Executive Director
4. To re-elect the following Director who retires in accordance with Article 61 of the Constitution of the Company as Director of the Company: **Ordinary Resolution 3**
 - (a) Datuk Mohd Nasir bin Ali
5. To re-elect the following Director who retires in accordance with Article 67 of the Constitution of the Company as Director of the Company: **Ordinary Resolution 4**
 - (a) Ms Selvarany a/p Rasiah
6. To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

By Order of the Board

Chew Phye Keat
Secretary

Dated: 28 May 2024

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

Explanatory Notes:

(a) Agenda 1 – Audited Financial Statements

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

PROXY FORM

We, ofbeing a member of the Badan Pengawas Pemegang Saham Minoriti Berhad, hereby appoint of or failing him/her of as our proxy to attend and vote for us and on our behalf at the **23rd Annual General Meeting** of the said Company to be held on **Thursday, 20 June 2024 at 2.30 p.m.** and at any adjournment thereof.

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

		For	Against
Payment of Directors' Fees for year ending 31 December 2024	Ordinary Resolution 1		
Payment of Directors' Meeting Allowance for Board meetings and Board Committee meetings for the period from 21 June 2024 up to the date of the next AGM	Ordinary Resolution 2		
Re-election of Director who retire in accordance with Article 61 of the Company's Constitution:			
(a) Datuk Mohd Nasir bin Ali	Ordinary Resolution 3		
Re-election of Director who retire in accordance with Article 67 of the Company's Constitution:			
(a) Ms Selvarany a/p Rasiah	Ordinary Resolution 4		
Re-appointment of Messrs PricewaterhouseCoopers PLT as Auditors and to authorise the Directors to fix their remuneration	Ordinary Resolution 5		

Dated:

Director

Director/Secretary



MINORITY SHAREHOLDERS WATCH GROUP

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