



INSTITUTIONAL INVESTORS COUNCIL
MALAYSIA

2018 ANNUAL REPORT

CONTENT

| | |
|--|-----------|
| PROFILE OF INSTITUTIONAL INVESTORS COUNCIL MALAYSIA | 4 |
| → ESTABLISHMENT | 4 |
| → OBJECTIVES | 5 |
| MALAYSIAN CODE FOR INSTITUTIONAL INVESTORS (MCII) | 6 |
| → SIGNATORIES TO THE MCII | 7 |
| MEMBERSHIP | 8 |
| → CURRENT MEMBERS | 8 |
| → VALUE PROPOSITION FOR MEMBERS | 8 |
| MEMBERS OF THE COUNCIL BOARD | 9 |
| MEMBERS OF THE WORKING COMMITTEE | 12 |
| CHAIRMAN'S STATEMENT | 14 |
| REPORT OF THE COUNCIL BOARD MEMBERS | 15 |
| → ENGAGEMENT WITH COMPANIES | 15 |
| → SIGNING CEREMONY EVENTS | 16 |
| → ENGAGEMENT WITH REGULATORS | 16 |
| → ENGAGEMENT WITH OTHER STAKEHOLDERS | 17 |
| → PARTICIPATION AT EVENTS ORGANISED BY THIRD PARTIES | 18 |
| → IIC WEBSITE | 18 |
| → OTHER ADVOCACY ACTIVITIES | 19 |
| REPORT OF THE TREASURER FOR THE FINANCIAL YEAR 2018 | 20 |
| → FINANCIAL STATEMENTS | 20 |
| → FINANCIAL PERFORMANCE | 20 |
| → AUDITED FINANCIAL STATEMENTS | 21 |
| NOTICE OF FIRST ANNUAL GENERAL MEETING | 43 |

PROFILE OF INSTITUTIONAL INVESTORS COUNCIL (REGISTRATION NO: PPM-006-14-29122017)



→ ESTABLISHMENT

THE Institutional Investors Council Malaysia (IIC) was formed on 3 July 2015 following the launch of the Malaysian Code for Institutional Investors (MCII) on 27 June 2014. The role played by the institutional investors has been recognised as critical in the governance ecosystem by the Securities Commission Malaysia and was encapsulated as one of the recommendations in the Corporate Governance Blueprint 2011.

The IIC is envisaged to play an important role to represent the common interests of institutional investors in Malaysia. This industry-led initiative will be a platform to shape and influence a wider sphere of corporate governance culture through, among others, the effective adoption of the MCII.

The IIC was formally established under the Societies Act 1966 on 29 December 2017.



→ OBJECTIVES

- To represent the interests of institutional investors on matters affecting them and to act as a conduit between policy makers, regulators and institutional investors in relation to broader corporate governance issues;
- To provide vision and strategic direction in relation to the development of the Institutional Investors Council and future enhancement to the Malaysian Code for Institutional Investors (MCII);
- To advocate, provide guidance and monitor the adoption of the MCII among institutional investors and encouraging institutional investors to become signatories of the MCII; and
- To be the platform to influence good corporate governance culture by public listed companies as envisaged in the Corporate Governance Blueprint 2011.



MALAYSIAN CODE FOR INSTITUTIONAL INVESTORS (MCII)

PUBLISHED by the Securities Commission Malaysia (SC), the MCII which is one of the deliverables of the Corporate Governance (CG) Blueprint 2011 was jointly launched by the SC and Minority Shareholders Watch Group (MSWG) on 27 June 2014.

This initiative was one of the recommendations of the CG Blueprint for the formulation of an industry-driven code that is expected to strengthen the accountability of institutional investors to their own members and investors. In addition, institutional investors being major players in the global economy have significant influence over their investee companies due to the substantial stake they hold. This clout can provide them the ability to encourage both good governance and appropriate behaviour by their investee companies to ensure delivery of sustainable long-term value for their beneficiaries or clients.

The formulation of the MCII led by MSWG was done through the Steering and the Working Groups. The members of the Steering Committee comprised CEOs and key representatives from the institutional investors fraternity in Malaysia, namely Kumpulan Wang Simpanan Pekerja (KWSP), Kumpulan Wang Persaraan (Diperbadankan) (KWAP), Lembaga Tabung Angkatan Tentera (LTAT), Lembaga Tabung Haji (LTH), Permodalan Nasional Berhad (PNB), Pertubuhan Keselamatan Sosial (PERKESO), Malaysian Association of Asset Managers (MAAM), Malaysian Takaful Association (MTA), Private Pension Administrator Malaysia (PPAM) and MSWG.

The Expert and Observer Groups were also formed to provide input and expert opinion on the Code. Members of the Expert Group were PricewaterhouseCoopers Malaysia (PwC), Financial Reporting Council United Kingdom (FRC), International Corporate Governance Network (ICGN) and Governance for Owners UK while the Observer Group comprised of Securities Commission Malaysia (SC), Bursa Malaysia Berhad and Organisation for Economic Co-operation and Development (OECD).

Prior to the launch of the MCII, a joint Consultation Paper with Securities Commission on the MCII was issued in early 2014 to seek public feedback on the MCII. Various focus groups were engaged such as fund managers as well as unit trust and insurance companies to obtain feedback on the MCII.

The MCII was a significant milestone not just for MSWG but for the country as well by virtue of it being the first of such code in the ASEAN region.

The Code which is voluntary, sets out six key broad principles of effective stewardship by institutional investors, followed by guidance to help institutional investors understand and implement the principles.

In addition to economic considerations, the MCII advocates institutional investors to ensure that they invest in a responsible manner by having regard for corporate governance and sustainability of the company.

This Code requires institutional investors to explain how corporate governance has been adopted as an investment criteria and the measures they have taken to influence, guide and monitor investee companies.

Under the six key principles, institutional investors are expected to:

- Disclose the policies on their stewardship responsibilities;
- Monitor their investee companies;
- Engage with investee companies as appropriate;
- Adopt a robust policy on managing conflicts of interest which should be publicly disclosed;

- Incorporate corporate governance and sustainability considerations into the investment decision-making process; and
- Publish a voting policy.

The institutional investors are encouraged to be signatories of the MCII.

➔ SIGNATORIES TO THE MCII

AS at 31 December 2018, there are 20 signatories to the Code comprising the following institutions:

- ABERDEEN STANDARD INVESTMENTS (MALAYSIA) SDN BHD
- AFFIN HWANG ASSET MANAGEMENT BERHAD
- AIIMAN ASSET MANAGEMENT SDN BHD
- BNP PARIBAS ASSET MANAGEMENT MALAYSIA SDN BHD
- BNP PARIBAS ASSET MANAGEMENT NAJMAH MALAYSIAN SDN BHD
- PRINCIPAL ASSET MANAGEMENT BERHAD
(formerly known as CIMB-Principal Asset Management Berhad)
- PRINCIPAL ISLAMIC ASSET MANAGEMENT BERHAD
(formerly known as CIMB-Principal Islamic Asset Management Sdn Bhd)
- KUMPULAN WANG SIMPANAN PEKERJA
- KENANGA INVESTORS BERHAD
- KENANGA ISLAMIC INVESTORS BERHAD
- KHAZANAH NASIONAL BERHAD
- KUMPULAN WANG PERSARAAN (DIPERBADANKAN)
- NOMURA ASSET MANAGEMENT MALAYSIA SDN BHD
- NOMURA ISLAMIC ASSET MANAGEMENT SDN BHD
- PERTUBUHAN KESELAMATAN SOSIAL
- VALUECAP SDN BHD
- VCAP ASSET MANAGERS SDN BHD
- HERMES EQUITY OWNERSHIP SERVICES
- HERMES FUND MANAGERS
- LEGAL & GENERAL INVESTMENT MANAGEMENT

All signatories are expected to report annually their application of the principles of the Code on their website, annual report or other accessible forms.

To date, 10 signatories have published their Compliance Statements. These signatories are given one year from the date of them becoming signatories to publish their Compliance Statements. The other 10 signatories are expected to publish their Compliance Statements by end of 2019.

MEMBERSHIP

→ CURRENT MEMBERS

IIC has 12 members comprising:

- ABERDEEN STANDARD INVESTMENTS (MALAYSIA) SDN BHD
- KUMPULAN WANG SIMPANAN PEKERJA
- KHAZANAH NASIONAL BERHAD
- KUMPULAN WANG PERSARAAN (DIPERBADANKAN)
- LEMBAGA TABUNG ANGKATAN TENTERA
- LEMBAGA TABUNG HAJI
- LIFE INSURANCE ASSOCIATION OF MALAYSIA
- MINORITY SHAREHOLDERS WATCH GROUP
- PERMODALAN NASIONAL BERHAD
- PERTUBUHAN KESELAMATAN SOSIAL
- PRIVATE PENSION ADMINISTRATOR MALAYSIA
- VALUECAP SDN BHD

→ VALUE PROPOSITION FOR MEMBERS

➤ Opportunity to participate in IIC-led engagements

- Jointly engage with public-listed companies (PLCs)/investee companies in purposeful dialogue on the oversight of strategy, performance, relations with stakeholders, the management of risk, including shaping and influencing good CG practices in PLCs.
- Participate in engagements with regulators on market/industry issues.

➤ Opportunity to jointly promote common objectives, i.e. ESG agenda/CG

- Exert influence on other institutional investors and asset managers to inculcate similar CG practices across the board in one platform.

➤ Platform for Institutional Investors

- Access to knowledge sharing sessions conducted by institutional investors.
- Invitation to participate in conference/events organised by IIC/institutional investors at a special member rate.
- Access to networking opportunities with institutional investors from other countries and international corporate governance bodies.

MEMBERS OF THE COUNCIL BOARD

↓ DATO' WAN KAMARUZAMAN
WAN AHMAD



(Representing Kumpulan Wang Persaraan
[Diperbadankan])
Chairman (Resigned on 31 October 2018)

↓ SYED HAMADAH SYED
OTHMAN



(Representing Kumpulan Wang Persaraan
[Diperbadankan])
Chairman (Appointed on 1 November 2018)

↓ DATO' MOHAMAD NASIR
AB. LATIF



(Representing Kumpulan Wang Simpanan Pekerja)
Vice Chairman

↓ LYA RAHMAN



(Representing Minority Shareholders Watch Group)
Secretary (Resigned on 28 February 2019)
Adviser (Appointed on 1 March 2019)

↓ DEVANESAN EVANSON



(Representing Minority Shareholders Watch Group)
Secretary (Appointed on 1 March 2019)

↓ SHARIFATU LAILA SYED ALI



(Representing Valuecap Sdn Bhd)
Treasurer (Resigned on 31 July 2018)

↓ ROSLINA ABDUL RAHMAN



(Representing Valuecap Sdn Bhd)
Treasurer (Appointed on 1 August 2018)

↓ HUSAINI HUSSIN



(Representing Private Pension Administrator Malaysia)
Council Member

↓ DATIN PADUKA KARTINI
HAJI ABDUL MANAF



(Representing Permodalan Nasional Berhad)
Council Member

↓ MOHD FAZLI ZAINAL



(Representing Lembaga Tabung Haji)
Council Member (Resigned on 31 May 2018)

↓ MEOR KHAIRI MEOR
MOHD BAZID



(Representing Lembaga Tabung Haji)
Council Member (Appointed on 1 June 2018)

↓ SAIRA BANU CHARA DIN



(Representing Lembaga Tabung Angkatan Tentera)
Council Member

↓ JIV SAMMANTHAN



(Representing Khazanah Nasional Berhad)
Council Member

↓ DATO' DR SUZANA IDAYU
WATI OSMAN



(Representing Pertubuhan Keselamatan Sosial)
Council Member

↓ TOI SEE JONG



(Representing Life Insurance Association of Malaysia)
Council Member

↓ GERALD MICHAEL AMBROSE



(Representing Aberdeen Standard
Investments [Malaysia] Sdn Bhd)
Council Member

MEMBERS OF THE WORKING COMMITTEE

THE Working Committee has been formed to undertake special tasks and/or projects under the directions of the Members of the Council Board.

The current members of the Working Committee are as follows:

↓ ISMAIL ZAKARIA



(Representative of
Kumpulan Wang Persaraan
[Diperbadankan]) Chairman

↓ LYA RAHMAN



IIC Adviser

↓ DATO' DR SUZANA IDAYU
WATI OSMAN



(Representative of
Pertubuhan Keselamatan
Sosial)

↓ GERALD MICHAEL AMBROSE



(Representative of Aberdeen
Standard Investments
[Malaysia] Sdn Bhd)

↓ NOR AZAM YAHYA



(Representative of Kumpulan
Wang Simpanan Pekerja)

↓ AZHAR ABDUL LATIF



(Representative of Kumpulan
Wang Simpanan Pekerja)

↓ SUHANA DEWI SELAMAT



(Representative of Khazanah
Nasional Berhad)

↓ SITI SAFINAH SALLEH



(Representative of Khazanah
Nasional Berhad)

↓ RIZAL MOHAMED ALI



(Representative of
Kumpulan Wang Persaraan
[Diperbadankan])

↓ SAIRA BANU CHARA DIN



(Representative of Lembaga Tabung Angkatan Tentera)

↓ NOR ANIZA RAMLI



(Representative of Lembaga Tabung Haji)

↓ NIK MYSHANI NIK MOHAMED



(Representative of Permodalan Nasional Berhad)

↓ ZERINA BEGUM YUSOF



(Representative of Permodalan Nasional Berhad)

↓ ZAHIA AFIQAH ZAMRI



(Representative of Valuecap Sdn Bhd)

↓ NORIDA MARIA MOHD HATTA



IIC Secretariat

CHAIRMAN'S STATEMENT

ON behalf of the members of Council Board, it gives me great pleasure to present this Inaugural Annual Report for the Institutional Investors Council Malaysia (IIC).

For the record, my chairmanship to lead the IIC took effect on 1 November 2018 following the departure of Dato' Wan Kamaruzaman Wan Ahmad from Kumpulan Wang Persaraan (Diperbadankan) on 31 October 2018. Prior to that, the post of Treasurer also saw a change with Puan Roslina Abdul Rahman replacing Puan Sharifatu Laila Syed Ali with effect from 1 August 2018 following the latter's departure from Valuecap Sdn Bhd.

The Council Board with the assistance of the Working Committee have shown serious commitment in ensuring that IIC plays a strategic role in promoting and influencing governance in the capital market, particularly among its investee companies, while simultaneously stepping up its stewardship role in meeting its objectives.

It is heartening to note that having embarked on its journey in meeting strategic priorities that are aligned with the objectives of its establishment, IIC has received support from both regulators and other stakeholders in the whole investment chain and governance ecosystem to ensure successful implementation of its strategic priorities.

Since its establishment under the Societies Act 1966 on 29 December 2017, IIC has carried several company engagements effectively and collaboration with the regulators and other stakeholders in pursuing the Environment, Social and Governance (ESG) agenda.

I am also pleased to mention that from a slow start in 2014, the signatories to the Malaysian Code for Institutional Investors (MCII) have grown to 20 signatories with 10 of them having published their Compliance Statements to-date.

As part of our revenue generating exercise, IIC has initiated membership drive with all members of the Council Board signing up as members of the IIC while efforts will be stepped up to increase the number of members.

Moving forward, IIC will continue to focus on driving the agenda within the investment decision and corporate governance sphere of its investee companies vis-à-vis collaboration with regulators and other relevant stakeholders. Similarly, we shall continue to pursue collective engagement with investee companies on issues relating to corporate governance and performance as well as future direction and prospects of the companies.

In closing, on behalf of the Council Board Members, I would like to extend my sincere appreciation to the regulators, media and other stakeholders for their continued support.

My gratitude also goes to the members of the Council Board and Working Committee for their commitment and insights in driving and pushing IIC to meet its objectives.

I would also like to take this opportunity to express my appreciation to Dato' Wan Kamaruzaman Wan Ahmad and Puan Sharifatu Laila Syed Ali who had contributed and served the IIC during their tenure.

Last but not least, we welcome on board Puan Lya Rahman as an adviser to IIC. Backed by her track record in the realm of corporate governance, I believe she will be able to contribute and lead the running of the IIC as well as to be the spokesperson in promoting the agenda of IIC.



SYED HAMADAH SYED OTHMAN
Chairman
Institutional Investors Council Malaysia (IIC)



REPORT OF THE COUNCIL BOARD MEMBERS

2018 has been an eventful year for the IIC with many significant and successful initiatives and programmes carried out with the full support and commitment of the Members of the Council Board and Members of the Working Committee.

→ ENGAGEMENT WITH COMPANIES

IN line with one of its strategic priorities to enhance corporate governance in the capital market, three collective engagements with public-listed companies (PLCs) led by the members of the Council Board were held during the year. The engagements were well attended by the Chairman and Board Members, including the independent directors and senior management.

Among the issues raised were financial and operational highlights, future direction and prospects, business risks, governance and ESG matters.



➤ FGV HOLDINGS BERHAD
(9 March 2018)



➤ SAPURA ENERGY BERHAD
(21 May 2018)



➤ TOP GLOVE CORPORATION BERHAD
(13 September 2018)

↓ SIGNING CEREMONY EVENTS



- Kenanga Investors Group and its subsidiary, Kenanga Islamic Investors Berhad announced officially on 5 January 2018 that it had become the signatory of the Malaysian Code for Institutional Investors and affirmed their commitments in promoting responsible and sustainable practices within their investment management.



- Affin Hwang Asset Management Berhad and its subsidiary AIIMAN Asset Management Sdn Bhd issued a joint statement on 21 March 2018 to reaffirm their commitment in embracing environmental, social and governance (ESG) principles in their investment process.



- CIMB Principal and CIMB Principal Islamic Berhad announced officially on 26 July 2018 its commitment to the MCII to reflect their serious pledge to good corporate governance and sustainability aimed at delivering long-term value to shareholders.

↓ ENGAGEMENT WITH REGULATORS



- BURSA MALAYSIA BERHAD (Bursa) – 12 October 2018
Presentation by Bursa on their review work on sustainability practices of 67 PLCs (market cap above RM2 billion) followed by dialogue on the level of commitment by institutional investors to integrate ESG factors into its investment decision-making process.



- SECURITIES COMMISSION (SC) – 16 April 2018
Presentation by the SC on the New Malaysian Code on Corporate Governance (MCCG) and its Reporting Format.
- ➔ SECURITIES COMMISSION (SC) – 24 July 2018
Presentation by the SC on the findings on the selected practices in the new MCCG, improvement in key CG indicators, focus CG area for 2018 and leveraging technology to enhance monitoring of CG.

→ ENGAGEMENT WITH OTHER STAKEHOLDERS

→ MALAYSIAN ASSOCIATION OF ASSET MANAGERS (MAAM) – 8 June 2018

Presentation to the members of MAAM on the background and activities of IIC to get the buy-in from them to become signatories to the Code and signing up as members of IIC.



↗ ASIAN CORPORATE GOVERNANCE ASSOCIATION (ACGA) – 18 July 2018

Engagement with the representatives of ACGA during their visit to Kuala Lumpur as part of their assessment for the CG Watch 2018 Country Report.

→ WORLD WIDE FUND (WWF) – 30 July 2018

Presentation by the representatives of WWF on the role of WWF and the various global movements on sustainable finance with investor focus on banks.



↗ PRI PALM OIL ADVISORY COMMITTEE (PRI COMMITTEE) – 13 November 2018

Engagement with the PRI Committee on the Malaysian palm oil industry.

→ PARTICIPATION AT EVENTS ORGANISED BY THIRD PARTIES



- KWAP ENVIRONMENTAL CONFERENCE 2018 – 18 July 2018
Pledge made by the IIC at the Environmental Conference organised by KWAP.

We, the members of Institutional Investor Council (IIC) hereby pledge that:

- ⊕ We will abide by the six principles of the Malaysian Code for Institutional Investors that explicitly advocate the consideration of sustainability and good corporate governance into our decision-making process.
- ⊕ We will increase our effort in monitoring our investment companies on environmental sustainability.
- ⊕ We will build knowledge and understanding on environmental issues and share this knowledge to members and other stakeholders.



- OECD-ASIAN ROUND TABLE ON CORPORATE GOVERNANCE – 7-8 November 2018
En Ismail Zakaria, the Chairman of the IIC Working Committee participated as Panelist at the OECD-Asian Roundtable on Corporate Governance on “Recent Corporate Governance Developments in Malaysia”.

→ IIC WEBSITE



- IIC Website was officially launched on 18 July 2018. As at 16 April 2019, it has recorded 1,905 visitors. The IIC website can be accessed at www.iicm.org.my

→ OTHER ADVOCACY ACTIVITIES

IIC provided feedback and comments to the Questionnaire and Consultation Papers issued by Bursa Malaysia:

- **Bursa Malaysia's Questionnaire on Issues Relating to Disclosures in Announcements, Circulars, Annual Reports & Quarterly Reports**

This questionnaire seeks the views of industry associations' and their suggestions on the disclosures made in announcements, circulars and periodic reports as well as the frequency of interim reporting.
- **Proposed Review of the Main Market and ACE Market Listing Requirements in relation to Continuing Disclosure Obligations and Other Amendments (Consultation Paper 3/2018)**

This Consultation Paper seeks the views and comments from the public on the proposed amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements and ACE Market Listing Requirements in relation to the continuing disclosure obligations of listed issuers.
- **Consultation Paper Relating to Interim Financial Reporting Framework under the Listing Requirements (Consultation Paper 4/2018)**

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

REPORT OF THE TREASURER FOR THE FINANCIAL YEAR 2018

→ FINANCIAL STATEMENTS

THE Council Board is responsible for the preparation and fair presentation of the financial statements of the Institutional Investors Council Malaysia (“IICM”) in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the requirements of the Societies Act 1966.

→ FINANCIAL PERFORMANCE

FOR financial year (“FY”) 2018, IICM recorded total revenue of RM157,499 mainly derived from joining and membership fees from its members, as well as contributions received from Kumpulan Wang Persaraan (Diperbadankan) and Minority Shareholders Watch Group (“MSWG”). The proceeds received from MSWG represents the balance of the funds contributed by the Capital Market Development Fund (“CMDP”).

During the financial year, IICM incurred operating expenditure amounting to RM78,956, which mainly made up of professional fees, particularly for secretarial services, external audit fees, tax compliance service fees as well as fees incurred for the development of its website.

On the overall, during its maiden year of operation, IICM generated a net surplus of RM78,096 and reported a cash balance at year end of RM96,069. In this regard, to further broaden the revenue base, the Council Board will intensify its effort to increase the number of members through the membership drive programme as well as through organising events on governance related matters.

As part of its primary objective, the Council Board intends to continuously drive the governance agenda by promoting the adoption of strong governance culture amongst public listed companies, which is fundamental in preparing corporate Malaysia for greater challenges ahead.

Society No.

PPM-006-14-29122017

INSTITUTIONAL INVESTORS COUNCIL MALAYSIA

(Registered under the Societies Act, 1966)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 29 DECEMBER 2017 (DATE OF ESTABLISHMENT)
TO 31 DECEMBER 2018

INSTITUTIONAL INVESTORS COUNCIL MALAYSIA
(Registered under the Societies Act, 1966)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 29 DECEMBER 2017
(DATE OF ESTABLISHMENT) TO 31 DECEMBER 2018

| CONTENTS | PAGE(S) |
|---|---------|
| COUNCIL BOARD MEMBERS' REPORT | 23 - 25 |
| STATEMENT OF COMPREHENSIVE INCOME | 26 |
| STATEMENT OF FINANCIAL POSITION | 27 |
| STATEMENT OF CHANGES IN ACCUMULATED FUNDS | 28 |
| STATEMENT OF CASH FLOWS | 29 |
| NOTES TO THE FINANCIAL STATEMENTS | 30 - 37 |
| STATEMENT BY COUNCIL BOARD MEMBERS | 38 |
| STATUTORY DECLARATION | 38 |
| INDEPENDENT AUDITORS' REPORT | 39 - 42 |

Society No.

PPM-006-14-29122017

INSTITUTIONAL INVESTORS COUNCIL MALAYSIA

(Registered under the Societies Act, 1966)

**COUNCIL BOARD MEMBERS' REPORT
FOR THE FINANCIAL PERIOD FROM 29 DECEMBER 2017
(DATE OF ESTABLISHMENT) TO 31 DECEMBER 2018**

The Council Board Members hereby submit the report and the audited financial statements of the Institutional Investors Council Malaysia (the "Council") for the financial period from 29 December 2017 (date of establishment) to 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activities of the Council, which was formed on 3 July 2015, is to represent the interests of institutional investors on matters affecting them and to act as a conduit between policy makers, regulators and institutional investors in relation to broader corporate governance issues by providing vision and strategic direction in relation to the development of the Institutional Investors Council and future enhancement to the Malaysian Code for Institutional Investors ("MCII"). The Council also advocates, provides guidance and monitors the adoption of the MCII among institutional investors, encourages institutional investors to become signatories of the MCII as well as to be the platform to influence good corporate governance culture by public listed companies. The Council was formally established under the Societies Act 1966 on 29 December 2017.

FINANCIAL RESULTS

RM

Net surplus for the financial period

78,096**COUNCIL BOARD MEMBERS**

The Council Board Members who served the Council from date of establishment to the date of the report are:

| | |
|--|----------------|
| Dato' Wan Kamaruzaman bin Wan Ahmad (resigned on 31 October 2018) | Chairman |
| Syed Hamadah Bin Syed Othman (appointed on 1 November 2018) | Chairman |
| Dato' Mohamad Nasir Bin Ab. Latif | Vice Chairman |
| Lya Rahman (resigned on 28 February 2019) | Secretary |
| Devanesan Evanson (appointed on 1 March 2019) | Secretary |
| Sharifatu Laila Syed Ali (resigned on 31 July 2018) | Treasurer |
| Roslina Binti Abdul Rahman (appointed on 1 August 2018) | Treasurer |
| Husaini Bin Hussin | Council Member |
| Datin Paduka Kartini Binti Haji Abdul Manaf | Council Member |
| Mohd Fazli bin Zainal (resigned on 31 May 2018) | Council Member |
| Meor Khairi Bin Meor Mohd Bazid (appointed on 1 Jun 2018) | Council Member |
| Saira Banu Binti Chara Din | Council Member |
| Sheranjiv A/L M Sammanthan | Council Member |
| Dato' Dr. Suzana Idayu Wati Binti Osman | Council Member |
| Toi See Jong | Council Member |

INSTITUTIONAL INVESTORS COUNCIL MALAYSIA

(Registered under the Societies Act, 1966)

**COUNCIL BOARD MEMBERS' REPORT
FOR THE FINANCIAL PERIOD FROM 29 DECEMBER 2017
(DATE OF ESTABLISHMENT) TO 31 DECEMBER 2018 (CONTINUED)**

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Council were prepared, the Council Board Members took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Council had been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Council Board Members are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Council misleading; or
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Council misleading or inappropriate.
- (c) At the date of this report:
- (i) there are no charges on the assets of the Council which have arisen since the end of the financial period which secures the liabilities of any other person; and
 - (ii) there are no contingent liabilities in the Council which have arisen since the end of the financial period.
- (d) No contingent or other liability of the Council has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the Council Board Members, will or may affect the ability of the Council to meet its obligations when they fall due.
- (e) At the date of this report, the Council Board Members are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Council which would render any amount stated in the respective financial statements misleading.
- (f) In the opinion of the Council Board Members:
- (i) the results of the operations of the Council during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (ii) there has not arisen in the interval between the end of the financial period 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 Council for the financial period in which this report is made.

Society No.

PPM-006-14-29122017

INSTITUTIONAL INVESTORS COUNCIL MALAYSIA

(Registered under the Societies Act, 1966)

**COUNCIL BOARD MEMBERS' REPORT
FOR THE FINANCIAL PERIOD FROM 29 DECEMBER 2017
(DATE OF ESTABLISHMENT) TO 31 DECEMBER 2018 (CONTINUED)****AUDITORS' REMUNERATION**

Details of auditors' remuneration are set out in Note 4 to the financial statements.

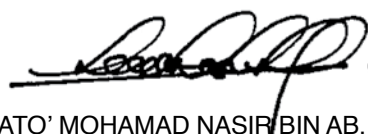
AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept the appointment as auditors.

This report was approved by the Council Board Members on 17 May 2019. Signed on behalf of the Council Board Members:



SYED HAMADAH BIN SYED OTHMAN
COUNCIL BOARD MEMBER



DATO' MOHAMAD NASIR BIN AB. LATIF
COUNCIL BOARD MEMBER

Kuala Lumpur

INSTITUTIONAL INVESTORS COUNCIL MALAYSIA

(Registered under the Societies Act, 1966)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 29 DECEMBER 2017
(DATE OF ESTABLISHMENT) TO 31 DECEMBER 2018

| | Note | 29.12.17 (date of establishment) to 31.12.18 RM |
|--------------------------------------|------|---|
| REVENUE | | |
| Joining fees | | 41,000 |
| Membership fees | | 55,000 |
| Contribution/Commission from events | 3 | 61,499 |
| Total revenue | | 157,499 |
| LESS: EXPENSES | | |
| Operating expenses | 4 | (78,956) |
| Total expenses | | (78,956) |
| Surplus before taxation | | 78,543 |
| Tax expense | 5 | (447) |
| Net surplus for the financial period | | 78,096 |

Society No.

PPM-006-14-29122017

INSTITUTIONAL INVESTORS COUNCIL MALAYSIA
(Registered under the Societies Act, 1966)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

| | <u>Note</u> | <u>2018</u> RM |
|----------------------------------|-------------|----------------------|
| CURRENT ASSET | | |
| Cash at bank | | 96,069 |
| | | <u>96,069</u> |
| LESS: CURRENT LIABILITIES | | |
| Payables | 6 | 17,526 |
| Provision for taxation | 5 | 447 |
| | | <u>17,973</u> |
| NET ASSETS | | <u><u>78,096</u></u> |
| FINANCED BY: | | |
| Accumulated funds | | <u><u>78,096</u></u> |

INSTITUTIONAL INVESTORS COUNCIL MALAYSIA
(Registered under the Societies Act, 1966)

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE FINANCIAL PERIOD FROM 29 DECEMBER 2017
(DATE OF ESTABLISHMENT) TO 31 DECEMBER 2018**

| | <u>Total</u> RM |
|--------------------------------------|--------------------|
| As at 29 December 2017 | - |
| Net surplus for the financial period | 78,096 |
| At 31 December 2018 | <u>78,096</u> |

Society No.

PPM-006-14-29122017

INSTITUTIONAL INVESTORS COUNCIL MALAYSIA

(Registered under the Societies Act, 1966)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 29 DECEMBER 2017
(DATE OF ESTABLISHMENT) TO 31 DECEMBER 2018

| | 29.12.17 (date of establishment) to 31.12.18 RM |
|--|---|
| Cash flows from operating activities | |
| Membership and Joining fees received | 96,000 |
| Contribution received from MSWG | 31,999 |
| Contribution received from KWAP | 29,500 |
| Cash paid to suppliers | (61,430) |
| Net cash flows generated from operating activities | <u>96,069</u> |
| Net increase in cash and cash equivalents | 96,069 |
| Cash and cash equivalents at the date of establishment | <u>-</u> |
| Cash and cash equivalents at end of the financial year | <u><u>96,069</u></u> |

[(Note: Contribution received from Minority Shareholders Watch Group ("MSWG") represents the balance of funds contributed by the Capital Market Development Fund ("CMDF"))]

INSTITUTIONAL INVESTORS COUNCIL MALAYSIA

(Registered under the Societies Act, 1966)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 29 DECEMBER 2017 (DATE OF ESTABLISHMENT) TO 31 DECEMBER 2018

1 GENERAL INFORMATION

The Council is incorporated and domiciled in Malaysia under the Societies Act 1966 on 29 December 2017.

The objects of the Council are to represent the interests of institutional investors on matters affecting them and to act as a conduit between policy makers, regulators and institutional investors in relation to broader corporate governance issues by providing vision and strategic direction in relation to the development of the Institutional Investors Council and future enhancement to the Malaysian Code for Institutional Investors ("MCII"). The Council also advocates, provides guidance and monitors the adoption of the MCII among institutional investors, encourages institutional investors to become signatories of the MCII as well as to be the platform to influence good corporate governance culture by public listed companies.

The address of the registered office of the Council is 11th Floor, Bangunan KWSP, No.3 Changkat Raja Chulan, Off Jalan Raja Chulan, 50200 Kuala Lumpur.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements.

(a) Basis of preparation of the financial statements

The financial statements of the Council have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The financial statements have been prepared under the historical cost convention, as modified by financial assets at fair value through profit or loss.

The financial statements are presented in Ringgit Malaysia ("RM"), unless otherwise stated.

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 revenues and expenses during the reported period.

Society No.

PPM-006-14-29122017

INSTITUTIONAL INVESTORS COUNCIL MALAYSIA

(Registered under the Societies Act, 1966)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 29 DECEMBER 2017
(DATE OF ESTABLISHMENT) TO 31 DECEMBER 2018 (CONTINUED)**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation of the financial statements (continued)

- (i) Standards, amendments to published standards and interpretations that are effective:

The Council has applied the following amendments for the first time for the financial period beginning on 29 December 2017:

- **MFRS 9 'Financial Instruments'**

MFRS 9 'Financial Instruments' became effective for annual periods beginning on or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in MFRS 139.

Classification and measurement of debt assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest ("SPPI"). MFRS 9 also introduces a new expected credit loss ("ECL") impairment model.

The Council applied MFRS 9 'Financial Instruments' for the first time in the 2018 financial statements with the date of initial application of 1 January 2018. The standard is applied retrospectively.

- **MFRS 15 'Revenue from contracts with customers'**

The Council applied MFRS 15 for the first time in the 2018 financial statements with the date of initial application of 1 January 2018 by using the modified retrospective transition method.

Under the modified retrospective transition method, the council applies the new policy retrospectively only to contracts that are not completed contracts at the date of initial application.

The accounting policy for recognition of revenue under MFRS 15 is disclosed in accounting policy (F).

INSTITUTIONAL INVESTORS COUNCIL MALAYSIA

(Registered under the Societies Act, 1966)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 29 DECEMBER 2017
(DATE OF ESTABLISHMENT) TO 31 DECEMBER 2018 (CONTINUED)**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments

(i) Classification

The Council classifies its financial assets as those to be measured at amortised cost.

The Council classifies its financial assets based on both the Council's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

The Council classifies cash and cash equivalents (Note 2) as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Council classifies payables and provision of taxation as financial liabilities measured at amortised cost.

(ii) Recognition and measurement

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Council becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Council has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective interest method.

Society No.

PPM-006-14-29122017

INSTITUTIONAL INVESTORS COUNCIL MALAYSIA

(Registered under the Societies Act, 1966)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 29 DECEMBER 2017
(DATE OF ESTABLISHMENT) TO 31 DECEMBER 2018 (CONTINUED)**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

(iii) Impairment

The Council measures credit risk and expected credit losses using probability of default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Council.

Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due or a counterparty credit rating which has fallen below BBB/Baa.

Definition of default and credit-impaired financial assets

Any contractual payment which is more than 90 days past due is considered credit impaired.

Write-off

The Council writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Council may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial year.

INSTITUTIONAL INVESTORS COUNCIL MALAYSIA

(Registered under the Societies Act, 1966)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 29 DECEMBER 2017
(DATE OF ESTABLISHMENT) TO 31 DECEMBER 2018 (CONTINUED)**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Income Taxes

Current tax expense is determined according to Malaysian tax laws and includes all taxes based upon the taxable profits.

(d) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at bank.

(e) Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method.

(f) Revenue Recognition

The Council recognises revenue when the amount of revenue can be reliably measured, and when it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Council's activities as described below.

(i) Joining fees

Joining fees are recognised upon approval of admission to the Council by the Council Board of which the fees are based on the size of Asset Under Management ("AUM") of the approved member as stipulated in the Constitution.

(ii) Membership fees

Annual subscription on fees charged to all members are recognised on an accrual basis. Such fees are determined by the Council Board as stipulated in the Constitution.

(iii) Contribution/Commission from event fees

Income earned from contribution made by any of the members of the Council is recognised when such income is received.

Society No.

PPM-006-14-29122017

INSTITUTIONAL INVESTORS COUNCIL MALAYSIA

(Registered under the Societies Act, 1966)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 29 DECEMBER 2017
(DATE OF ESTABLISHMENT) TO 31 DECEMBER 2018 (CONTINUED)

3 CONTRIBUTION/COMMISSION FROM EVENTS

| | 29.12.17 (date of establishment) to 31.12.18 RM |
|--|---|
| Contribution from Kumpulan Wang Persaraan (Diperbadankan) ("KWAP") | 29,500 |
| Contribution from Minority Shareholders Watch Group ("MSWG") | 31,999 |
| | <u>61,499</u> |

(Note: Contribution from MSWG represents the balance of fund contributed by the CMDF)

4 OPERATING EXPENSES

| | 29.12.17 (date of establishment) to 31.12.18 RM |
|--------------------------|---|
| Tax agent fee | 2,500 |
| Audit fee | 5,000 |
| MSWG Secretariat Fee # | 68,400 |
| Material & Supplies | 2,813 |
| Other operating expenses | 243 |
| | <u>78,956</u> |

MSWG being one of the members of the Council, provides basic secretariat services to the Council at pre-agreed terms between both parties.

Society No.

PPM-006-14-29122017

INSTITUTIONAL INVESTORS COUNCIL MALAYSIA

(Registered under the Societies Act, 1966)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 29 DECEMBER 2017
(DATE OF ESTABLISHMENT) TO 31 DECEMBER 2018 (CONTINUED)

5 TAXATION

29.12.17
(date of
establishment)
to 31.12.18
RM

| | |
|--------------------|-----|
| Income tax | |
| - current year tax | 447 |

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

29.12.17
(date of
establishment)
to 31.12.18
RM

| | |
|--|----------|
| Surplus before taxation | 78,543 |
| Taxable Contribution | 61,499 |
| Less: Common Expenses | (31,587) |
| Chargeable Income | 29,912 |
| Tax calculated for the first RM5,000 at Malaysian tax rate of 0% | - |
| Tax calculated for the next RM15,000 at Malaysia tax rate of 1% | 150 |
| Tax calculated for the remaining balance at Malaysian tax rate of 3% | 297 |
| Taxation | 447 |

6 PAYABLES

2018
RM

| | |
|---------------------------|--------|
| Professional fees payable | 17,500 |
| Other payable | 26 |
| | 17,526 |

Society No.

PPM-006-14-29122017

INSTITUTIONAL INVESTORS COUNCIL MALAYSIA

(Registered under the Societies Act, 1966)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 29 DECEMBER 2017
(DATE OF ESTABLISHMENT) TO 31 DECEMBER 2018 (CONTINUED)****7 COMPARATIVE FIGURES**

There are no comparative figures as this is the first set of financial statements.

8 AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements have been authorised for issue in accordance with a resolution of the Council Board Members on 17 May 2019.

Society No.

PPM-006-14-29122017

INSTITUTIONAL INVESTORS COUNCIL MALAYSIA

(Registered under the Societies Act, 1966)

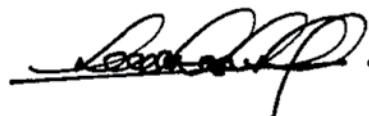
STATEMENT BY COUNCIL BOARD MEMBERS

We, Syed Hamadah bin Syed Othman and Dato' Mohamad Nasir bin Ab. Latif, two of the Council Board Members of Institutional Investors Council Malaysia., do hereby state that, in the opinion of the Council Board Members, the accompanying financial statements set out on pages 4 to 15 are drawn up so as to give a true and fair view of the financial position of the Council as at 31 December 2018 and financial performance of the Council for the financial year ended 31 December 2018 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirement of the Societies Act, 1966 in Malaysia.

Signed on behalf of the Council Board Members in accordance with a resolution of the Council dated 17 May 2019.



SYED HAMADAH BIN SYED OTHMAN
COUNCIL BOARD MEMBER



DATO' MOHAMAD NASIR BIN AB. LATIF
COUNCIL BOARD MEMBER

Kuala Lumpur

STATUTORY DECLARATION BY TREASURER

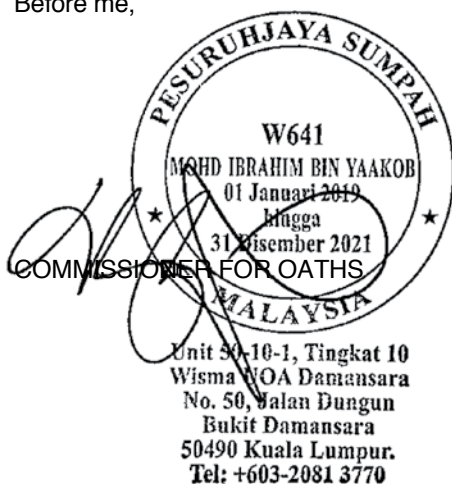
I, Roslina Binti Abdul Rahman, being the Officer primarily responsible for the financial management of Institutional Investors Council Malaysia., do solemnly and sincerely declare that the financial statements set out on pages 4 to 15 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



ROSLINA BINTI ABDUL RAHMAN

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur, Malaysia on

Before me,





INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE INSTITUTIONAL INVESTORS COUNCIL MALAYSIA
 (Registered under the Societies Act, 1966)
 (Society No. PPM-006-14-29122017)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Institutional Investors Council Malaysia ("the Council") give a true and fair view of the financial position of the Council as at 31 December 2018, and of its financial performance and its cash flows for the financial period from 29 December 2017 (date of establishment) to 31 December 2018 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Societies Act, 1966 in Malaysia.

What we have audited

We have audited the financial statements of the Council, which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the financial period from 29 December 2017 (date of establishment) to 31 December 2018, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 4 to 15.

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

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



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE INSTITUTIONAL INVESTORS COUNCIL MALAYSIA
(CONTINUED)**

(Registered under the Societies Act, 1966)

(Society No. PPM-006-14-29122017)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

Our opinion on the financial statements of the Council 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 Council, 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 Council 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 Council Board Members for the financial statements

The Council Board Members are responsible for the preparation of the financial statements of the Council that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Societies Act, 1966 in Malaysia. The Council Board Members is also responsible for such internal control as the Council Board Members determine is necessary to enable the preparation of financial statements of the Council that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Council, the Council Board Members are responsible for assessing the Council'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 Council Board Members either intend to liquidate the Council or to cease operations, or have no realistic alternative but to do so.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE INSTITUTIONAL INVESTORS COUNCIL MALAYSIA (CONTINUED)

(Registered under the Societies Act, 1966)

(Society No. PPM-006-14-29122017)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Council 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 Council, 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 Council's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council Board Members.
- (d) Conclude on the appropriateness of the Council Board Members' 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 Council'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 Council 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 Council to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Council, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE INSTITUTIONAL INVESTORS COUNCIL MALAYSIA
(CONTINUED)**

(Registered under the Societies Act, 1966)
(Society No. PPM-006-14-29122017)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

OTHER MATTERS

This report is made solely to the members of the Council, as a body, in accordance with the Societies Act, 1966 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to read 'Pricewaterhousecoopers PLT'.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Manjit Singh A/L Hajander Singh'.

MANJIT SINGH A/L HAJANDER SINGH
02954/03/2021 J
Chartered Accountant

Kuala Lumpur
14 June 2019



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **1st Annual General Meeting** of the Institutional Investors Council Malaysia will be held at the 11th Floor, Bangunan KWSP, No. 3, Changkat Raja Chulan, Off Jalan Raja Chulan, 50200 Kuala Lumpur on **Thursday, 27 June 2019** at **10.00 a.m.**

AGENDA

Ordinary Business

1. To receive the Council Board's report on the activities of the Association in 2018.
2. To receive the Treasurer's report and the Audited Financial Statements for the financial period from 29 December 2017 (date of establishment) to 31 December 2018, together with the Directors' and Auditors' Reports thereon.
3. To elect the Council Board Members.
4. To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Association for the ensuing year and to authorise the Directors to fix their remuneration.

Special Business

To consider and if thought fit, to pass the following Special Resolution:

5. Proposed Alteration or Amendment to the Constitution of the Association

Proposed Alteration or Amendment of the Constitution of the Association "THAT approval be and is hereby given to alter or amend the whole of the existing Constitution of the Association by the replacement thereof with a new Constitution of the Association as set out in Appendix A with immediate effect AND THAT the Council Board of the Association be and is hereby authorised to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

6. To transact any other ordinary business which may be transacted at any Annual General Meeting.

By Order of the Board

A handwritten signature in black ink, appearing to read 'Devanesan Evanson', is written over a horizontal line.

Devanesan Evanson
Secretary

Dated: 4 June 2019

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

[THIS PAGE IS INTENTIONALLY LEFT BLANK]



PROXY FORM

We, of
..... being an Ordinary Member of
the Institutional Investors Council Malaysia, hereby appoint
..... of
.....or failing him/her
..... of
.....

as our proxy to attend and vote for us and on our behalf at the **1st Annual General Meeting** of the
said Association to be held on **Thursday, 27 June 2019 at 10.00 a.m.** and at any adjournment
thereof.

Dated:

Signature

Company's Stamp

[THIS PAGE IS INTENTIONALLY LEFT BLANK]

INSTITUTIONAL INVESTORS COUNCIL MALAYSIA SECRETARIAT

11th Floor, Bangunan KWSP
No. 3, Changkat Raja Chulan
Off Jalan Raja Chulan
50200 Kuala Lumpur
Tel: (603) 2070 9090 Fax: (603) 2070 9107

iicmsecretariat@mswg.org.my

