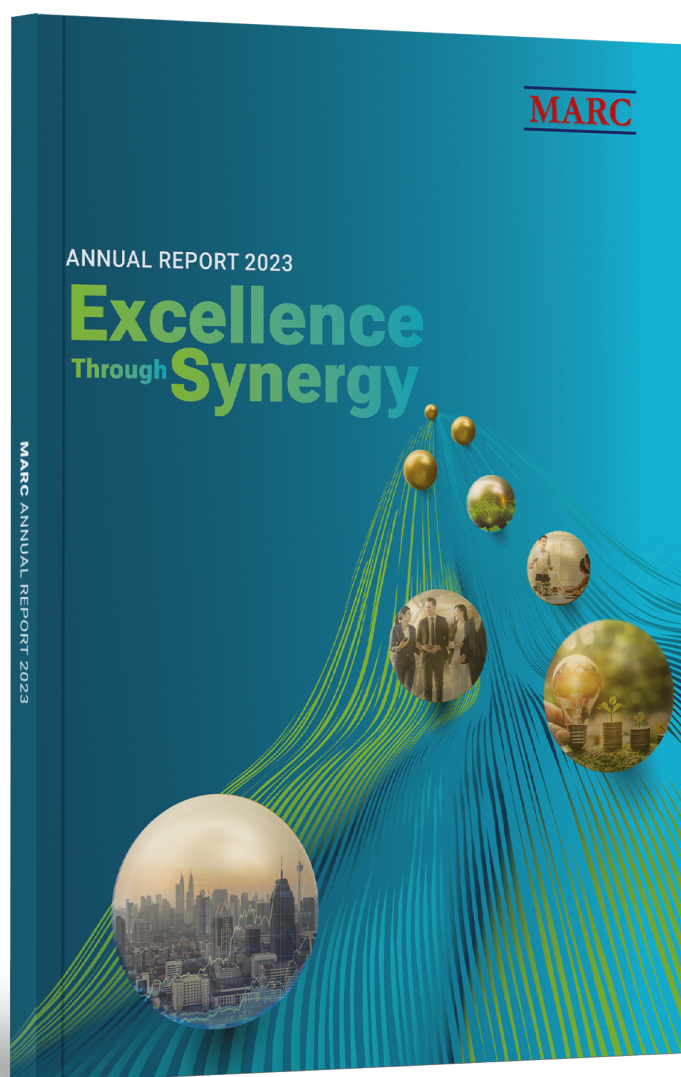


ANNUAL REPORT 2023

Excellence Through Synergy





Excellence Through Synergy

The geometric waves symbolise MARC's journey towards success. Representing the company's values and subsidiaries are 8 golden globes, gracefully navigating the geometric pattern towards the horizon of excellence. This metaphor perfectly encapsulates MARC's trajectory towards becoming a leading rating institution.

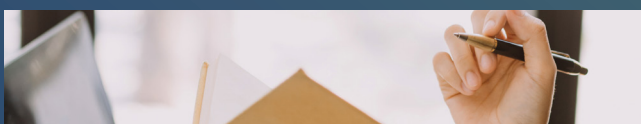
Complementing this imagery with a background of turquoise blue-green evokes a sense of futurism. The carefully selected colour palette seamlessly integrates modernism and dynamism, aligning with our theme of excellence through synergy.

In This Report



01 INTRODUCTION 04

About the MARC Group of Companies	05
Corporate Vision	06
Corporate Milestones	06
Corporate Information	10



02 CORPORATE INFORMATION 12

Board of Directors	13
Board of Directors Profiles	14
Rating Committee of MARC Ratings Berhad	20
Rating Committee Profiles	21
Senior Management	23
Senior Management Profiles	24



03 REVIEW OF BUSINESS AND OPERATIONS 28

Financial Highlights	29
Chairman's Statement	30
GCEO's Statement	32
Corporate Governance Structure	36
Roles and Functions	37
Policies	38



04 SERVICES AND PEOPLE 40

MARC Ratings Berhad	41
MARC Data Sdn Bhd	44
MARC Solutions Sdn Bhd	45
MARC Learning Sdn Bhd	46
Corporate Events and Awards	47
Corporate Social Responsibility and Club MARC	50
MARC in the News	52



05 FINANCIAL STATEMENTS 55

Directors' Report	56
Statement by Directors	61
Statutory Declaration	61
Independent Auditors' Report	62
Statements of Profit or Loss and Other Comprehensive Income	66
Statements of Financial Position	68
Statements of Changes in Equity	70
Statements of Cash Flows	72
Notes to the Financial Statements	74
List of Shareholders	122
Notice of the 28 th Annual General Meeting	123
Proxy Form	126



Introduction

About the MARC Group of
Companies
Corporate Vision
Corporate Milestones
Corporate Information

About the MARC Group of Companies



Malaysian Rating Corporation Berhad (MARC) is a public limited financial services company established in 1996. Through its subsidiaries, namely MARC Ratings Berhad, MARC Data Sdn Bhd, MARC Solutions Sdn Bhd and MARC Learning Sdn Bhd, the company provides credit rating assessments, economic research, data analytics, sustainability-related advisory services, and bespoke learning programmes.

MARC Ratings Berhad is accredited by Bank Negara Malaysia as an external credit assessment institution and registered with Securities Commission Malaysia as a credit rating agency. Its credit rating services include assessments on sovereigns, financial institutions, and corporates in the construction, infrastructure and utilities, technology, trading and services, property, plantations, and consumer products industries. MARC Ratings also conducts independent research on the domestic bond and sukuk market in relation to the Malaysian financial system and the global economy.

With almost three decades of financial services experience, MARC continues to stand as an independent institution across its product offerings. Guided by its three-pronged approach of embracing technology, remaining agile and adapting to the ever-changing business environment, the group aims to continue its transformation journey, focusing on strengthening existing businesses and widening revenue streams.

Corporate Vision

SOLUTIONS BEYOND RISK

MARC's corporate vision illustrates our commitment to helping organisations anticipate and quickly respond to business risks. We use a proven, data-driven approach to provide bespoke research and advisory services in the areas of ratings, data analytics, and learning.

Corporate Milestones

• 2012

- Rated the RM23.35 billion Sukuk Musharakah issued by PLUS Berhad which was the world's largest single rated sukuk issued by a corporate. The PLUS Berhad sukuk was named the 2012 Malaysia Deal of the Year by Islamic Finance News, the 2012 Best Corporate Sukuk by The Asset magazine and the 2012 Best Islamic Finance Deal of the Year in Southeast Asia by Alpha Southeast Asia magazine.

• 2014

- Voted as the 2014 Best Islamic Rating Agency by Global Islamic Finance Awards (GIFA).
- Rated the RM2.0 billion perpetual Sukuk Musharakah issued by DRB-HICOM Berhad, the first Islamic sukuk issued by a corporate in the Malaysian debt market.
- Rated the RM5.35 billion sukuk issued by CIMB Islamic Bank, the first Islamic bank to issue a Basel III-compliant Tier 2 junior sukuk in the Malaysian debt capital market.



2015

- Named as Malaysia's Project Finance Rating Agency of the Year by The Asset magazine.
- Rated the second-largest single project sukuk issued in the global market, the RM8.98 billion Sukuk Murabahah issued by Jimah East Power Sdn Bhd to fund the development of a 2x1,000-megawatt ultra-supercritical coal-fired plant.
- Rated the issuance programme of RM10.0 billion for CIMB Group Holdings Berhad.
- Rated the issuance programme of RM10.0 billion for Malayan Banking Berhad.
- Launched Investment Manager Ratings, a new rating offering to assess the quality of fund management companies.



2016

- Named as Malaysia's Project Finance Rating Agency of the Year by The Asset magazine.
- Voted as the 2016 Best Islamic Rating Agency by GIFA.
- Rated the RM400.0 million Sukuk Wakalah issued by Islamic Development Bank, its first ringgit-denominated sukuk.
- Rated Malaysia's largest offering of project sukuk for the year of RM3.64 billion multi-tranche Sukuk Wakalah issued by Lebuhraya DUKE Fasa 3 Sdn Bhd which IFR Asia Awards 2016 recognised as the 2016 Islamic Issue of the Year.

2017

- Voted as the 2017 Best Islamic Rating Agency by GIFA.
- Rated the world's largest Green Sustainable and Responsible Investment (SRI) Sukuk, the RM1.0 billion Sukuk Murabahah issued by Quantum Solar Park (Semenanjung) Sdn Bhd to finance construction of the largest solar power project in Southeast Asia.
- Rated the RM400.0 million Sukuk Wakalah issued by Beijing Enterprise Water Group (M) Limited, the first ever ringgit-denominated sukuk issued by a Chinese conglomerate for a water infrastructure project.
- Rated the RM3.0 billion Multi-Currency Islamic Medium-Term Notes Programme (Sukuk Murabahah) issued by Fortune Premiere Sdn Bhd, a wholly-owned subsidiary of IOI Properties Group Berhad.

2018

- Named as Malaysia's Rating Agency of the Year by The Asset magazine.
- Voted as the 2018 Best Islamic Rating Agency by GIFA.
- Rated the RM245.0 million Green SRI Sukuk Wakalah issued by Sinar Kamiri Sdn Bhd.
- Rated the RM240.0 million Green SRI Sukuk Murabahah issued by UiTM Solar Power Sdn Bhd.
- Launched Impact Bond Assessments (IBAs) which can be assigned to green bonds, social bonds or sustainability bonds including sukuk which are issued under Malaysia's SRI Sukuk Framework.



Corporate Milestones (Cont'd)

2019

- Named as Malaysia's Rating Agency of the Year by The Asset magazine.
- Voted as the 2019 Best Islamic Rating Agency by GIFA.
- Rated the RM10.0 billion Sukuk Programme issued by Sunway Treasury Sukuk Sdn Bhd.
- Rated the Islamic Medium-Term Notes Programme of up to RM3.5 billion by DRB-HICOM Berhad.
- Rated the Islamic Medium-Term Notes Programme of up to RM1.0 billion by Penang Port Sdn Bhd.
- Rated the RM1.0 billion Perpetual Sukuk Musharakah Programme by WCT Holdings Berhad.
- Assigned financial institution ratings to China Construction Bank (Malaysia) Berhad.



2020

- Named as Malaysia's Rating Agency of the Year by The Asset magazine.
- Voted as the 2020 Best Islamic Rating Agency by GIFA.
- Rated the RM3.0 billion Perpetual Sukuk Wakalah Programme issued by TG Excellence Berhad.
- Rated the Islamic Medium-Term Notes Programme of up to RM3.0 billion issued by Pengerang LNG (Two) Sdn Bhd.
- Rated the RM4.5 billion Sukuk Musharakah Programme issued by Sime Darby Property Berhad.
- Rated the Sukuk Murabahah/Multi-Currency Medium-Term Notes Programme with a combined limit of up to RM2.0 billion issued by OSK Rated Bond Sdn Bhd.
- Rated the RM5.0 billion Islamic Medium-Term Notes Programme issued by Bank Pembangunan Malaysia Berhad.



2021

- Named as Malaysia's Rating Agency of the Year and Project Finance Rating Agency of the Year by The Asset magazine.
- Recognised by The Asset magazine for its role as external reviewer for Small Medium Enterprise Development Bank Malaysia Berhad's (SME Bank) RM500 million ASEAN Sustainability Sukuk, which was named Best Sustainability Sukuk 2021.
- Voted as the 2021 Best Islamic Rating Agency by GIFA.

2021 (Cont'd)

- Rated the RM2.0 billion Islamic Medium-Term Notes Programme (Sukuk Musharakah) and RM2.0 billion Perpetual Sukuk Programme issued by UMW Holdings Berhad.
- Rated the Islamic Medium-Term Notes Programme of up to RM3.0 billion (which shall include Sustainability IMTNs) and Islamic Commercial Papers Programme of up to RM1.0 billion, with a combined limit in nominal value of up to RM3.0 billion issued by SME Bank.
- Rated the Islamic Medium-Term Notes and Islamic Commercial Papers programmes with a combined limit of up to RM3.0 billion issued by F&N Capital Sdn Bhd.
- Rated the RM3.0 billion Islamic Medium-Term Notes Programme issued by S P Setia Berhad.



2022

- Awarded for its role as external reviewer of SME Bank's RM500 million ASEAN Sustainability Wakala Bi Al-istithmar Sukuk, which won the Best ASEAN Sustainability Sukuk (Malaysia).
- Voted as the 2022 Best Islamic Rating Agency by GIFA.
- Rated the Islamic Medium-Term Notes (Sukuk Wakalah) Programme of up to RM3.0 billion by KPJ Healthcare Berhad's special purpose vehicle, Point Zone (M) Sdn Bhd.

2022

- Rated the Sukuk Wakalah Programme of up to RM10.0 billion issued by TNB Power Generation Sdn Bhd.
- Rated the Sukuk Programme of up to RM5.5 billion issued by Amanat Lebuhraya Rakyat Berhad.
- Recognised for its Sustainability Sukuk Assessment for Agrote Business (M) Sdn Bhd's RM200 million ASEAN Sustainability SRI Murabaha Sukuk, which won the Most Innovative Deal (Sustainable Finance).



2023

- Awarded "Best Islamic Rating Agency 2023" at the 13th GIFA.
- Rated PETRONAS Dagangan Berhad's Islamic Commercial Papers Programme and Islamic Medium-Term Notes Programme with a combined limit of up to RM10.0 billion in nominal value.
- Rated Bank Muamalat Malaysia Bhd's Sukuk Wakalah Programme of up to RM5.0 billion.
- Rated Sunway Berhad's RM5.0 billion Perpetual Sukuk Programme.
- Rated Sunway Treasury Sukuk Sdn Bhd's RM10.0 billion Islamic Medium-Term Notes Programme.



Corporate Information

Board of Directors

Malaysian Rating Corporation Berhad

Tan Sri Dr Nik Norzrul Thani Nik Hassan Thani
Chairman

Dr Veerinderjeet Singh

Toi See Jong

Wendy Cheong

Ng Kok Kheng
(Resigned on September 29, 2023)*

Tan Nyat Chuan
(Resigned on November 1, 2023)*

MARC Ratings Berhad

Tan Sri Dr Nik Norzrul Thani Nik Hassan Thani
Chairman
(Joined and appointed as Chairman on November 1, 2023)*

Ng Kok Kheng
(Joined on September 29, 2023)*

Tan Nyat Chuan
(Joined on November 1, 2023)*

Datuk Jamaludin Nasir

Dr Veerinderjeet Singh
(Resigned on November 1, 2023)*

Toi See Jong
(Resigned on October 1, 2023)*

Wendy Cheong
(Resigned on October 1, 2023)*

MARC Data Sdn Bhd

Dr Veerinderjeet Singh
Chairman
(Joined and appointed as Chairman on March 1, 2024)*

Toi See Jong
(Joined on March 5, 2024)*

Tan Nyat Chuan

Datuk Jamaludin Nasir

Tan Sri Dr Nik Norzrul Thani Nik Hassan Thani
(Resigned on March 1, 2024)*

MARC Solutions Sdn Bhd

Wendy Cheong

Ng Kok Kheng

Datuk Jamaludin Nasir

MARC Learning Sdn Bhd

Tan Nyat Chuan

Datuk Jamaludin Nasir

Rajan Paramesran

Rating Committee

Sharizad Juma'at
Chairperson

Datuk Jamaludin Nasir

Lee Jin Ghee, Kirby

Krishna Kumar

**Following a Board restructuring exercise*

Senior Management

Datuk Jamaludin Nasir

Group Chief Executive Officer

Mohammad Farish Mohd Noor

Chief Financial Officer

Badrul Hisham Zawawi

Chief Commercial Officer

Rajan Paramesran

Chief Executive Officer

MARC Ratings Berhad

Rafidz Rasiddi

Chief Executive Officer

MARC Data Sdn Bhd

Hafiza Abdul Rashid

Chief Rating Officer

MARC Ratings Berhad

Dr Ray Choy

Chief Economist

MARC Ratings Berhad

MARC Ratings Berhad

Rajan Paramesran

Chief Executive Officer

Hafiza Abdul Rashid

Chief Rating Officer

Dr Ray Choy

Chief Economist

Economic Research

Sharidan Salleh

Senior Head, Ratings Portfolio,

Oil & Gas and Power

Taufiq Kamal

Senior Head, Ratings Portfolio,

Property, Conglomerates

and Automotive Services

Mohd Izazee Ismail

Head, Ratings Portfolio,

Financial Services Institutions

Yazmin Abdul Aziz

Head, Ratings Portfolio,

Structured Finance, Property & Retail

Choong Keng Yew

Head, Technical Portfolio (Sector Specialist)

Company Secretaries

Cynthia Gloria Louis

(MAICSA No.: 7008306)

(SSM PC No: 201908003061)

Chew Mei Ling

(MAICSA No.: 7019175)

(SSM PC No: 201908003178)

Legal Firm

Messrs. Chooi & Company + Cheang & Ariff

CCA @ Bangsar, Level 5, Menara BRDB,

285, Jalan Maarof, Bukit Bandaraya,

59000 Kuala Lumpur

Auditor

Deloitte PLT Chartered Accountants

Level 16, Menara LGB, 1 Jalan Wan Kadir,

Taman Tun Dr Ismail, 60000 Kuala Lumpur

Registered Office

19-07, Level 19, Q Sentral, 2A Jalan Stesen Sentral 2,

Kuala Lumpur Sentral, 50470 Kuala Lumpur

Tel: +603 2717 2900

Fax: +603 2717 2920

Email: marc@marc.com.my

Website: www.marc.com.my

Corporate Information

Board of Directors

Board of Directors Profiles

Rating Committee of MARC Ratings Berhad

Rating Committee Profiles

Senior Management

Senior Management Profiles

Board of Directors



Ng Kok Kheng

Toi See Jong

Tan Sri Dr Nik Norzrul
Thani Nik Hassan Thani

Dr Veerinderjeet Singh

Wendy Cheong

Tan Nyat Chuan

Board of Directors Profiles



Tan Sri Dr Nik Norzrul Thani Nik Hassan Thani

Independent Non-Executive Chairman

Joined the Board:
2021

Board Committee (as Member):
Nomination and Remuneration

Subsidiary (as Chairman):
MARC Ratings Berhad (effective November 1, 2023*)

Tan Sri Dr Nik Norzrul Thani practices with Zaid Ibrahim & Co., Malaysia's largest law firm, which is a member of KPMG's Global Legal Services network comprising 3,200 lawyers across 84 jurisdictions. He has expertise in a vast range of areas including Islamic finance, banking, offshore finance, debt restructuring, as well as international, corporate, and commercial law. He provides legal counsel for mergers and acquisitions, regulatory compliance, and the issuance of private debt securities, including Islamic financial instruments.

Before joining Zaid Ibrahim & Co., he worked at international law firm Baker & McKenzie. In 2017, he was appointed Chairman of the Malaysia-Singapore Business Council by the Ministry of International Trade & Industry.

Tan Sri Dr Nik Norzrul Thani is currently Chairman of Malaysian Rating Corporation Berhad, Sime Darby Plantation Berhad and T7 Global Berhad as well as a director of several public companies including Amanah Saham Nasional Berhad, Cagamas Holdings Berhad and Pertama Digital Berhad.

Tan Sri Dr Nik Norzrul Thani obtained his LL.B (Hons) from the University of Buckingham; LL.M from Queen Mary College, University of London; and Ph.D in Law from the School of Oriental and African Studies (SOAS), University of London; and is a Barrister at Law, Lincoln's Inn. He was a Fulbright Visiting Scholar at Harvard Law School from 1996 to 1997, and a Chevening Fellow at the Oxford Centre for Islamic Studies, Oxford University, from 2004 to 2005.

** Following a Board restructuring exercise*

Board of Directors Profiles (Cont'd)



Dr Veerinderjeet Singh

Independent Non-Executive Director

Joined the Board:
2017

Board Committee (as Chairman):
Audit and Risk

Subsidiary (as Chairman):
MARC Data Sdn Bhd (effective March 1, 2024*)

Dr Veerinderjeet's career as a tax specialist spans over 40 years and includes roles as an Inland Revenue Officer, Tax Partner/Executive Director at Arthur Andersen, and Ernst & Young in Malaysia; and Associate Professor in Taxation at the University of Malaya. He is a member of the Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants (MICPA).

He was the past President of the MIA, MICPA and Chartered Tax Institute of Malaysia (CTIM). A noted authority on Malaysian taxation, he is a frequent speaker on the subject and has authored numerous books and articles in local and international tax, law, and accounting journals. He was also a member of the Tax Reform Committee which was established by the Minister of Finance in September 2018. He is the current Chair of the Ethics Standards Board of MIA.

Dr Veerinderjeet served as the Non-Executive Chairman of Tricor Services (Malaysia) Sdn Bhd, which provides various business expansion, outsourcing, tax advisory, governance, and risk management services, from May 2020 to February 2024. Additionally, he held

the position of Independent Non-Executive Director and Senior Independent Director of UMW Holdings Berhad from June 2017 to February 2024.

Currently, Dr Veerinderjeet serves as an Independent Non-Executive Director of AmBank (M) Berhad and is the Chairman of the Audit Committee. He also holds the position of Senior Advisor on Tax Policy at KPMG Malaysia since March 1, 2024.

He is a member of the Board of Trustees of the Amsterdam-based International Bureau of Fiscal Documentation, a member of the Paris-based Tax Commission of the International Chamber of Commerce (ICC) and a former trustee of the Malaysian Tax Research Foundation. He was appointed Vice Chair of the ICC's Global Taxation Commission in June 2022 for a three-year term.

Dr Veerinderjeet received a first-class honours degree in Accounting from the University of Malaya and a doctorate from Universiti Putra Malaysia.

** Following a Board restructuring exercise*

Board of Directors Profiles (Cont'd)



Toi See Jong

Independent Non-Executive Director

Joined the Board:
2017

Board Committee (as Chairman):
Nomination and Remuneration

Subsidiary (as Director):
MARC Data Sdn Bhd (effective March 5, 2024*)

Mr Toi is the CEO of Tokio Marine Life Insurance Malaysia Bhd. He was the former President of the Life Insurance Association of Malaysia (LIAM) from 2015 until March 30, 2018, and presently sits on the Management Committee for LIAM. He is also a Director of Malaysian Life Reinsurance Group Berhad (MLRe).

He qualified as an actuary in the United Kingdom and has more than 30 years of experience in the insurance industry in Malaysia as well as in China, Singapore, and Hong Kong. His previous experience encompassed various roles in major international firms as well as senior positions in early-stage insurance companies.

Mr Toi holds an honours degree in Actuarial Science Statistics from Heriot-Watt University, Edinburgh, Scotland, and is a Fellow of the Faculty of Actuaries.

** Following a Board restructuring exercise*

Board of Directors Profiles (Cont'd)



Wendy Cheong

Non-Independent Non-Executive Director

Joined the Board:
2021

Board Committee (as Member):
Nomination and Remuneration

Subsidiary (as Director):
MARC Solutions Sdn Bhd

Wendy Cheong is Managing Director-Regional Head of Asia Pacific (APAC) for Moody's Ratings, and CEO of Moody's Ratings Singapore.

As Moody's senior representative in APAC, Wendy is responsible for regional operations, strategy, support functions and regulatory relations. She is an executive board member for all of Moody's Ratings' entities in APAC and a non-executive director for its domestic rating agency affiliates in China, India, Korea, Malaysia and Vietnam.

In addition to her regional role, Wendy is part of Moody's global operating committee.

During her 15 years at Moody's, Wendy has held global and regional roles in New York, Hong Kong and Singapore, including as Chief of Staff for Moody's CEO and Head of Strategy for APAC.

Before joining Moody's, Wendy held senior strategy, sales and marketing positions at Prudential plc and Singapore Telecoms.

With a passion for philanthropy and gender equality, she was previously on the Board of the Asian Venture Philanthropy Network and acted as Moody's global executive sponsor for the Women's BRG from 2020 to 2023.

Wendy holds a Bachelor of Arts in Southeast Asian Studies from the National University of Singapore.

Board of Directors Profiles (Cont'd)



Ng Kok Kheng

Independent Non-Executive Director
(Resigned on September 29, 2023*)

Joined the Board:

2021 (resigned on September 29, 2023*)

Board Committee (as Member):

Audit and Risk

Subsidiary (as Director):

MARC Ratings Berhad (effective September 29, 2023*)

MARC Solutions Sdn Bhd (effective May 1, 2021)

Mr Ng is the CEO of Great Eastern General Insurance (Malaysia) Berhad (GEGM). He is a Director of Persatuan Insurans Am Malaysia (PIAM) and has been on the Management Committee (now Board of Directors) of PIAM since 2017, Convenor of the Finance and ERM Sub-Committee from 2018 to 2022, Convenor of the Technical Committee from 2022 and Deputy Chairman since 2019.

He was a Council Member and Chairman of the Audit Committee of the Malaysian Motor Insurance Pool (MMIP) from 2013 to 2020 and its Deputy Chairman from 2017. He was on the Board of Insurance Services Malaysia Berhad (ISM) from 2011 to 2017 and its Audit Committee Chairman from 2013. He was also a Member of the Supervisory Board of the Central Administration Bureau (CAB – an industry reinsurance-coinsurance placement and premium exchange platform) from 2009 to 2016 and its Chairman from 2013.

He joined GEGM (then Overseas Assurance Corporation (Malaysia) Berhad) in 2002 and was appointed the CEO in 2007. He has over 30 years of experience in the insurance industry, having been involved in underwriting, technical risk management, insurance brokerage and business development.

Mr Ng holds a Bachelor of Engineering (Civil) from the Royal Melbourne Institute of Technology and a Master of Science from Universiti Putra Malaysia. Mr Ng is also a Fellow of the Malaysian Insurance Institute.

** Following a Board restructuring exercise*

Board of Directors Profiles (Cont'd)



Tan Nyat Chuan

Independent Non-Executive Director
(Resigned on November 1, 2023*)

Joined the Board:

2021 (resigned on November 1, 2023*)

Board Committee (as Member):

Audit and Risk

Subsidiary (as Director):

MARC Ratings Berhad (effective November 1, 2023*)

MARC Data Sdn Bhd (effective May 1, 2021)

MARC Learning Sdn Bhd (effective September 16, 2022)

Mr Tan has 37 years of banking and payments experience in the financial industry, of which 32 years were with Bank Negara Malaysia (BNM). He had worked in Banking Supervision, Treasury Risk Management, and Payments Policy, and had also served as the Chief Audit Executive. His last position with the Central Bank was Assistant Governor where he oversaw BNM's Finance (Financial Accounting and Reporting, Payments, and Treasury Settlement) Department, Digital and Technology Department, Cyber Security, Payments Oversight Department and Payments Development. During his employment at BNM, Mr Tan served as a non-executive board member and a member of the Board Audit and Risk Committee of Payments Network Malaysia Sdn Bhd (PayNet) and Malaysian Electronic Clearing Corp Sdn Bhd (MyClear).

Upon his retirement, he joined SWIFT, a leading global company that provides network and financial messaging services to financial institutions and market infrastructures across more than 200 countries. During his two-year tenure at SWIFT, he held the position of Senior Director, Business Innovation ASEAN, engaging regional stakeholders in a wide spectrum of cross-border payment-related initiatives. Mr Tan also served as an Advisor for the Grab Financial Group for one-and-a-half years, focusing on Grab's financial services in Malaysia.

In addition to the directorships that he holds in the MARC group of companies, he is currently a Director of Berjaya Sompo Insurance Berhad and a consultant for an electronic money institution.

** Following a Board restructuring exercise*

Rating Committee of MARC Ratings Berhad



Lee Jin Ghee, Kirby

**Sharizad
Juma'at**

**Datuk
Jamaludin
Nasir**

Krishna Kumar

Rating Committee Profiles



Sharizad Juma'at

Chairperson of the Committee

Madam Sharizad has more than 30 years of debt capital market experience, encompassing equity, treasury, fixed income, credit analysis, private equity, and property investment. Her most recent roles were as CEO of RHB Islamic International Asset Management Berhad, Head of Institutional Business of RHB Asset Management (RHBAM) Group, and Regional Head of RHBAM Islamic Business where she was responsible for driving business in Malaysia, Singapore, Indonesia, and Hong Kong for the group's retail, wholesale, and institutional markets.

She also served as the CEO of AmanahRaya Investment Management Sdn Bhd from 2004 to 2013 where she was instrumental in the setting up of AmanahRaya REITs and its listing on Bursa Malaysia. Prior to this, Madam Sharizad served with the Employees Provident Fund as its Head of Equity Investments and Head of Treasury/ Fixed Income, for over 18 years. She commenced her career at Permodalan Nasional Berhad as a research analyst.

Madam Sharizad is active on the speaking circuit, where she regularly participates as a panel speaker in conferences related to capital markets and Shariah business, and as a participant in asset and wealth management roundtable discussions.

Upon her retirement from RHB Asset Management Group in May 2020, she currently sits on several Investment Advisory Committees and is a member of several Boards.

She holds a Bachelor of Biochemistry degree (Honours) from Universiti Kebangsaan Malaysia and an MBA specialising in Finance from Michigan State University, East Lansing, USA. She also participated in the Senior Leadership Management Programme at Harvard University, Boston, USA.

Madam Sharizad was appointed to the RC on October 26, 2020.



Datuk Jamaludin Nasir

Datuk Jamaludin is MARC's Group Chief Executive Officer. He has served on the RC since September 1, 2014. Datuk Jamaludin previously served as Chairman of the RC from September 1, 2019, to November 30, 2019.

Please refer to page 24 for his full profile.

Rating Committee Profiles (Cont'd)

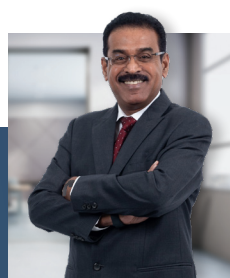


Lee Jin Ghee, Kirby

Mr Lee has more than 17 years of debt capital market experience, encompassing structured finance, project finance, and large, complex corporate finance restructuring transactions covering the Southeast Asian region. He is also experienced in credit rating for a wide range of industries and corporate borrowers in Malaysia. He was formerly the Head of Debt Capital Markets at Citigroup Malaysia, where he was involved in providing corporate advisory and funding solutions to Malaysian corporates. Before Citigroup, he served as the Head of Infrastructure, Utilities, and Real Estate Ratings at a domestic credit rating agency, where he was an analyst for 10 years.

He holds a Bachelor of Science in Production Engineering and Management degree from the Loughborough University of Technology, UK, and an MBA specialising in Finance from Bayes Business School (formerly known as CASS Business School), UK.

Mr Lee was appointed as a member of the RC on October 1, 2019.



Krishna Kumar

Mr Kumar is a highly experienced professional with over 28 years of expertise in investment banking, credit, trade finance, consumer and business banking, and risk management. He has held various senior roles in the industry, including Chief Financial Services Officer at Agrobank, Head of Commercial and SME Finance at Al Rajhi Bank, and Head of International Asset Management at Maybank International. Mr Kumar has also presented at the Regional Symposium in South Korea organised by UN-FAO, APRACA, NACF, and AFMA, where he shared Agrobank's contribution to marketing and finance of the organic supply chain in Malaysia.

In addition to his industry experience, Mr Kumar serves on the Professional Credit Examination Committee at the Asian Institute of Chartered Bankers and is the Accreditation Assessor for the Finance Accreditation Agency in Kuala Lumpur. He was also a Taskforce Member for Bank Negara Malaysia, where he contributed to product development for small and medium-sized enterprises in Malaysia. Mr Kumar actively conducts various trade seminars for government departments as well as credit, trade, early care, and recovery for bankers.

Mr Kumar holds a Master's in business administration and management from Southern Cross University, Australia.

He was appointed to the RC on March 5, 2023.

Senior Management



**Hafiza Abdul
Rashid**

**Rajan
Paramesran**

**Badrul
Hisham
Zawawi**

**Dr Ray
Choy**

**Datuk
Jamaludin
Nasir**

**Mohammad Farish
Mohd Noor**

**Rafidz
Rasiddi**

Senior Management Profiles



Datuk Jamaludin Nasir
Group Chief Executive Officer

Datuk Jamaludin is the Group Chief Executive Officer (GCEO) of MARC. He has wide financial services experience, gained over three decades in senior management, origination and business development, credit and risk management in the commercial, corporate and investment banking space. Over the course of his career, Datuk Jamaludin has held leadership roles at several banks, including that of Deputy Chief Executive Officer of Asian Finance Bank, Group Chief Credit Officer of Maybank, General Manager of Dresdner Bank AG, Director/Chief Operating Officer of Dresdner Kleinwort Benson and Head of Corporate Banking and Capital Markets of Kwong Yik Bank Berhad (now RHB Bank Berhad). He was also a Board member of Bank Pembangunan Malaysia Berhad and Maybank Investment Bank Berhad. During his tenure at Maybank Investment Bank, he served as a member of its Executive Committee and Credit & Underwriting Review Committee.

Datuk Jamaludin currently serves as the Independent Non-Executive Chairman of Bursa-listed Kotra Industries Berhad and sits on its Audit Committee. He was previously a member of the Technical Committee of the Finance Accreditation Agency (FAA), which is an independent quality assurance and accreditation committee body for the financial services industry.

Datuk Jamaludin holds an MBA from Texas A&M International University, USA (formerly known as Laredo State University) and a Bachelor of Science degree in Finance & Business Economics as well as a Bachelor of Economics degree from Southern Illinois University, USA.

Senior Management Profiles (Cont'd)



**Mohammad Farish
Mohd Noor**
Chief Financial Officer

Mohammad Farish was appointed the Chief Financial Officer of MARC on September 19, 2022. As the Chief Financial Officer, he is responsible for the overall strategy and operations of MARC's finance, corporate governance, risk management and IT. As a Fellow Chartered Accountant (FCA ANZ) and financial expert, Mohammad Farish has extensive experience in various industries in Malaysia and Australia. With over 26 years of experience, he began his career in 1996 as an Auditor with Ernst & Young and also served in several senior and leadership roles in PETRONAS, Rio Tinto Group in Australia, MMC Group of Companies and its subsidiaries, and OPUS International (M) Berhad (a subsidiary of UEM Edgenta Berhad).

Before joining MARC, Mohammad Farish served as the Chief Financial Officer of Chemical Company of Malaysia Berhad. Mohammad Farish is a member of the Malaysian Institute of Accountants and Chartered Accountants in Australia and New Zealand. He holds a Bachelor of Commerce in Accounting & Finance from the University of Melbourne, Australia.



Badrul Hisham Zawawi
Chief Commercial Officer

Badrul is an experienced banker and has been in the financial industry for the past 25 years. As the Chief Commercial Officer at MARC, Badrul plays a pivotal role in driving the company's business development and origination, ESG solutions, training solutions and strategic communication.

Badrul brings a wealth of experience to his new position, having previously held various roles in corporate banking. Over a span of 25 years with MBSB Bank, he managed a diverse portfolio that included government-linked companies (GLCs), large corporates, and conglomerates. This role was built upon his extensive background in other prominent financial institutions in Malaysia, where he gained valuable expertise in various areas of finance.

His career journey began in Affin Bank, where he served in the Corporate Banking Division before transitioning into Risk Management at Maybank and subsequently rejoining the business side at RHB Bank, Asian Finance Bank and MBSB Bank. Throughout these positions, Badrul showcased his ability to navigate complex financial landscapes and develop robust relationships with clients.

With his proven track record of success and deep industry knowledge, Badrul is well-positioned to drive MARC's commercial growth and cultivate fruitful partnerships. His appointment further strengthens MARC's position as a leading player in the financial industry, and his expertise will undoubtedly contribute to the company's continued success. Badrul holds a Bachelor of Science degree in Finance from Indiana State University, USA.

Senior Management Profiles (Cont'd)



Rajan Paramesran

Chief Executive Officer

MARC Ratings Berhad

Rajan is Chief Executive Officer of MARC Ratings Berhad. He was previously the Chief Rating Officer of MARC since July 1, 2014. He joined MARC in 2008, serving as the head of several rating sector portfolios. In his current position, Rajan is responsible for the overall stewardship and development of the ratings operations.

Rajan has longstanding experience in the finance industry, beginning his career with United Asian Bank Berhad. He subsequently joined Rating Agency Malaysia Berhad as an analyst responsible for rating assignments on corporates and financial institutions. His work experience also includes stints with investment banks Peregrine Fixed Income Ltd and BNP Paribas, both in Singapore, where he provided credit research and analytical coverage primarily on Southeast Asian corporates.

Rajan holds a Bachelor of Science in Mathematics degree from the University of Malaya and a Master of Business Studies from University College Dublin, Ireland.



Rafidz Rasiddi

Chief Executive Officer

MARC Data Sdn Bhd

Rafidz is the CEO of MARC Data Sdn Bhd, where he spearheads and is responsible for overseeing the company's strategy, business, and operational excellence. With over 30 years of experience in the financial services and capital markets industry, Rafidz brings a wealth of knowledge and expertise to the role.

He began his career as an auditor at KPMG Peat Marwick in London before returning to Malaysia to work for Bumiputera Merchant Bankers Berhad, where he focused on corporate advisory work. Rafidz later became an equity analyst at Crosby Research (M) Sdn Bhd and worked in corporate finance at Amanah Merchant Bank Berhad.

Rafidz has also held various senior and leadership positions in several established and leading Malaysian financial institutions. He was the Director of Corporate Finance at CIMB, Head of Strategic Assets at CIMB, Country Head of CIMB-GK Securities in Thailand, Head of Investment Banking at RHB Investment Bank, CEO of Alliance Investment Bank, Deputy CEO and Head of Corporate Investment Banking at MIDF Amanah Investment Bank, and President/Group Managing Director of Bank Pembangunan.

Immediately before joining MARC Data, he served as the Chief Strategy Officer of Merchanttrade Asia Sdn Bhd, Malaysia's largest money services business, and a leading fintech player in digital remittance, payments, and micro insurance.

Rafidz holds a BSc in Economics from City, University of London, United Kingdom, and an MBA from Alliance Manchester Business School, United Kingdom.



Hafiza Abdul Rashid

Chief Rating Officer

MARC Ratings Berhad

Hafiza is Chief Rating Officer at MARC Ratings Berhad. Prior to this appointment, she had joined MARC as Rating Portfolio Head for Infrastructure and Telecommunications.

Hafiza started her career in a financial institution and later joined Rating Agency Malaysia Berhad where she spent more than 17 years in credit rating. Most recently she spent close to 8 years at UEM Group Berhad in the area of risk management.

Hafiza holds a Master of Business Administration (Finance) from Western Illinois University, USA.



Dr Ray Choy

Chief Economist

MARC Ratings Berhad

Dr Ray Choy is Chief Economist of MARC Ratings Berhad. In this role, Dr Ray leads the research team covering the economy and financial markets.

Dr Ray's experience in the global financial markets since 2002 encompasses economic research, funds management, foreign exchange research, commodities research, equities investments, and credit risk ratings. Prior to MARC, Dr Ray headed the research offices of CIMB Banking Group and RHB Banking Group across Southeast Asia, following a leadership role in global funds management.

Throughout his career, Dr Ray has received rankings and awards from various organisations and publications such as Alpha Southeast Asia, The Asset, Bond Pricing Agency Malaysia (BPAM), The Edge and Lipper. A columnist for The Edge Weekly, Dr Ray has published articles in top-tier, peer-reviewed journals and authored a book titled "Essays in Bond Market Economics". In addition, he is an adjunct academic at Monash University and an industry advisor to Universiti Tunku Abdul Rahman. He is also on the Director Registry of the Institute of Corporate Directors Malaysia (ICDM).

Dr Ray holds a Bachelor of Arts in Business and Finance from Heriot-Watt University, a Bachelor of Science in Politics and International Relations from the University of London (LSE), a Master of Science in Finance (Economic Policy) from the University of London (SOAS) and a PhD focusing on sovereign credit ratings from the University of Nottingham.



REVIEW OF BUSINESS AND OPERATIONS

Financial Highlights
Chairman's Statement
GCEO's Statement
Corporate Governance Structure
Roles and Functions
Policies

Financial Highlights

Revenue:

(Amount denoted in RM'000)

By Group

2019	2020	2021	2022	2023
16,645	18,987	23,691	23,228	23,573

Profit Before Tax:

(Amount denoted in RM'000)

By Group

2019	2020	2021	2022	2023
5,701	6,184	9,691	8,675	6,401

Profit After Tax:

(Amount denoted in RM'000)

By Group

2019	2020	2021	2022	2023
4,705	4,703	7,408	6,403	4,213

Shareholders' Fund:

(Amount denoted in RM'000)

By Group

2019	2020	2021	2022	2023
58,521	59,222	62,632	67,038	69,251

Chairman's Statement

Total Revenue

RM23.57 mil in 2023

RM23.23 million recorded in 2022



Dear Shareholders,

On behalf of the Board of Directors of Malaysian Rating Corporation Berhad, I am pleased to share the company's notable achievements of 2023. The company has continued to make significant progress in the past year. We have stayed resilient in the face of a subdued economy, by being bold and innovative in a continuously evolving business environment.

Our 2023 Performance

MARC performed well for the year under review, adopting a prudent yet progressive strategy in our business operations. Despite the weak market, MARC achieved steady revenue trajectory in 2023, reflecting our agility in managing risks and capitalising on opportunities. Despite uncertain and prevailing macroeconomic conditions, we continued to deliver value to our stakeholders.

Total revenue for the MARC group of companies in 2023 was RM23.57 million, against the RM23.23 million recorded in 2022. The company's consistent performance highlights the trust and confidence that the financial community continues to place in MARC.

Our record of providing accurate and reliable credit ratings received global recognition in 2023. For its assessment of the creditworthiness of Islamic financial instruments and institutions, our subsidiary MARC Ratings Berhad received the prestigious title of "Best Islamic Rating Agency 2023" at the esteemed Global Islamic Finance Awards (GIFA) held in Dakar, Senegal. This award underscores the company's significant contributions to the continued development of Islamic finance.

“ We will continue to pursue business sustainability and growth strategies in all business segments. This includes tapping into new markets, growing our credit analytics and credit reporting segments, and widening our product offerings in ESG. ”

Continuing Our Sustainability Journey

At MARC, we believe in the power of sustainability. In creating value for our clients, we have championed sustainable financing by providing sustainability-related advisory services. In 2023, we continued to provide our clients with sustainability offerings through our Impact Bond Assessments and Sustainability Framework advisory services. These services assist clients in strategic decision-making regarding investment and the generation of long-term value for their business, which is pivotal to facilitate sustainable investment growth.

Corporate Governance

MARC holds itself to the highest standards of corporate governance and business ethics across our subsidiaries to safeguard the interests of our stakeholders and to ensure long-term value creation. Throughout the year, the Board continued to work closely with the Management Team to address market challenges, unlock new opportunities and drive the company's growth.

Looking Ahead

MARC recognises the importance of continuous innovation to remain competitive in the industry. Our ability to evolve and adapt has contributed to our success thus far and we remain committed to continue delivering value to our clients while maintaining a focus on excellence and innovation.

Moving forward, MARC will continue to seek opportunities to drive our business forward with our diversified range of products and services. We will continue to pursue business sustainability and growth strategies in all business segments. This includes tapping into new markets, growing our credit analytics and credit reporting segments, and widening our product offerings in ESG. We will also leverage on our strong history and capabilities built up over the years to ensure the soundness of the business.

Appreciation

I would like to express my appreciation to all shareholders, clients and partners for your continuous support and faith in MARC's value proposition and dedication to achieving lasting success.

I would also like to thank my esteemed Board colleagues for their contributions this past year that have shaped MARC's direction and, at the same time, ensured that we continue to meet the highest governance standards.

None of the accomplishments this past year could have been possible without the commendable efforts of MARC's employees. To all MARC employees, my gratitude goes to every one of you for always going beyond what is expected of you. Your commitment has enabled us to navigate the challenging economic environment and extraordinary demands of the times to achieve business excellence. In keeping with this spirit, I can only envision greater things from this time forward.

Tan Sri Dr Nik Norzrul Thani
Nik Hassan Thani
Chairman

GCEO's Statement



Pursuing Excellence Through Synergy

In the dynamic landscape of 2023, MARC navigated a diverse array of challenges and triumphs, each contributing to our transformation journey. Reflecting on the past year, we take pride in our achievements, having continuously expanded our horizons.

Our steadfast commitment to innovation and progress illuminates the path forward for us. Anchored in our purpose, MARC stands resolute in nurturing a sustainable future, actively safeguarding the interests of all stakeholders.

Business Review

Aligned with our strategic direction of “Excellence Through Synergy,” the Group achieved commendable success in 2023. Despite adversities, MARC maintained positive financial performance while fostering strategic collaborations.

MARC remains steadfast in its growth trajectory for the coming years. We remain dedicated to providing our clients with superior products and services that evolve with their changing needs.

Considerable efforts have been put in place to develop MARC Data's credit reporting agency (CRA) business, including comprehensive website development, establishment of a robust IT infrastructure, and the successful launch of MARC Data's CRA website in September 2023.

This milestone underscores our commitment to innovation and expansion in the credit reporting and data analytics sector. Through organic expansion, collaborations, and strategic partnerships, these initiatives will not only enable us to penetrate new markets and product segments but also enhance our competitive edge by equipping us with additional capabilities.

Our presence in the ESG landscape, particularly in sustainability ratings and advisory services, has experienced significant growth and remains a focal point of our strategic endeavours.



There is a gradual shift towards a data-driven and intensive ESG landscape, particularly focusing on emissions and climate-related data. The ESG landscape continues to evolve in line with global sustainability initiatives. There is also increased scrutiny on corporates and issuers to adhere to acceptable sustainability practices, such as Bursa's enhanced sustainability disclosure requirements for listed companies.

We aim to progress to the next phase of our ESG journey through collaborative partnerships, primarily focusing on sustainability and ESG-related advisory services. There is a progressive uptake of ESG-related assessments and advisory services in the market, especially with the issuance of sustainable and sustainability-linked bonds. We anticipate diverse sustainability issuances, such as climate and transition financing, in the near future. While our current ESG ecosystem is adequate for current market needs, we must remain prepared for an ever-changing ESG landscape.

We have bolstered the capacity and capability of our workforce to support the growth strategies of MARC's diversified businesses. Succession planning has been realised and deployed. Talent development for mission-critical positions identified in succession planning also remains a priority. We continue to recruit high-calibre employees while optimising costs to prepare for future growth. We are also focused on building an entry-level talent pipeline, particularly for MARC Ratings.

As the financial landscape evolves and digital transformation accelerates, our strategic investments in technology infrastructure and cybersecurity measures have become indispensable. We have invested in automation solutions and sophisticated data analytics tools to enhance overall productivity. Additionally, ongoing training and skill development initiatives will keep our IT professionals at the forefront of emerging technologies and best practices in cybersecurity.

As we look ahead to 2024, our continued commitment to technological innovation and cybersecurity readiness will enable us to navigate the complexities of the digital age.

In addition to addressing cybersecurity and public policy dynamics, our leadership team maintains an open dialogue with our Board of Directors, ensuring effective oversight of the company's risk management process and compliance activities.

Highlights of MARC's Activities in 2023

Throughout 2023, MARC organised and participated in impactful events and initiatives, fostering engagement and innovation within the financial community.

On May 17, 2023, MARC hosted its 2022 Lead Managers' League Tables Awards ceremony at The Majestic Hotel Kuala Lumpur. Maybank Investment Bank Berhad secured the leading position in the issue count league table, showcasing excellence in debt and sukuk issuances rated by MARC Ratings. In terms of issued value, CIMB Investment Bank Berhad claimed the top position.

Notable corporations involved in deals rated by MARC Ratings were also recognised. Projek Lebuhraya Usahasama Berhad (PLUS) garnered MARC's Sukuk of the Year Award for its groundbreaking RM25.2 billion Islamic Medium-Term Notes (IMTN) Programme, while Amanat Lebuhraya Rakyat Berhad was honoured with the Innovative Deal of the Year Award for its highway trust model.

In a noteworthy shift, MARC incorporated a "Sustainability" element into its Project Financing Award criteria, recognising TNB Power Generation Sdn Bhd for its Nenggiri hydro power plant project. Additionally, MARC awarded the Sustainability Award 2022 to Point Zone (M) Sdn Bhd, KPJ Healthcare Bhd's funding SPV, applauding its comprehensive sustainability initiatives that are aligned with healthcare giant KPJ's mission.

GCEO's Statement (Cont'd)

MARC's 27th Annual General Meeting themed "Redefining Opportunities Pushing Boundaries," convened virtually on May 31, 2023, affirming key financial results and dividends for the fiscal year ending December 31, 2022.

In October, MARC hosted several virtual events under its MARC360 conference series, namely "Pre-Budget 2024 Views – Transforming Malaysia's Economy" (Series 1 & 2) and "Post-Budget 2024 Thoughts," featuring insightful discussions between distinguished guest speakers on pre-budget and post-budget insights, attracting over 500 participants.

The MARC Malaysian Bond and Sukuk Virtual Conference 2023 (MMBS 2023) was held on October 27-29. More than 700 participants attended virtually, with Dato' Seri Dr Awang Adek Haji Hussin, Executive Chairman of Securities Commission Malaysia, delivering the keynote address, focusing on the imperative shift towards a sustainable and greener economy.

Meanwhile, on the external front, MARC participated in Moody's "Global Islamic Finance 2023 Outlook" webinar in March, offering valuable perspectives on the industry's latest developments. Additionally, in May, MARC engaged in Moody's "Growth in Malaysia's Islamic Finance: Resilient Despite Challenges" webinar, contributing to discussions on the resilience and evolution of Islamic finance within the Malaysian context.

Our Economic Research team continues to engage in sessions with national regulatory bodies, including the Ministry of Finance: Bank Negara Malaysia, and Securities Commission. Additionally, guest lectures and student outreach sessions delivered by MARC to international universities in Malaysia are part of our CSR initiatives.

MARC Data Collaboration and Partnership

The year concluded with the signing of a joint-venture agreement between MARC Data and the Center for Entrepreneur Development and Research (CEDAR) Sdn Bhd, a wholly-owned subsidiary of SME Bank. This strategic collaboration aims to bolster entrepreneurship and SME development in Malaysia. By leveraging the

collective resources and expertise of both entities, we endeavour to pioneer innovative solutions tailored to the specific needs of SMEs.

Our joint efforts seek to facilitate enhanced access to capital, credit, and vital resources crucial for business expansion, all while optimising operational efficiency. Through the collaborative development and commercialisation of products, we aspire to drive economic prosperity and mutual benefits, thereby contributing to the advancement of the Malaysian economy.

Partnership with Qatar Financial Centre

MARC has officially entered into a Memorandum of Collaboration (MoC) with both the Qatar Financial Centre Authority (QFCA), representing the legal and tax arm of the Qatar Financial Centre (QFC), and the Qatar Stock Exchange (QSE). The signing of the MoC took place on September 6, 2023, in Doha, Qatar.

This MoC outlines a comprehensive framework for cooperation, targeting various strategic initiatives aimed at elevating the financial landscape both locally and regionally, with a focus on bonds, sukuk, and their ancillaries. The scope of this partnership encompasses activities such as jointly organising knowledge-sharing events, developing essential market infrastructure, and enhancing the necessary capabilities to empower the business and financial community in Qatar.

Financial Review

In 2023, MARC recorded a 5.3% increase compared to the previous year, with total revenue reaching RM23.57 million. This growth was primarily driven by a 7.9% increase in existing rating revenue, totalling RM18.12 million compared to RM16.69 million in the previous period. These robust financial results underscore the trust placed by the financial community, including investors and stakeholders, in MARC's business lines.

Rating Performance

The domestic rating landscape has presented challenges, with corporates refraining from large-scale capital expenditure programmes or acquisitions that would drive funding requirements and increase bond/

Recorded 11 new
issue ratings with
a total programme
size of

RM38.0 bil
in 2023

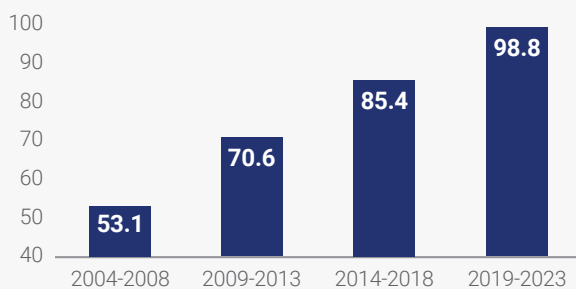
Long-term rating
accuracy ratio
improving to **74.4%** in 2023
from 73.6% in 2022

sukuk issuance activities. Pricing pressures under our issuer-pay model have also affected rating fee income.

However, MARC Ratings recorded 11 new issue ratings with a total programme size of RM38.0 billion in 2023, compared to 20 new issue ratings worth RM69.3 billion in 2022. The number of review cases rose to 117 compared to 104 cases in 2022. The diversity of our rated issuers has continued to broaden, encompassing various economic sectors, including healthcare, commodities, telecommunications tower construction, and greenfield-related power projects, in addition to infrastructure, ports, and property.

There were no rating defaults in 2023, resulting in the long-term rating accuracy ratio improving to 74.4% from 73.6%. This increase was also made possible by the consistently improving five-year rating accuracy ratio, which stood at 98.8% for the 2019-2023 period, having improved from 53.1% for the 2004-2008 period. The rating stability rate remained steady at 92.3%, maintaining its position above the long-term average of 87.9%.

Five-year Rating Accuracy Ratio



Accolades

MARC Ratings was honoured as the Best Islamic Rating Agency of the Year 2023 at the 13th Global Islamic Finance Awards (GIFA). This recognition reaffirms our position as a leading entity in the industry and underscores MARC's dedication to promoting sustainability in the Islamic capital markets.



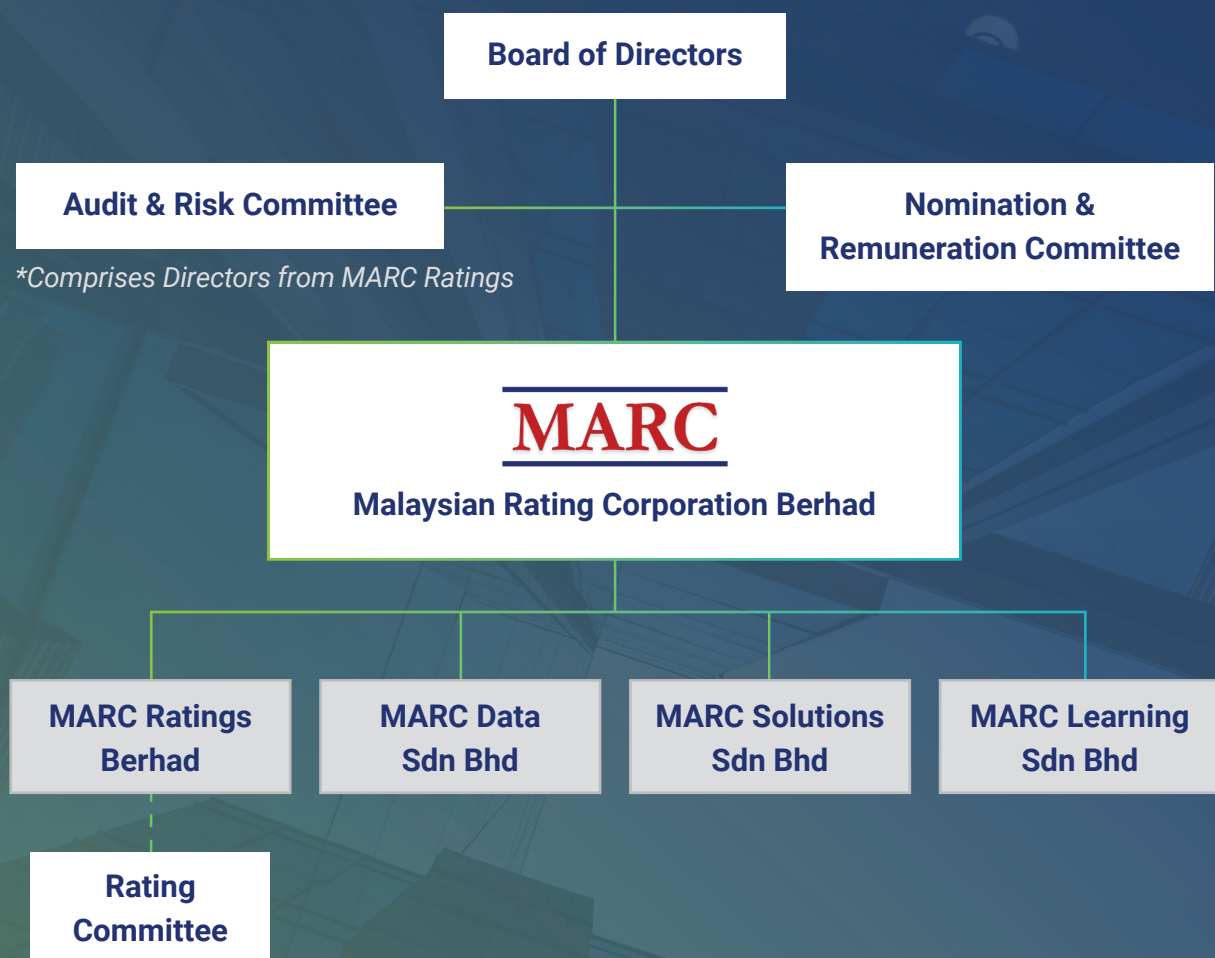
Leading MARC Forward

MARC remains steadfast in delivering value to our clients while fostering a culture of excellence and innovation. Throughout the past year, we have made strategic investments in our people, processes, and technology, enhancing operational efficiency and elevating the quality of our products and services.

I extend my heartfelt appreciation to our dedicated employees, whose tireless efforts have been pivotal in MARC's achievements. It is through their hard work and dedication that MARC continues to lead the industry, creating enduring value for our shareholders and stakeholders alike. I eagerly anticipate another year of success and growth in 2024.

Datuk Jamaludin Nasir
Group Chief Executive Officer

Corporate Governance Structure



Roles and Functions

Board of Directors

- The Board is collectively responsible for the overall leadership of the Group, meeting its objectives and goals, and promoting its long-term sustainability and success within a framework of prudent and effective controls.
- The role of the Board is to ensure the effective governance of the Company, set policies, monitor the performance of the Company, and support the management in the running of the Company.
- Together with Management, the Board promotes good corporate governance culture within the Group, ensuring honest and ethical leadership, prudent and professional behaviour in the conduct of its business and in all aspects of its business operations.

Rating Committee

- The role of the Rating Committee (RC) is to deliberate and assign/affirm new ratings and surveillance ratings, review rating actions, provide an independent collective view, and review/approve the rating methodologies applied.
- The RC ensures that rating decisions are based on sufficient information, incorporating all considerations pertinent for the rating at hand and applying MARC Ratings' approved rating methodologies.
- The RC functions independently from the Board, meets as and when required to ensure timely rating actions, and comprises members who meet the eligibility criteria as set by the Securities Commission.

Audit and Risk Committee

- The Audit and Risk Committee (ARC) assists the Board in fulfilling its oversight functions in relation to internal controls and financial reporting of the Group. The ARC provides the Board with assurance on the quality and reliability of the financial information reported by the Group while promoting efficiency, good governance practices and risk management activities to ensure the proper conduct and safeguarding of the Group's assets.
- The ARC reviews the performance of the Company's internal and external auditors and their reports on a risk-based planning approach. As part of its role, the committee monitors compliance with the Company's Code of Conduct and other internal policies as well as legal and regulatory requirements.
- The ARC oversees group-wide risk management strategy, policies, and mitigation efforts.

Nomination and Remuneration Committee

- The Nomination and Remuneration Committee (NRC) is responsible for assessing, reviewing, and recommending to the Board appointments of the Group Chief Executive Officer (GCEO), Board and RC members to promote the highest standards while seeking qualified candidates. The NRC provides an oversight of the appropriate structure of the Board, Board Committees, and the RC.
- The NRC also assesses, reviews, and recommends to the Board remuneration matters of the GCEO, Directors, as well as members of the RC.
- The NRC extends its responsibility to ensure that the Company's remuneration policies and practices are reasonable and fair, and that rewards for performance are sufficient to attract and retain high-calibre staff.

Policies

Analytic Chinese Wall Policy

- The Chinese Wall Policy serves to ensure that Rating Analysts have the necessary independence to express their respective opinions, free from the improper influence of other employees and third parties and from financial and commercial considerations.
- The Policy also aims to protect the confidentiality of information given to the Ratings Division in connection with the rating process.

MARC Code of Conduct

- MARC's Code of Conduct sets forth prescribed standards for MARC's employees regarding the ethical conduct of its business. The Code incorporates regulatory requirements of the Securities Commission Malaysia's Guidelines on Registration of Credit Rating Agencies and to comply with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. It also reflects substantial adherence to the International Organisation of Securities Commissions' (IOSCO) Code of Conduct Fundamentals for Credit Rating Agencies.
- In addition, this Code incorporates provisions from the Best Practices Framework adopted by the Association of Credit Rating Agencies in Asia (ACRAA) and the Malaysian Code of Corporate Governance (MCCG).

Personal Investment and Trading of Securities Policy

- The Personal Investment and Trading of Securities Policy establishes a standard of conduct for MARC's employees, directors, and Rating Committee members regarding their dealings in personal investment and trading of securities.
- Accordingly, this Policy aims to prevent any real or apparent conflicts of interest which may be used by MARC's employees or non-employees for their own direct or indirect personal gain.

Business Continuity Management Policy

- The Business Continuity Management Policy is designed to outline the procedures, processes, and systems necessary to resume or restore the business operations of MARC as swiftly and smoothly as possible.
- The purpose of this Policy is to prepare MARC to deal with disaster recovery in the event of major and extended services outages caused by factors beyond the organisation's control, such as natural disasters and man-made events, and to restore services to the widest extent possible in the minimum time frame.
- The proper implementation of business continuity planning will ensure the survival of the organisation, protect corporate assets, and minimise financial loss and the loss of customers in the event of a disaster or when facing succession issues.

Policy on Conflict of Interest for Analysts and Rating Committee Members

- MARC's Policy on Conflict of Interest for Analysts and Rating Committee Members serves to define and manage potential conflicts of interest on behalf of analysts and Rating Committee members.
- Purposeful compliance with this Policy will avoid both actual bias and appearance of bias and ensure that conflict of interest disclosures are made and disclosed in a manner that will allow users of MARC's credit ratings to make an informed decision about the existence and the impact of conflicts of interest.

MARC's Compliance Framework Policies

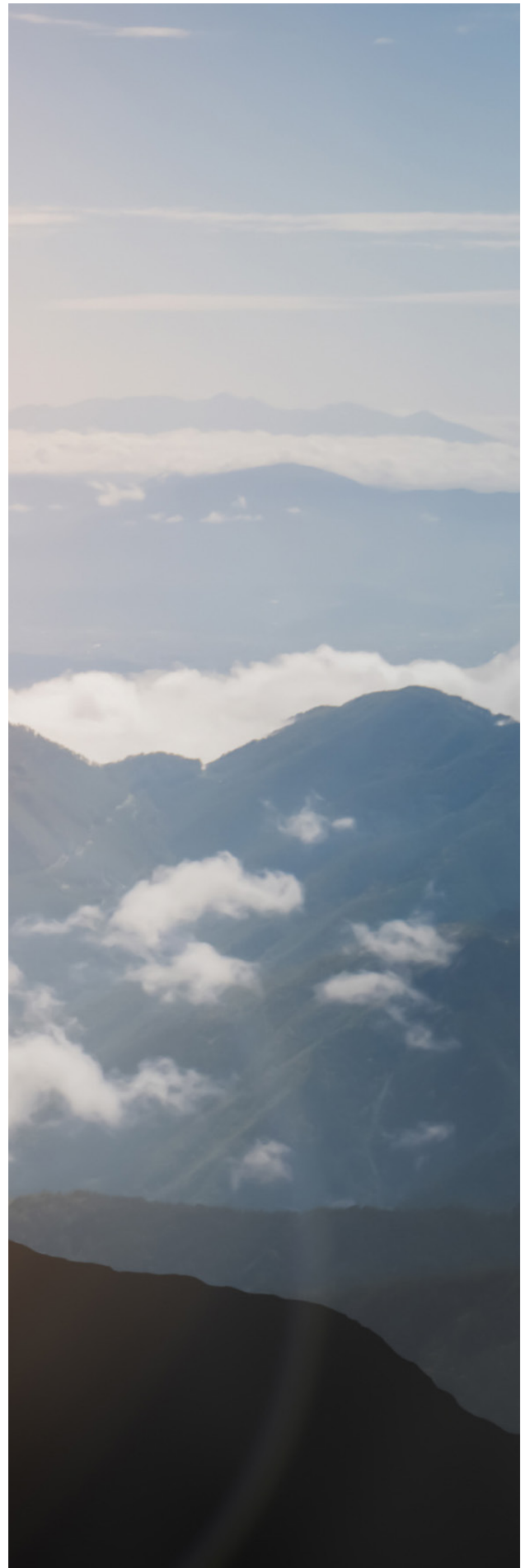
- This compliance framework serves to provide an explicit commitment to MARC's stakeholders, including our regulator, of the organisation's commitment to regulatory compliance as well as compliance with our core values, internal policies and procedures and code of conduct.
- The compliance framework is designed with the aim of minimising compliance risks and instilling a compliance culture, based on preventing, detecting, and responding to compliance issues.

Whistleblowing Policy

- MARC's Whistleblowing Policy serves to promote and maintain high standards of transparency, accountability, and ethics in the workplace. Ensuring that a process is in place to allow employees to report alleged improper or unlawful conduct without fear of retribution is an integral component of MARC's zero tolerance for inappropriate or unlawful workplace conduct.
- MARC is committed to maintaining an atmosphere of mutual workplace respect and appropriate business behaviour which are vital to the integrity and success of the organisation. To this end, MARC has in place a sound and effective whistleblowing policy.

Anti-Bribery & Corruption Policy

- MARC, including its subsidiaries, has a zero-tolerance position against all forms of bribery and corruption. MARC has a policy to operate its business with integrity, transparency, and ethics. MARC's Anti-Bribery & Corruption Policy sets out the responsibilities of MARC, and of those working for MARC on observing and upholding MARC's position on bribery and corruption.





SERVICES AND PEOPLE

MARC Ratings Berhad
MARC Data Sdn Bhd
MARC Solutions Sdn Bhd
MARC Learning Sdn Bhd
Corporate Events and Awards
Corporate Social Responsibility and Club MARC
MARC in the News

MARC Ratings Berhad

MARC Ratings Berhad (MARC Ratings) was incorporated as a public limited company to undertake the business of providing credit rating services, as well as economic and fixed income research publications, on behalf of the MARC group of companies.

MARC Ratings' web subscription service includes premium or basic access to its Credit Analysis Reports and CreditMapper. Investors, bankers, and credit professionals can also purchase individual reports through MARC Online.

MARC Ratings' Services

MARC Ratings provides issue ratings for corporate and structured finance projects as well as financial institutions. MARC Ratings also provides ratings on credit enhancement providers, insurance and reinsurance companies, and investment managers. To ensure full transparency, MARC's corporate website provides access to MARC Ratings' key rating methodologies. In addition, MARC Ratings' economics team publishes economic and fixed income research on a regular basis.

01

Corporate Credit Ratings

Corporate Credit Ratings are a measure of a corporate's intrinsic ability and overall capacity for timely repayment of its financial obligations. These are voluntary ratings that may be sought by companies to enhance corporate governance and transparency.

02

Sukuk and Bond Ratings

Sukuk Ratings assess the likelihood of timely repayment of the instruments issued under the various Islamic financing contracts. MARC Ratings' assigned ratings on fixed income sukuk essentially reflect its opinion on the likelihood of full and timely payment of obligations under the sukuk. The assigned ratings are differentiated from ratings on conventional debt offerings and other fixed income Islamic capital market instruments. MARC Ratings adds "IS" as a subscript to eight long-term rating categories from "AAA" to "D", and "MARC-1" to "D" is the short-term rating scale used to differentiate its sukuk ratings.

Meanwhile, Bond Ratings, which are applicable to conventional instruments, assess the likelihood of timely repayment of principal and interest payments over the term to maturity of such debts.

03

Project Finance Ratings

Project Finance Ratings are opinions on the credit quality of a project's debt where such obligations are repaid through project cash flows. MARC Ratings' project finance analytical framework focuses on identifying specific project risks, assessing the risk mitigation and risk allocation measures in place. MARC Ratings' analytical focus is on the feasibility of the project and its sensitivity to the impact of potentially adverse factors over the stages in its life cycle.

04

Solar Power Project Finance Ratings

Solar Power Project Finance Ratings outline the approach to assessing utility-scale grid connected solar power plants which are financed on a non-recourse, project finance basis. The rating considerations mainly focus on solar project risks such as regulatory, offtaker, site resources and technological risks.

MARC Ratings Berhad

MARC Ratings' Services

(Cont'd)

05

Financial Institution Ratings

Financial Institution Ratings assess the creditworthiness of financial institutions, i.e. commercial and investment banks as well as finance companies.

06

Insurer Financial Strength Ratings

Insurer Financial Strength Ratings essentially assess the financial security characteristics of an insurance company regarding its ability to meet its policyholder obligations in accordance with the terms of their insurance contracts.

07

Structured Finance Ratings

Structured Finance Ratings assess the likelihood of timely repayment of principal and interest payments on debt securities issued by a corporate, usually a single purpose vehicle, against stable, income-generating assets, e.g. hire purchase receivables, toll collections and rental income, among others.

08

Sovereign Ratings

Sovereign Ratings are intended to be assessments of the ability and willingness of a sovereign government to repay its debt obligations in full and in a timely manner. These ratings will be assigned to sovereign governments based on a domestic rating scale, providing an indication of their creditworthiness relative to other domestic and foreign issuers in MARC Ratings' rating universe.

09

Impact Bond Assessments

MARC Ratings provides independent external review services for bonds or sukuk issued under the following standards/principles: the Securities Commission's Sustainable and Responsible Investment (SRI) Sukuk Framework; the ASEAN Green Bond Standards, ASEAN Sustainability Bond Standards, and ASEAN Social Bond Standards of the ASEAN Capital Markets Forum; the Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines of the International Capital Market Association. Undertaken in accordance with MARC Ratings' criteria, these assessments help inform sustainably minded investors or lenders in their assessment of the environmental and/or social benefits of their investment or financing.

MARC Ratings Berhad

MARC Ratings' Services

(Cont'd)

10

Economic Research

MARC Ratings provides investors with its in-house economics team's outlook on the domestic economy as well as in-depth commentaries on Malaysia's budget and BNM's annual report. MARC Ratings also publishes country risk assessments on a regular basis.

13

Islamic Financial Institution Governance Ratings

Islamic Financial Institution (IFI) Governance Ratings assess the corporate governance of an Islamic financial institution. IFI governance ratings are an assessment of how the IFI promotes sound governance, transparency, and accountability as well as institutional capacity building for improved governance.

11

Fixed Income Research

MARC Ratings publishes its annual rating default and transition studies to help investors form an opinion of the default potential of its ratings, its outlook on the domestic bond market, as well as rating and bond market commentaries at regular intervals.

14

Expected Loss Ratings for Corporate Issuances Supported by Partial Third-Party Guarantees

The Expected Loss (EL) Ratings on partial credit guarantee-supported corporate financings represent MARC Ratings' opinion of relative loss severity given default. The credit risk mitigating effect of a partial credit guarantee is recognised by allowing the guaranteed exposure to be treated as if it were an exposure to a higher-rated guarantor. These ratings provide investors with insight into the loss severity dimension of credit risk.

12

Investment Manager Ratings

Investment Manager Ratings provide a relative assessment as to the quality of the investment or fund management entity and its vulnerability to financial and operational failure. The Investment Manager Rating is a composite rating based on the evaluation of five essential components of the entity's business, operational and financial profiles. The rating considers the investment manager's standing and reputation in the industry, the depth of its investment expertise, the robustness of its portfolio management and risk management infrastructure processes, track record and governance arrangements.

MARC Data Sdn Bhd



MARC Data Sdn Bhd (MARC Data) is a credit reporting agency registered with the Registrar Office of Credit Reporting Agencies, Ministry of Finance. MARC Data received its Credit Reporting Agency licence in September 2021. Since its inception in December 2020, MARC Data has provided data-driven solutions to businesses, empowering them to navigate the complexities of today's dynamic marketplace.

MARC Data recognises the importance of data in driving strategic decision-making and gaining competitive advantage. The company leverages on cutting-edge technology and its expertise in data analytics to distil vast datasets into useful information about market trends and industry dynamics.

Having launched its inaugural business information reports in September 2023, MARC Data followed this up with its credit reports in January 2024. These new product offerings demonstrate the company's commitment to helping its clients make informed and responsible business decisions.

MARC Data's business information reports provide clients with intelligence into various facets of the business landscape, enabling them to identify competitive opportunities and formulate strategic initiatives. Meanwhile, its credit reports offer a holistic view of an entity's financial health, encompassing factors such as creditworthiness, payment history, and risk assessment.

Through advanced algorithms and predictive modelling techniques, MARC Data offers predictive analytics, trend forecasting, and scenario analysis. By harnessing the power of data, MARC Data allows clients to anticipate market shifts, capitalise on emerging opportunities, and stay ahead of the curve in an ever-evolving commercial environment.

MARC Solutions Sdn Bhd

MARC Solutions Sdn Bhd's (MARC Solutions) principal activities are primarily centred around credit risk or environmental, social, and governance (ESG) risk analytics solutions; and sustainability related offerings. These are carried out in line with the evolving market landscape and changing customer objectives.

With sustainable finance on the rise, the prospects are bright for mainstreaming sustainable bond and sukuk issuance. Moving forward, MARC Solutions will continue to develop sustainability-related analytical offerings with a view to influencing more dynamic discourse in corporate boardrooms on sustainability and corporate regeneration.

01

Analytics Consulting (Risk Models)

MARC Solutions provides analytics consulting services to entities which are implementing Credit Risk models for their credit risk management needs. The scope of these services comprises internal rating model validation and enhancement services, and bespoke credit scoring model development services. In such engagements, MARC Solutions conducts an evaluation of the design and methodology underlying the client's credit model for corporate portfolios to identify the gaps vis-à-vis regulatory requirements, assess the precision and reliability of existing rating systems and the actions needed to close those gaps.

02

Analytics Consulting (Bespoke)

MARC Solutions also works with clients on designing, building, and implementing a range of bespoke analytics solutions for their business needs and in compliance with relevant regulations. The target segment for these services is institutions that play important roles in supporting the transition to a sustainable economy on the financing line of action. To assist clients in strengthening their own in-house analytics resources, we provide knowledge transfer programmes as a part of our services.

03

Sustainability-Related Advisory

MARC Solutions has developed a suite of sustainability-related advisory services for corporates which are intended to guide their core business towards achieving economic, social, and environmental sustainability. These advisory services include corporate and sustainable financing framework advisory services.

04

Corporate Debt Advisory

MARC Solutions offers strategy and debt advisory, and other corporate services for corporates. These services include tailored advice to address their corporate needs with regard to corporate debt restructuring, refinancing, rollover or renegotiations of debt facilities, corporate and business strategy optimisation, mergers and acquisition advisory and integration, commercial, as well as operational and business due diligence.

05

CreditMapper

MARC's CreditMapper is a quick and simple credit risk assessment tool that generates credit scores for unrated entities with or without the user's qualitative input. CreditMapper allows credit assessments to be produced in a shorter time and with considerably less effort.

MARC Learning Sdn Bhd

MARC Learning Sdn Bhd (MARC Learning) is MARC's learning and development arm that offers programmes related to debt capital markets, risk management, project finance, economics, fintech, and blockchain. MARC Learning also provides soft skills training related to communication and customer service, human resource, and project management. The company aims to support the growth of the domestic debt capital market by providing engaging and interactive programmes for participants.

MARC Learning offers pre-recorded and online webinars as well as instructor-led programmes that range from two to 14 hours. The programmes include pre- and/or post-assessments to measure the participants' understanding of the material being presented.

MARC Learning courses are delivered by highly knowledgeable and experienced trainers who are also professionals in a variety of fields in the corporate world. The courses are Securities Industry Development Corporation (SIDC), Continuing Professional Education (CPE) and HRD Corp approved.

Public Learning

MARC Learning offers pre-recorded courses, live virtual webinars, and instructor-led public learning courses that meet the requirements set by SIDC. These options are helpful for individuals who want to learn more about specific topics or industries.

Customised Learning

Customised in-house learning courses are tailored to meet the specific needs of each organisation. The course content, duration, and number of participants can be modified based on the client's requirements.



Corporate Events and Awards

MoC between MARC, QFCA and QSE

On September 6, 2023, MARC entered into a tripartite Memorandum of Collaboration (MoC) with both the Qatar Financial Centre Authority (QFCA), representing the legal and tax arm of the Qatar Financial Centre (QFC), and the Qatar Stock Exchange (QSE). The MoC signing ceremony was held in Doha, Qatar. The MoC outlines a comprehensive framework for cooperation, targeting various strategic initiatives aimed at elevating the financial landscape both locally and regionally, with a focus on bonds and sukuk and its ancillaries. This strategic collaboration underscores the commitment of all parties involved to innovation, sustainability, and growth.



MARC360 Pre-Budget and Post-Budget 2024 Webinars

In conjunction with the tabling of Budget 2024, MARC organised several webinars featuring prominent guest speakers who gave their views and insights on Malaysia's Budget 2024.

Oct 9: MARC360 Pre-Budget 2024 Views: Transforming Malaysia's Economy

MARC360

PRE-BUDGET 2024 VIEWS
SERIES 1:
TRANSFORMING MALAYSIA'S ECONOMY

Monday Oct 9, 2023 09:30 am - 11:00 am

LIVE

REGISTER HERE

SCAN ME

Moderator
Dr. Roy Choy
Chief Economist
MARC Ratings Berhad

Panellists
Lee Heng Guie
Executive Director
Socio-Economic
Research Centre (SERC)
Dr. Ong Kian Ming
Director Philosophy
Politics and Economics
Programme,
Taylor's University

ORGANISED BY: **MARC**
EVENT PARTNER: **MOODY'S INVESTORS SERVICE**

www.marc.com.my Malaysian Rating Corporation Berhad

Oct 11: MARC360 Pre-Budget 2024 Views: Malaysia's Long Story of Fiscal Consolidation

MARC360

PRE-BUDGET 2024 VIEWS
SERIES 2:
MALAYSIA'S LONG STORY OF FISCAL CONSOLIDATION

Wednesday Oct 11, 2023 09:30 am - 11:00 am

LIVE

REGISTER HERE

SCAN ME

Moderator
Dr. Roy Choy
Chief Economist
MARC Ratings Berhad

Panellists
Paragjivan Bipinchandra
Managing Director,
DataScience Research and
Information Centre
Brian Tan
Senior Executive Asia
Economic Director,
Banking Corporate &
Investment Bank
Yew Keat Chong
Senior Economist,
Macroeconomics,
Trade and Investment,
World Bank Group
Christian De Quenten
Senior Vice President
Sovereign Risk Group,
Moody's Investor Service

ORGANISED BY: **MARC**
EVENT PARTNER: **MOODY'S INVESTORS SERVICE**

www.marc.com.my Malaysian Rating Corporation Berhad

Oct 17: MARC360 Post-Budget 2024 Thoughts

MALAYSIAN RATING CORPORATION BERHAD **MARC360**

POST-BUDGET 2024 THOUGHTS

Tuesday Oct 17, 2023 09:30 am - 11:00 am

LIVE

REGISTER HERE

SCAN ME

Moderator
Dr. Roy Choy
Chief Economist
MARC Ratings Berhad

Panellists
Tan Hooi Beng
Deputy Tax Leader,
Deloitte
Dr. Shankaran Nambiar
Head of Research,
Malaysian Institute of
Economic Research
Mohammad Bazzi Che Razenan
Head of FX, Rates, and
Commodities Research,
Permodalan Nasional Berhad
Hafidzi Razali
Director,
BowerGroupAsia

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Corporate Events and Awards (Cont'd)

MARC Malaysian Bond and Sukuk 2023 Virtual Conference

MARC hosted the MARC Malaysian Bond & Sukuk Conference 2023 (MMBS) on November 27-29, 2023. Themed "Sustainable Transition to A Greener Economy", the three-day virtual event focused on sustainability, bringing together issuers, industry players, regulators, and various stakeholders from the Malaysian debt capital market.

MARC Malaysian Bond & Sukuk Conference 2023

MMBS 2023

DAY 2
28 NOVEMBER 2023
9.00AM - 12.30PM
Virtual Conference

SUSTAINABLE TRANSITION TO A GREENER ECONOMY

Moderator

Mr Leslie Jong Vui Min
Consultant, ESG/Sustainability,
MARC Solutions Sdn Bhd

SPECIAL PRESENTATIONS

 Mr Saravanan Desigamane Head, Sustainability, Research & Investor Relations, Malakoff Corporation Berhad	 Mr Ong Eu Jin Partner, RDS Advocates & Solicitors	 Ms Nur Shohidah Ramlee Associate, RDS Advocates & Solicitors
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Presentation 1: Advancing the Transition to a Low-Carbon Future

Presentation 2: Legal Frontiers in ESG and Sustainability: Navigating the Evolving Landscape

PANEL DISCUSSION

• The Future of Renewable Energy

 Mr Gan Boon Hean Group Chief Executive Officer, Leader Energy Holding Berhad	 Mr Saiful Hakim Abdul Rahman Director, Strategic Planning Division, Sustainable Energy Development Authority Malaysia (SEDA)	 Ms Ranita Abdullah Head, ESG Strategy & Solutions, Group Global Banking, Maybank
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REGISTER NOW! To register, scan the QR code below.

SCAN ME

FOR REGISTRATION
03-2717 2950/2903/2944
cc@marc.com.my

POWERED BY: MARC **EVENT PARTNER:** MOODY'S INVESTORS SERVICE

Malaysian Rating Corporation Berhad

MARC Malaysian Bond & Sukuk Conference 2023

MMBS 2023

DAY 1
27 NOVEMBER 2023
9.00AM - 12.30PM
Virtual Conference

SUSTAINABLE TRANSITION TO A GREENER ECONOMY

Keynote Address

Yang Berhadjaja Dato' Seri Dr Awang Adak Hussin,
Executive Chairman,
Securities Commission Malaysia

Moderator

Dr Ray Choy
Chief Economist,
MARC Ratings Berhad

SPECIAL PRESENTATIONS

 Dr Ray Choy Chief Economist, MARC Ratings Berhad	 Ms Koh Jo Fang Malaysia Climate Change and Sustainability Services Director, Grant & Yang Consulting Sdn Bhd
--	---

Presentation 1: Economic & Fixed Income Outlook 2024

Presentation 2: Towards a Sustainable Tomorrow: Green Finance and Investment

PANEL DISCUSSION

• Market Outlook: The End of an Era?

 Mr Ram Razwanaham Chief Investment Officer, AXA Investment Management	 Mr Ben Esh Head of Fixed Income, Maybank Asset Management Sdn Bhd	 Mr Chong Poh Choon Head, Treasury & Markets, Hong Leong Investment Bank Berhad
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REGISTER NOW! To register, scan the QR code below.

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FOR REGISTRATION
03-2717 2950/2903/2944
cc@marc.com.my

POWERED BY: MARC **EVENT PARTNER:** MOODY'S INVESTORS SERVICE

Malaysian Rating Corporation Berhad

MARC Malaysian Bond & Sukuk Conference 2023

MMBS 2023

DAY 3
29 NOVEMBER 2023
9.00AM - 12.30PM
Virtual Conference

SUSTAINABLE TRANSITION TO A GREENER ECONOMY

Moderator

Dr Gary William Theseira
Director and Council Member,
Climate Governance Malaysia, and
Adjunct Faculty, Asia School of Business
(in collaboration with MIT Sloan School of Management)

SPECIAL PRESENTATIONS

 Dr Renard Siew Head of Corporate Sustainability, Yinson Holdings Berhad	 Mr Jack Lin President, MioTech
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Presentation 1: Embedding Sustainability: Passionately Delivering Powerful Solutions

Presentation 2: Driving ESG Disclosures with Technology

PANEL DISCUSSION

• Regulatory Pathways to a Sustainable Future: ESG Oversight and Influence

 YBhg Datuk Ir. Ahmad Fauzi Hassan Former Non-Executive Chairman, Energy Commission Malaysia/ Former Member, Sustainable Energy Development Authority Malaysia (SEDA)	 Ms Marinda Haji Mohd Rosli Director, Economic Regulation, Energy Commission Malaysia
---	--

REGISTER NOW! To register, scan the QR code below.

SCAN ME

FOR REGISTRATION
03-2717 2950/2903/2944
cc@marc.com.my

POWERED BY: MARC **EVENT PARTNER:** MOODY'S INVESTORS SERVICE

Malaysian Rating Corporation Berhad

27th Annual General Meeting: Redefining Opportunities, Pushing Boundaries

MARC's 27th Annual General Meeting (AGM) was held virtually on May 31, 2023, themed "Redefining Opportunities, Pushing Boundaries." During the meeting, the company's financial results and final dividend for the fiscal year ending December 31, 2022, were approved.

Corporate Events and Awards (Cont'd)

Lead Managers' League Table Awards 2022

MARC recognised exceptional performers in its 2022 Lead Managers' League Tables during a prestigious awards ceremony held on May 16, 2023, at The Majestic Hotel Kuala Lumpur. These league tables, published annually, evaluate lead managers based on the volume and number of lead-arranged issuances rated by MARC Ratings in a specific year.

Maybank Investment Bank Berhad emerged as the leader in the issue count league table of debt and sukuk programmes/issuances rated by MARC Ratings. Following closely behind, CIMB Investment Bank Berhad secured the second position, while RHB Investment Bank Berhad and HSBC Amanah Malaysia Berhad secured the third place as joint winners. In terms of issued value, CIMB Investment Bank Berhad claimed the top position in the 2022 Lead Managers' League Tables. Maybank Investment Bank Berhad secured the second spot, with RHB Investment Bank Berhad attaining the third position.

Notable corporates involved in deals rated by MARC Ratings were also recognised in separate categories. Projek Lebuhraya Usahasama Berhad or also known as PLUS, was recognised with the Sukuk of the Year Award for its outstanding achievement for its

RM25.2 billion Islamic Medium-Term Notes (IMTN) Programme. Meanwhile, Amanat Lebuhraya Rakyat Berhad was honoured with the Innovative Deal of the Year Award for its groundbreaking highway trust model, which is the first of its kind in Malaysia. The Project Financing Award included a "Sustainability" element in the selection criteria and was presented to TNB Power Generation Sdn Bhd for their Nenggiri hydro power plant project. MARC's Sustainability Award 2022 was presented to Point Zone (M) Sdn Bhd, a subsidiary of KPJ Healthcare Berhad, recognising Point Zone's comprehensive sustainability initiatives, which are aligned with KPJ Healthcare's dedication to addressing gaps in the healthcare sector.



Awards: Global Islamic Finance Awards (GIFA)

MARC Ratings was honoured as "Best Islamic Rating Agency 2023" at the 13th GIFA held on September 20, 2023, in Dakar, Senegal.



Corporate Social Responsibility and Club MARC

Zakat presentation to students from higher learning institutions

MARC presented zakat contributions totalling RM68,000 to two esteemed higher learning institutions, Universiti Putra Malaysia (UPM) and Universiti Kebangsaan Malaysia (UKM), as part of MARC's annual corporate social responsibility (CSR) programme. These donations were made possible through zakat deductions from MARC staff, obtained from Majlis Agama Islam Wilayah Persekutuan (MAIWP).

The handover ceremony was held on June 22, 2023, at MARC's office premises. A total of 136 asnaf students will benefit from these contributions, aimed at alleviating their financial burden and supporting their academic endeavours.



Club MARC Bowling Tournament 2023

MARC staff showed off their bowling skills in a two-round competition held at the Kuala Lumpur Golf & Country Club on June 23, 2023. In a thrilling finish, the top three winners were separated by only 1 point each.



Corporate Social Responsibility and Club MARC (Cont'd)

Company trip to South Korea

On November 16-20, MARC staff and family members experienced the beauty of South Korea with a trip to Seoul for the 2023 annual company trip. Among the highlights of the trip were visiting Nami Island, the Gamaksan Red Bridge, the Odusan Unification Tower & Observatory, Gyeongbokgung Palace, and the Myeongdong shopping area.



Club MARC Year-End Lunch @ Vasco's, Hilton KL

The year 2023 closed off with year-end celebrations and a lunch buffet at Vasco's, Hilton Kuala Lumpur, on December 20. Staff members also exchanged gifts as part of a Secret Santa event.



MARC in the News

February 1, 2023



**MARC assigns preliminary ratings of AIS(cg)/
MARC-1IS(cg) to SkyWorld's
RM300m Islamic MTN programme**

March 3, 2023



**MARC Assigns Gold To Sunway Healthcare Group's
Sustainability Financing Framework**

March 12, 2023



**MARC Assigns Gold To Sunway Healthcare Group's
Sustainability Financing Framework**

March 18, 2023



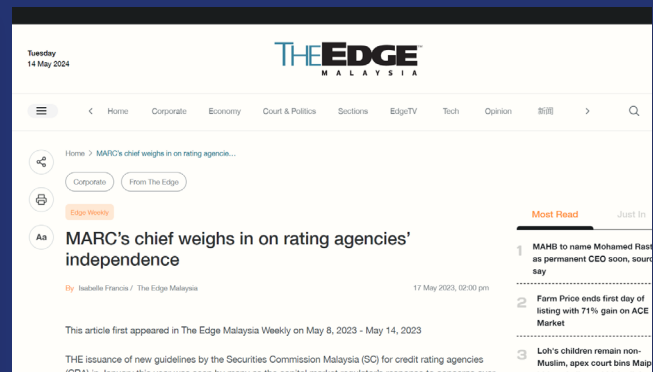
**MARC beri penarafan AA-IS dengan
prospek stabil terhadap Farm Fresh**

May 16, 2023



MARC jangka terbitan bon korporat/sukuk Malaysia cecah RM100 bilion tahun ini

May 17, 2023



MARC's chief weighs in on rating agencies' independence

July 4, 2023



MARC: Ringgit weakness reflects Malaysia's economic vulnerability

July 28, 2023



Madani Economy to drive positive change in Malaysia, says Malaysian Rating Corp

September 4, 2023



Improved foreign inflows in Malaysia: MARC

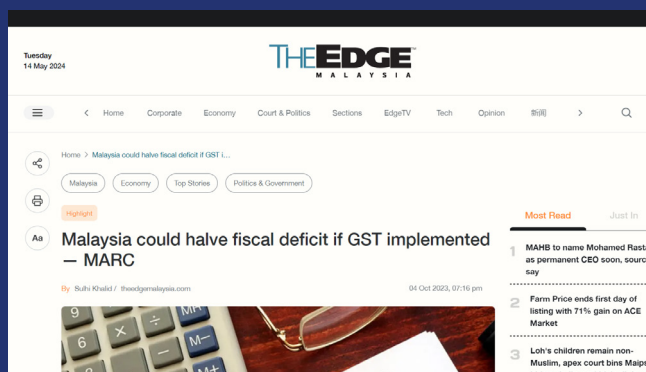
September 11, 2023



MARC partners with Qatari authorities to spur local, regional bond markets

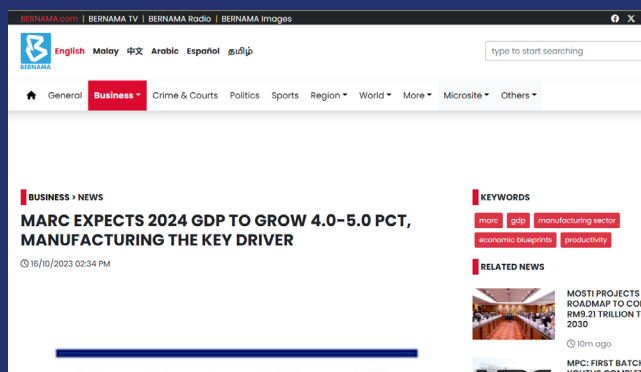
MARC in the News (Cont'd)

October 4, 2023



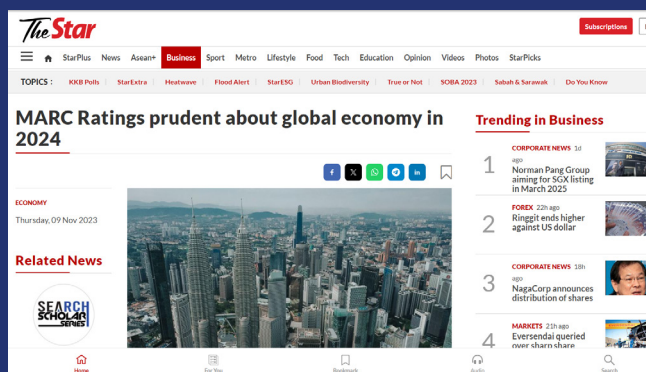
Malaysia could halve fiscal deficit if GST implemented — MARC

October 16, 2023



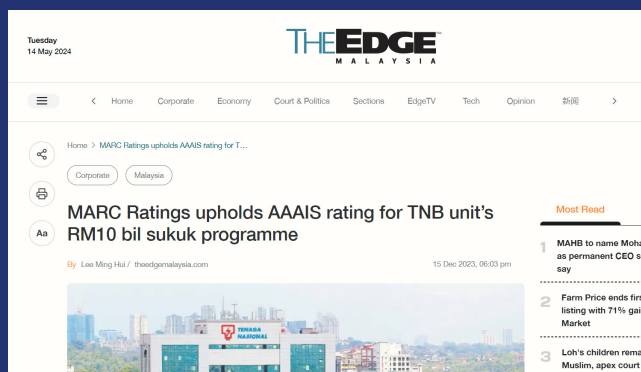
MARC expects 2024 GDP to grow 4.0-5.0%, manufacturing the key driver

November 9, 2023



MARC Ratings prudent about global economy in 2024

December 15, 2023



MARC Ratings upholds AAAIS rating for TNB unit's RM10 bil sukuk programme

FINANCIAL STATEMENTS

Directors' Report
Statement by Directors
Statutory Declaration
Independent Auditors' Report
Statements of Profit or Loss and Other Comprehensive Income
Statements of Financial Position
Statements of Changes in Equity
Statements of Cash Flows
Notes to the Financial Statements
List of Shareholders
Notice of the 28th Annual General Meeting
Proxy Form

Directors' Report

The directors of **MALAYSIAN RATING CORPORATION BERHAD** have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of a holding company with provision of management services.

The principal activities of the subsidiaries are as stated in Note 15 to the financial statements. There have been no significant changes in the nature of these principal activities of the subsidiaries during the financial year.

RESULTS OF OPERATIONS

	Group RM	Company RM
Profit net of tax, attributable to owners of the parent	<u>4,213,381</u>	<u>6,718,269</u>

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Directors' Report (cont'd.)

DIVIDENDS

Dividends paid by the Company since the end of the previous financial year were as follows:

	RM
A first and final single tier dividend of 10 sen per ordinary share in respect of financial year ended 31 December 2022	<u>2,000,000</u>

The directors do not recommend any dividend payment in respect of the current financial year.

DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Toi See Jong*
 Dr Veerinderjeet Singh A/L Tejawant Singh*
 Tan Sri Dr Nik Norzrul Thani Bin N. Hassan Thani*
 Cheong Huay Huay Wendy*
 Ng Kok Kheng (Resigned on 29 September 2023)
 Tan Nyat Chuan (Resigned on 1 November 2023)

*The directors in office at the date of this report are also respective directors of the Company's subsidiaries.

The names of the directors of the Company's subsidiaries (excluding directors who are also directors of the Company) in office since the beginning of the financial year to the date of this report are:

Datuk Jamaludin Bin Nasir
 Rajaseharan A/L Paramesran
 Ng Kok Kheng (Appointed 29 September 2023)
 Tan Nyat Chuan (Appointed on 1 November 2023)

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

Directors' Report (cont'd.)

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown below) by reason of a contract made by the Company or a related corporation with any 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.

The details of the directors' remuneration for the financial year ended 31 December 2023 are set out below:

	Group RM	Company RM
Non-executive:		
Fees	479,150	374,790
Other emoluments	43,000	41,000
Benefits-in-kind	17,560	17,560
Total non-executive directors' remuneration (including benefits-in-kind)	539,710	433,350

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby the directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTEREST

None of the directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

OTHER STATUTORY INFORMATION

- (a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors 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 allowance for doubtful debts and had satisfied themselves that there were no known bad debts that need to be written off and that adequate allowance for doubtful debts had been made; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

Directors' Report (cont'd.)

OTHER STATUTORY INFORMATION (CONT'D.)

- (b) At the date of this report, the directors are not aware of any circumstances:
 - (i) which would require the writing off of bad debts or render the amount of the allowance for doubtful debts in respect of the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
 - (i) 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 will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The directors and officers of the Group and of the Company are covered by Directors and Officers liability insurance which is maintained on a group basis by the Company in respect of liabilities arising from acts committed in their respective capacity as, Directors and Officers of the Company subject to the terms of the policy. The total amount of Directors and Officers Liability Insurance effected for the Directors and Officers of the Company was RM10,000,000 whilst the total amount of premium paid by Company during the financial year was RM14,250.

There were no indemnity given to or insurance effected for auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

Directors' Report (cont'd.)

AUDITORS' REMUNERATION

The amount payable as remuneration of the auditors for the Group and of the Company for the financial year ended 31 December 2023 is amounting to RM68,000 and RM25,000 respectively.

AUDITORS

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

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 30 April 2024.

Tan Sri Dr Nik Norzrul Thani bin N. Hassan Thani

Dr Veerinderjeet Singh A/L Tejawant Singh

Statement by directors

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

We, Tan Sri Dr Nik Norzrul Thani bin N. Hassan Thani and Dr Veerinderjeet Singh A/L Tejwant Singh, being two of the directors of Malaysian Rating Corporation Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 66 to 121 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 30 April 2024.

Tan Sri Dr Nik Norzrul Thani bin N. Hassan Thani

Dr Veerinderjeet Singh A/L Tejwant Singh

Statutory declaration

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

I, Mohammad Farish Bin Mohd Noor, being the officer primarily responsible for the financial management of Malaysian Rating Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 66 to 121 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Mohammad Farish Bin
Mohd Noor at Kuala Lumpur in the
Federal Territory on 30 April 2024

Mohammad Farish Bin Mohd Noor

Before me,

Independent auditors' report

to the members of Malaysian Rating Corporation Berhad

(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **Malaysian Rating Corporation Berhad**, which comprise the statements of financial position of the Group and of the Company as at 31 December 2023, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 66 to 121.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

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 audit opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and 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.

(Forward)

Independent auditors' report

to the members of Malaysian Rating Corporation Berhad (cont'd.)

(Incorporated in Malaysia)

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

Our opinion on the financial statements of the Group and 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 Group and 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 Group and 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 financial statements of the Group and 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 Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

(Forward)

Independent auditors' report

to the members of Malaysian Rating Corporation Berhad (cont'd.)

(Incorporated in Malaysia)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and 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:

- Identify and assess the risks of material misstatement of the financial statements of the Group and 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.
- 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 Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 Group's or 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 Group and 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 Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(Forward)

Independent auditors' report

to the members of Malaysian Rating Corporation Berhad (cont'd.)

(Incorporated in Malaysia)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 MATTER

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

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

KOK PEI LOO
Partner - 03524/08/2024 J
Chartered Accountant

30 April 2024

Statements of profit or loss and other comprehensive income

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Revenue	4	23,572,566	23,228,362	9,200,703	8,419,163
Cost of services rendered		(6,692,933)	(6,295,836)	-	-
Gross profit		16,879,633	16,932,526	9,200,703	8,419,163
Other items of income					
Interest income	5	826,866	407,684	346,520	144,267
Distribution income	6	563,992	457,664	543,731	437,774
Dividend income	7	112,722	87,061	6,112,722	87,061
Net foreign exchange (loss)/ gain:					
Realised		(317)	(7,759)	1,795	13
Unrealised		14	19	14	19
Net unrealised gain on financial assets held at fair value through profit or loss ("FVTPL")		653,182	176,733	620,929	183,500
Other income	8	25,320	10,742	349,982	73,482
Other items of expense					
Public relations and marketing		(70,607)	(66,534)	(15,015)	(62,439)
Administrative expenses		(12,589,513)	(9,322,931)	(10,164,403)	(8,553,102)
Profit before tax	9	6,401,292	8,675,205	6,996,978	729,738
Income tax expense	12	(2,187,911)	(2,271,804)	(278,709)	(125,689)
Profit for the year		4,213,381	6,403,401	6,718,269	604,049

Statements of profit or loss and other comprehensive income (cont'd.)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D.)

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Other comprehensive income					
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>					
Net gain from changes in fair value on equity instruments at fair value through other comprehensive income ("FVTOCI")		-	2,503	-	2,503
Other comprehensive income for the year, net of tax		-	2,503	-	2,503
Total comprehensive income for the year		4,213,381	6,405,904	6,718,269	606,552

The accompanying Notes form an integral part of the financial statements.

Statements of financial position

AS AT 31 DECEMBER 2023

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Assets					
Non-current assets					
Property, plant and equipment	13	13,002,686	12,781,507	13,002,686	12,781,507
Intangible assets	14	518,234	58,642	518,234	58,642
Investment in subsidiaries	15	-	-	11,000,004	11,000,004
Deferred tax assets	16	1,166,869	1,189,956	623,088	792,491
Investment securities	17	46,627	46,627	46,627	46,627
		<u>14,734,416</u>	<u>14,076,732</u>	<u>25,190,639</u>	<u>24,679,271</u>
Current assets					
Trade and other receivables	18	5,271,174	4,875,428	556,992	365,978
Amount due from subsidiaries	19	-	-	5,156,648	1,026,015
Investment securities	17	27,582,652	31,361,300	26,512,763	30,343,925
Tax recoverable		1,547,703	1,160,091	1,509,559	1,121,679
Deposits with licenced financial institutions	20	24,440,318	20,092,020	8,330,550	5,374,837
Cash and bank balances	21	1,047,101	1,234,415	572,703	54,018
		<u>59,888,948</u>	<u>58,723,254</u>	<u>42,639,215</u>	<u>38,286,452</u>
Total assets		<u>74,623,364</u>	<u>72,799,986</u>	<u>67,829,854</u>	<u>62,965,723</u>
Equity and liabilities					
Current liabilities					
Other payables and accruals	22	5,372,072	4,514,608	2,245,006	2,099,144
Income tax payables		-	1,247,467	-	-
		<u>5,372,072</u>	<u>5,762,075</u>	<u>2,245,006</u>	<u>2,099,144</u>
Net current assets		<u>54,516,876</u>	<u>52,961,179</u>	<u>40,394,209</u>	<u>36,187,308</u>
Total liabilities		<u>5,372,072</u>	<u>5,762,075</u>	<u>2,245,006</u>	<u>2,099,144</u>
Net assets		<u>69,251,292</u>	<u>67,037,911</u>	<u>65,584,848</u>	<u>60,866,579</u>

Statements of financial position (cont'd.)

AS AT 31 DECEMBER 2023 (CONT'D.)

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Equity attributable to owner of the parent					
Share capital	23	20,000,000	20,000,000	20,000,000	20,000,000
Retained earnings	24	49,252,834	47,039,453	45,586,390	40,868,121
Other reserves	25	(1,542)	(1,542)	(1,542)	(1,542)
Total equity		<u>69,251,292</u>	<u>67,037,911</u>	<u>65,584,848</u>	<u>60,866,579</u>
Total equity and liabilities		<u>74,623,364</u>	<u>72,799,986</u>	<u>67,829,854</u>	<u>62,965,723</u>

The accompanying Notes form an integral part of the financial statements.

Statements of changes in equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Share capital RM	Distributable - Retained earnings RM	Non-distributable - Fair value adjustment reserve RM	Total equity RM
Group					
At 1 January 2022		20,000,000	42,636,052	(4,045)	62,632,007
Total comprehensive income		-	6,403,401	2,503	6,405,904
Transaction with shareholders:					
Dividends	31	-	(2,000,000)	-	(2,000,000)
At 31 December 2022		<u>20,000,000</u>	<u>47,039,453</u>	<u>(1,542)</u>	<u>67,037,911</u>
At 1 January 2023		20,000,000	47,039,453	(1,542)	67,037,911
Total comprehensive income		-	4,213,381	-	4,213,381
Transaction with shareholders:					
Dividends	31	-	(2,000,000)	-	(2,000,000)
At 31 December 2023		<u>20,000,000</u>	<u>49,252,834</u>	<u>(1,542)</u>	<u>69,251,292</u>

The accompanying Notes form an integral part of the financial statements.

Statements of changes in equity (cont'd.)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D.)

	Note	Share capital RM	Distributable - Retained earnings RM	Non-distributable - Fair value adjustment reserve RM	Total equity RM
Company					
At 1 January 2022		20,000,000	42,264,072	(4,045)	62,260,027
Total comprehensive income		-	604,049	2,503	606,552
Transaction with shareholders:					
Dividends	31	-	(2,000,000)	-	(2,000,000)
At 31 December 2022		<u>20,000,000</u>	<u>40,868,121</u>	<u>(1,542)</u>	<u>60,866,579</u>
At 1 January 2023		20,000,000	40,868,121	(1,542)	60,866,579
Total comprehensive income		-	6,718,269	-	6,718,269
Transaction with shareholders:					
Dividends	31	-	(2,000,000)	-	(2,000,000)
At 31 December 2023		<u>20,000,000</u>	<u>45,586,390</u>	<u>(1,542)</u>	<u>65,584,848</u>

The accompanying Notes form an integral part of the financial statements.

Statements of cash flows

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Operating activities				
(Deposits with)/Withdrawals from licenced financial institutions	(5,140,884)	5,653,938	(5,286,618)	5,449,672
Cash receipts from operations	30,645,350	27,279,759	9,056,001	9,689,729
Cash paid for operating expenses	(25,357,548)	(22,737,114)	(9,165,405)	(10,563,879)
Cash paid for low-value assets leases	(25,800)	(25,800)	(25,800)	(25,800)
Other cash receipts	26,729	41,438	22,063	3,289
Cash from operations	147,847	10,212,221	(5,399,759)	4,553,011
Taxes paid	(3,811,235)	(2,795,917)	(497,186)	(1,461,250)
Taxes refunded	11,332	-	-	-
Net cash flows (used in)/ generated from operating activities	(3,652,056)	7,416,304	(5,896,945)	3,091,761
Investing activities				
Dividend received	112,722	87,061	112,722	87,061
Dividend from a subsidiary	-	-	6,000,000	-
Purchase of investment securities	(568,170)	(257,663)	(547,909)	(237,773)
Proceeds from disposal of investment securities	5,000,000	-	5,000,000	-
Advances to subsidiaries	-	-	(4,130,633)	(666,848)
Interest received	1,413,529	828,900	936,470	579,886
Purchase of property, plant and equipment	(770,348)	(139,867)	(770,348)	(139,867)
Purchase of intangible assets	(517,386)	(59,890)	(517,386)	(59,890)
Proceeds from disposal of property, plant and equipment	-	1,201	-	1,201
Net cash flows generated from /(used in) investing activities	4,670,347	459,742	6,082,916	(436,230)
Financing activities				
Dividends paid (Note 31)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Net cash flows used in financing activities	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)

Statements of cash flows (cont'd.)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D.)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Net (decrease)/increase in cash and cash equivalents	(981,709)	5,876,046	(1,814,029)	655,531
Effect of exchange rate changes on cash and cash equivalents	1,809	32	1,809	32
Cash and cash equivalents at beginning of year	10,636,769	4,760,691	2,384,923	1,729,360
Cash and cash equivalents at end of year	<u>9,656,869</u>	<u>10,636,769</u>	<u>572,703</u>	<u>2,384,923</u>
Cash and cash equivalents comprise:				
Deposits with licenced financial institutions (Note 20)	24,440,318	20,092,020	8,330,550	5,374,837
Cash and bank balances (Note 21)	1,047,101	1,234,415	572,703	54,018
	<u>25,487,419</u>	<u>21,326,435</u>	<u>8,903,253</u>	<u>5,428,855</u>
Less: Deposits with maturity:				
- more than 3 months	(15,830,550)	(10,389,666)	(8,330,550)	(3,043,932)
- more than 6 months	-	(300,000)	-	-
	<u>9,656,869</u>	<u>10,636,769</u>	<u>572,703</u>	<u>2,384,923</u>

The accompanying Notes form an integral part of the financial statements.

Notes to the financial statements

- 31 December 2023

1. CORPORATE INFORMATION

The Company is a public limited liability company incorporated and domiciled in Malaysia. The registered office and the principal business of the Company is located at 19-07, Level 19 Q Sentral, 2A Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

The principal activities of the Company are that of a holding company with provision of management services.

The principal activities of the subsidiaries are disclosed in Note 15. There have been no significant changes in the nature of these principal activities of the subsidiaries during the financial year.

The financial statements of the Group and of the Company have been authorised by the Board of Directors for issuance on 30 April 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The financial statements of the Company and its subsidiaries (the "Group") have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared on a historical cost basis, unless otherwise indicated in the material accounting policy information as disclosed in Notes 2.4 to 2.19.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Group and of the Company.

Notes to the financial statements

- 31 December 2023 (cont'd.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Adoption of New Standards and Amendments to MFRSs

In the current financial year, the Group and the Company have adopted the all new Standards and Amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") and effective for annual financial periods beginning on or after 1 January 2023:

Description	Effective for annual financial year beginning on or after
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Initial Application of MFRS 9 and MFRS 17 – Comparative Information	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules	1 January 2023

The adoption of the above new Standard and Amendments to MFRSs did not result in significant changes in the accounting policies of the Group and of the Company and has no significant effect on the financial performance or position of the Group and of the Company.

The Group and the Company have adopted Amendments to MFRS 101 effective from 1 January 2023. The Amendments require the disclosure of 'material', rather than 'significant', accounting policies. The Amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the Amendments did not result in any changes to the accounting policies of the Group and of the Company, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in Notes 2.4 to 2.19.

Notes to the financial statements

- 31 December 2023 (cont'd.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.3 Amendments to MFRSs in Issue but Not Yet Effective

At the date of authorisation for issue of these financial statements, the Amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

Description	Effective for annual financial year beginning on or after
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current and Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	date to be announced by MASB

The directors anticipate that the abovementioned Amendments to MFRSs will be adopted in the financial statements of the Group and of the Company when they become effective and that the adoption of these Amendments to MFRSs will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Group controls an investee if and only if the Group has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

Notes to the financial statements

- 31 December 2023 (cont'd.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.4 Basis of consolidation (cont'd.)

When the Group has less than a majority of the voting rights of an investee, the Group considers the following in assessing whether or not the Group's voting rights in an investee are sufficient to give it power over the investee:

- (i) The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Group, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between:

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss.

The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Notes to the financial statements

- 31 December 2023 (cont'd.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.5 Business combination

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expenses and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

A subsidiary is an entity over which the Group has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

Notes to the financial statements

- 31 December 2023 (cont'd.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.6 Foreign currency

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's presentation currency.

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

(ii) Foreign currency transactions

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

Notes to the financial statements

- 31 December 2023 (cont'd.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.6 Foreign currency (cont'd.)

(iii) Foreign currency exchange rate

The principal rate used for every unit of foreign currency ruling at the reporting date is as follows:

	2023 RM	2022 RM
United States Dollars	4.59	4.42

2.7 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company, and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

- Furniture, fittings and office equipment: 5 years
- Motor vehicles: 5 years
- Computers: 2 to 4 years
- Renovation: 3 to 5 years
- Building: 50 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Notes to the financial statements

- 31 December 2023 (cont'd.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.7 Property, plant and equipment and depreciation (cont'd.)

The residual value, useful life and depreciation method are reviewed at end of each reporting period, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit and loss in the year the asset is derecognised.

2.8 Intangible asset and amortisation

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in profit or loss.

Intangible assets not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised.

The Group's and the Company's intangible asset consists of computer software. The useful life of computer software is assessed to be finite. Computer software is amortised on a straight-line basis over 2 years to 4 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Notes to the financial statements

- 31 December 2023 (cont'd.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.9 Impairment of non-financial assets

The Group and the Company assess at end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in statements of profit or loss.

2.10 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

(i) Initial recognition and subsequent measurement

The Group and the Company determine the classification of their financial assets at initial recognition, and the category include financial assets at fair value through other comprehensive income ("FVTOCI") for equity instruments, FVTPL and amortised cost ("AC").

Notes to the financial statements

- 31 December 2023 (cont'd.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.10 Financial assets (cont'd.)

(i) Initial recognition and subsequent measurement (cont'd.)

(a) Financial assets designated at FVTOCI (equity instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVTOCI when they meet the definition of equity under MFRS 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised in the statements of profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVTOCI are not subject to impairment assessment.

The Group and the Company elected to classify irrevocably its unquoted equity investments under this category.

(b) Financial assets at FVTPL

Financial assets are classified as financial assets at FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives or financial assets acquired principally for the purpose of selling in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at AC or at FVTOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at FVTPL do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

The Group's and the Company's financial assets at FVTPL include investments in unquoted club membership, real estate investment trusts and unit trusts under this category.

Notes to the financial statements

- 31 December 2023 (cont'd.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.10 Financial assets (cont'd.)

(i) Initial recognition and subsequent measurement (cont'd.)

(c) Financial assets at AC

A financial asset is measured at AC if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding. The Group and the Company include in this category trade receivables and other receivables, amount due from subsidiaries, deposits with licenced financial institutions and cash and bank balances.

Subsequent to initial recognition, financial assets at AC are measured at AC using the effective interest or yield method. Gains and losses are recognised in profit or loss when the financial assets at AC are derecognised or impaired, and through the amortisation process.

The Group's and the Company's financial assets at AC include investment in corporate bonds under this category.

(d) Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the financial asset have expired; or
- The Group and the Company have transferred its rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement; and either:
- The Group and the Company have transferred substantially all the risks and rewards of the financial asset; or
- The Group and the Company have neither transferred nor retained substantially all the risks and rewards of the financial asset, but has transferred control of the financial asset.

When the Group and the Company have transferred its rights to receive cash flows from a financial asset or has entered into a "pass through" arrangement and has neither transferred nor retained substantially all the risks and rewards of the financial asset nor transferred control of the financial asset, the financial asset is recognised to the extent of the Group's and the Company's continuing involvement in the financial asset. In that case, the Group and the Company also recognise an associated financial liability. The transferred financial asset and associated financial liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Notes to the financial statements

- 31 December 2023 (cont'd.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.10 Financial assets (cont'd.)

(i) Initial recognition and subsequent measurement (cont'd.)

(e) Impairment of financial assets

Expected credit loss ("ECL") are derived from unbiased and probability-weighted credit losses determined by evaluating a range of possible outcomes and considering future economic conditions.

At end of each reporting period, the Group and the Company assess whether there have been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the remaining expected life between reporting date and the date of initial recognition. The Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information.

The Group and the Company assess whether financial assets carried at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

For financial assets measured at amortised cost, the Group and the Company apply the simplified approach as permitted by MFRS 9 which requires an entity to recognise a loss allowance based on lifetime ECL at end of each reporting period. The ECL is computed based on provisional matrix.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, the financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery of amounts due.

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at end of each reporting period. The Group and the Company have established an internal credit rating for the Company and a provision matrix for the subsidiaries that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Notes to the financial statements

- 31 December 2023 (cont'd.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statements of cash flow, cash and cash equivalent comprise cash and deposits with financial institutions with original maturity of three (3) months or less.

2.12 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.13 Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The financial liabilities of the Group and of the Company include other payables and accruals.

Financial liabilities are measured initially at fair value, plus directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liabilities for at least twelve months after the reporting date.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

Notes to the financial statements

- 31 December 2023 (cont'd.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.14 Employee benefits

(i) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

The Group and the Company participate in the national pension schemes as defined by the laws. The companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.15 Leases

(i) Classification

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease arrangement based on whether the contract that conveys to the user (the lessee) the right to control the use of an identified asset for a period of time in exchange for consideration. If a contract contains more than one lease component, or a combination of leasing and services transactions, the consideration is allocated to each of these lease and non-lease components on conclusion and on each subsequent remeasurement of the contract on the basis of their relative stand-alone selling prices. The Group and the Company combine lease and non-lease components, in cases where splitting the non-lease component is not possible.

Notes to the financial statements

- 31 December 2023 (cont'd.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.15 Leases (cont'd.)

(ii) Recognition and initial measurement

(1) The Group and the Company as lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use asset representing the right of use of the underlying assets.

Right-of-use ("ROU") assets

The Group and the Company recognise ROU assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of ROU assets includes the amount of lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The lease term includes periods covered by an option to extend if the Group and the Company are reasonably certain to exercise that option. Unless the Group and the Company are reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. ROU assets are subject to impairment assessment.

The impairment policy for ROU assets are in accordance with impairment of non-financial assets as described in Note 2.9.

Notes to the financial statements

- 31 December 2023 (cont'd.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.15 Leases (cont'd.)

(ii) Recognition and initial measurement (cont'd.)

(1) The Group and the Company as lessee (cont'd.)

Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentive receivables), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating a lease, if the lease term reflects the Group and the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group and the Company use incremental borrowing rate at the commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest/profit and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the fixed lease payments or a change in the assessment of an option to purchase the underlying asset.

(2) Short term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group and the Company also apply the lease of low-value assets recognition exemption to leases of assets that are considered of low-value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense when incurred.

2.16 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company, and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

Notes to the financial statements

- 31 December 2023 (cont'd.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.16 Revenue recognition (cont'd.)

(i) Revenue from services

- Revenue from rating and surveillance services is recognised at the point in time when services are rendered upon completion of milestones and deliverables.
- Revenue from subscriptions and sale of reports and data is recognised according to the service period.
- Revenue from seminars, training and conferences is recognised at the point in time upon completion of services rendered.
- Revenue from technical collaboration is recognised at the point in time upon completion of services rendered.
- Revenue from management fee is recognised at the point in time upon completion of services rendered.

(ii) Interest income

Interest income is recognised using the effective interest method over the term of underlying investments.

(iii) Distribution income

Distribution income is recognised when the right of the payment has been established.

(iv) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

2.17 Income taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Income tax for the year comprises current and deferred tax. Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Notes to the financial statements

- 31 December 2023 (cont'd.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.17 Income taxes (cont'd.)

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Notes to the financial statements

- 31 December 2023 (cont'd.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.17 Income taxes (cont'd.)

(ii) Deferred tax (cont'd.)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Sales and service tax

Revenues are recognised at net of the amount of sales and service tax ("SST"). Expenses and assets are recognised including the amount of SST. The net amount of SST payable to the taxation authority is included as part of payables in the statements of financial position.

2.18 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.19 Fair value measurement

The Group and the Company measure financial instruments at end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

Notes to the financial statements

- 31 December 2023 (cont'd.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.19 Fair value measurement (cont'd.)

The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 - unadjusted quoted market prices in active markets for identical assets or liabilities.
- (ii) Level 2 - inputs other than quoted market prices that are observable either directly or indirectly.
- (iii) Level 3 - input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Notes to the financial statements

- 31 December 2023 (cont'd.)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving higher degree of judgement and complexity, are as follows:

3.1 Deferred tax assets

The Group and the Company assess at the end of the reporting period whether there is probable and sufficient future taxable profits will be available against which the deductible temporary differences and other tax credits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4. REVENUE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Rating and surveillance fees	21,572,646	21,045,937	-	-
Seminars, training, conferences, subscriptions and publications	1,382,167	935,804	-	2,792
Technical collaboration fee/ advisories	572,103	1,200,371	12,103	11,371
Management fee	-	-	9,188,600	8,405,000
Recoverable expenses	45,650	46,250	-	-
	<u>23,572,566</u>	<u>23,228,362</u>	<u>9,200,703</u>	<u>8,419,163</u>

Timing of revenue recognition

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Services transferred at a point in time	22,484,530	22,548,695	9,200,703	8,416,371
Services transferred over time	1,088,036	679,667	-	2,792
	<u>23,572,566</u>	<u>23,228,362</u>	<u>9,200,703</u>	<u>8,419,163</u>

The Group and the Company have applied the practical expedient in MFRS 15: 121(a) allowing non-disclosure of the amount of the transaction price allocated to the remaining performance obligations for services transferred over time.

Notes to the financial statements

- 31 December 2023 (cont'd.)

5. INTEREST INCOME

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Deposits and money market	825,620	406,906	324,458	140,978
Advances to subsidiaries (Note 26(a))	-	-	21,068	3,271
Receivables	1,246	778	994	18
	<u>826,866</u>	<u>407,684</u>	<u>346,520</u>	<u>144,267</u>

6. DISTRIBUTION INCOME

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Financial investments at FVTPL	543,170	257,664	522,909	237,774
Financial investments at amortised cost	20,822	200,000	20,822	200,000
	<u>563,992</u>	<u>457,664</u>	<u>543,731</u>	<u>437,774</u>

Notes to the financial statements

- 31 December 2023 (cont'd.)

7. DIVIDEND INCOME

Dividend income represents income from financial assets at FVTPL.

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Dividend income from:				
Subsidiary company	-	-	6,000,000	-
Investment securities	112,722	87,061	112,722	87,061
	<u>112,722</u>	<u>87,061</u>	<u>6,112,722</u>	<u>87,061</u>

8. OTHER INCOME

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Shared service income	-	-	324,662	72,280
Gain on disposal of property, plant and equipment	-	1,199	-	1,199
Gain on redemption of investment securities	25,000	-	25,000	-
Others	320	9,543	320	3
	<u>25,320</u>	<u>10,742</u>	<u>349,982</u>	<u>73,482</u>

Shared service income comprises of costs allocated to subsidiaries in respect of salary and benefits arising from the service agreement which took effect from 2019.

Notes to the financial statements

- 31 December 2023 (cont'd.)

9. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Auditors' remuneration		68,000	68,000	25,000	25,000
Tax advisor fees		27,580	25,810	9,010	9,010
Expense from low-value assets leases		44,151	45,531	39,782	41,820
Consultancy fee expense	26(a)	-	-	403,869	381,776
Depreciation of property, plant and equipment	13	549,169	458,787	549,169	458,787
Amortisation of intangible assets	14	57,794	1,248	57,794	1,248
Employee benefits expense	10	14,135,328	11,787,355	6,413,310	5,986,065
Printing and stationery		74,605	54,751	73,451	53,070
Professional fees		414,253	89,779	319,074	62,808
Insurance expenses		237,088	218,292	227,843	201,399
Staff benefit and staff training		16,692	26,966	-	-
Company trip		320,917	22,280	314,758	11,140
Rental of office premises		98,315	-	98,315	-
Directors' remuneration	11	539,710	567,090	433,350	476,980
Allowance/(Writeback) of ECL	18(a)(i)	132,232	115,551	-	(38,531)

10. EMPLOYEE BENEFITS EXPENSE

		Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Salaries and bonuses		12,012,753	9,983,098	5,462,590	5,082,104
Contributions to defined contribution plan		1,790,121	1,505,293	805,503	775,387
Social security contributions		61,890	44,566	26,411	19,578
Other benefits		270,564	254,398	118,806	108,996
		<u>14,135,328</u>	<u>11,787,355</u>	<u>6,413,310</u>	<u>5,986,065</u>

Notes to the financial statements

- 31 December 2023 (cont'd.)

11. DIRECTORS' REMUNERATION

The details of remuneration receivable by directors of the Group and of the Company during the financial year are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-executive:				
Fees	479,150	493,650	374,790	403,540
Other emoluments	43,000	55,120	41,000	55,120
Benefits-in-kind	17,560	18,320	17,560	18,320
Total non-executive directors' remuneration (including benefits-in-kind)	<u>539,710</u>	<u>567,090</u>	<u>433,350</u>	<u>476,980</u>

12. INCOME TAX EXPENSE

Major components of income tax expense

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current income tax:				
- Malaysian income tax	2,230,582	2,501,422	109,306	-
- Overprovision in respect of previous years	(65,758)	(5,469)	-	(6,057)
	<u>2,164,824</u>	<u>2,495,953</u>	<u>109,306</u>	<u>(6,057)</u>

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Deferred income tax (Note 16):				
- Origination and reversal of temporary differences	(207,006)	(239,697)	(60,690)	116,198
- Overprovision in respect of previous years	230,093	15,548	230,093	15,548
	<u>23,087</u>	<u>(224,149)</u>	<u>169,403</u>	<u>131,746</u>
Income tax expense recognised in profit or loss	<u>2,187,911</u>	<u>2,271,804</u>	<u>278,709</u>	<u>125,689</u>

Notes to the financial statements

- 31 December 2023 (cont'd.)

12. INCOME TAX EXPENSE (CONT'D.)

Reconciliation between tax expense and accounting profit

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expense applicable to net profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Accounting profit before tax	6,401,292	8,675,205	6,996,978	729,738
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	1,536,310	2,082,049	1,679,275	175,137
Tax effects of:				
Non-deductible expenses	126,431	124,097	88,862	90,657
Income not subject to taxation	(287,055)	(154,370)	(1,719,521)	(149,596)
Overprovision of income tax in respect of previous years	(65,758)	(5,469)	-	(6,057)
Deferred tax assets not recognised	647,890	209,949	-	-
Overprovision of deferred tax in respect of previous years	230,093	15,548	230,093	15,548
Income tax expense recognised in profit or loss	2,187,911	2,271,804	278,709	125,689

Notes to the financial statements

- 31 December 2023 (cont'd.)

12. INCOME TAX EXPENSE (CONT'D.)

Reconciliation between tax expense and accounting profit (cont'd.)

The estimated amount of deductible temporary differences and unused tax losses, for which the net deferred tax assets is not recognised in the financial statements of the Group due to uncertainty of realisation, is as follows:

	Group	
	2023 RM	2022 RM
Deductible temporary differences arising from:		
Other payables and accruals	268,567	110,109
Deferred revenue	81,703	82,884
Unused tax losses	3,139,528	597,262
	<u>3,489,798</u>	<u>790,255</u>
Deferred tax assets not recognised at 24%	<u>837,551</u>	<u>189,661</u>

The unused tax losses which are subject to agreement by the tax authorities, are available for offset against the future chargeable profits.

Under the Malaysia Finance Act 2021 which was gazetted on 31 December 2021, the Group's tax losses brought forward from year of assessment 2018 and before, can be carried forward for 10 consecutive years of assessment (i.e. from year of assessments 2018 to 2028). Unused tax losses from year of assessment 2019 onwards can be carried forward for a maximum period of 10 consecutive years.

The expiry of the unused tax losses is as follows:

Year of assessment	Expiry year of assessment	Group	
		2023 RM	2022 RM
2022	2033	588,542	597,262
2023	2034	2,550,986	-
		<u>3,139,528</u>	<u>597,262</u>

Notes to the financial statements

- 31 December 2023 (cont'd.)

13. PROPERTY, PLANT AND EQUIPMENT

Group and Company	Furniture, fittings, and office equipment RM	Motor vehicles RM	Computers RM	Renovation RM	Building RM	Total RM
Cost						
At 1 January 2022	373,955	389,165	658,136	283,888	13,963,345	15,668,489
Additions	5,283	8,106	126,478	-	-	139,867
Disposals	-	(7,138)	-	-	-	(7,138)
At 31 December 2022/ 1 January 2023	379,238	390,133	784,614	283,888	13,963,345	15,801,218
Additions	53,851	-	392,653	323,844	-	770,348
At 31 December 2023	433,089	390,133	1,177,267	607,732	13,963,345	16,571,566
Accumulated depreciation						
At 1 January 2022	320,838	166,314	510,694	230,585	1,339,629	2,568,060
Charge for the year (Note 9)	22,203	77,621	65,126	14,570	279,267	458,787
Disposals	-	(7,136)	-	-	-	(7,136)
At 31 December 2022/ 1 January 2023	343,041	236,799	575,820	245,155	1,618,896	3,019,711
Charge for the year (Note 9)	19,767	78,025	132,601	39,509	279,267	549,169
At 31 December 2023	362,808	314,824	708,421	284,664	1,898,163	3,568,880
Net carrying amount						
At 31 December 2022	36,197	153,334	208,794	38,733	12,344,449	12,781,507
At 31 December 2023	70,281	75,309	468,846	323,068	12,065,182	13,002,686

The carrying amount of fully depreciated assets that are still in use amounted to RM1,324,292 (2022: RM1,268,507).

Notes to the financial statements

- 31 December 2023 (cont'd.)

14. INTANGIBLE ASSETS

**Computer
Software
RM**

Group and Company

Cost

At 1 January 2022	275,198
Additions	59,890
At 31 December 2022/1 January 2023	335,088
Additions	517,386
At 31 December 2023	852,474

Accumulated amortisation

At 1 January 2022	275,198
Charge for the year (Note 9)	1,248
At 31 December 2022/1 January 2023	276,446
Charge for the year (Note 9)	57,794
At 31 December 2023	334,240

Net carrying amount

At 31 December 2022	58,642
At 31 December 2023	518,234

15. INVESTMENT IN SUBSIDIARIES

Company

**2023
RM** **2022
RM**

Unquoted shares, at cost	11,000,004	11,000,004
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Notes to the financial statements

- 31 December 2023 (cont'd.)

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activity	Proportion (%) of ownership interest	
			2023	2022
Held by the Company:				
MARC Solutions Sdn. Bhd.*	Malaysia	Consultancy management & advisory	100	100
MARC Learning Sdn. Bhd.*	Malaysia	Training	100	100
MARC Ratings Berhad*	Malaysia	Other financial service activities	100	100
MARC Data Sdn. Bhd.*	Malaysia	Collection agencies and credit bureaus data processing	100	100

* Audited by Deloitte PLT, Malaysia

16. DEFERRED TAX ASSETS

Movement of deferred tax assets is as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 January	1,189,956	965,807	792,491	924,237
Recognised in profit or loss (Note 12)	(23,087)	224,149	(169,403)	(131,746)
At 31 December	<u>1,166,869</u>	<u>1,189,956</u>	<u>623,088</u>	<u>792,491</u>

Presented after appropriate offsetting as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Deferred tax assets	1,238,983	1,257,695	695,202	860,230
Deferred tax liabilities	(72,114)	(67,739)	(72,114)	(67,739)
	<u>1,166,869</u>	<u>1,189,956</u>	<u>623,088</u>	<u>792,491</u>

Notes to the financial statements

- 31 December 2023 (cont'd.)

16. DEFERRED TAX ASSETS (CONT'D.)

The components and movement of the deferred tax assets and liabilities during the financial year are as follows:

Deferred tax assets

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Deferred tax assets (before offsetting):				
Temporary differences arising from:				
Allowance for ECL	79,814	48,078	26,438	26,438
Bonus provision	754,487	680,280	426,505	395,191
Deferred revenue	184,787	117,174	22,364	26,438
Unused tax losses	140,346	356,110	140,346	356,110
Unabsorbed capital allowances	79,549	56,053	79,549	56,053
	<u>1,238,983</u>	<u>1,257,695</u>	<u>695,202</u>	<u>860,230</u>
Offsetting	<u>(72,114)</u>	<u>(67,739)</u>	<u>(72,114)</u>	<u>(67,739)</u>
Deferred tax assets (after offsetting)	<u>1,166,869</u>	<u>1,189,956</u>	<u>623,088</u>	<u>792,491</u>
Deferred tax liabilities (before offsetting):				
Temporary differences arising from:				
Property, plant and equipment	72,114	67,739	72,114	67,739
Offsetting	<u>(72,114)</u>	<u>(67,739)</u>	<u>(72,114)</u>	<u>(67,739)</u>
Deferred tax liabilities (after offsetting)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the financial statements

- 31 December 2023 (cont'd.)

17. INVESTMENT SECURITIES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current				
<i>FVTPL</i>				
(Quoted in Malaysia)				
Unit trust funds	25,963,137	24,683,365	24,893,248	23,665,990
Real estate investment trusts	1,599,515	1,682,935	1,599,515	1,682,935
	27,562,652	26,366,300	26,492,763	25,348,925
(Unquoted in Malaysia)				
Club membership	20,000	20,000	20,000	20,000
<i>Amortised cost</i>				
(Quoted in Malaysia)				
4.0% p.a.* RM corporate bonds due 8 February 2023	-	4,975,000	-	4,975,000
Total current investment securities	27,582,652	31,361,300	26,512,763	30,343,925
Non-current				
<i>FVTOCI</i>				
(Unquoted outside Malaysia)				
Equity instruments	46,627	46,627	46,627	46,627
Total non-current investment securities	46,627	46,627	46,627	46,627
Total investment securities	27,629,279	31,407,927	26,559,390	30,390,552

* p.a.: per annum

Notes to the financial statements

- 31 December 2023 (cont'd.)

18. TRADE AND OTHER RECEIVABLES

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Trade receivables	(a)	4,726,547	4,405,862	139,037	104,493
Accrued receivables		-	144,715	-	-
		<u>4,726,547</u>	<u>4,550,577</u>	<u>139,037</u>	<u>104,493</u>
Other receivables					
Interest receivables		114,508	138,428	29,638	97,921
Refundable deposits		92,088	22,740	81,490	21,740
Sundry receivables		159	322	159	130
Prepayments		124,681	72,451	93,477	50,784
Others		213,191	90,910	213,191	90,910
		<u>544,627</u>	<u>324,851</u>	<u>417,955</u>	<u>261,485</u>
Total trade and other receivables		<u>5,271,174</u>	<u>4,875,428</u>	<u>556,992</u>	<u>365,978</u>

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 days (2022: 30 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Trade receivables	5,123,019	4,670,102	249,195	214,651
Allowance for expected credit loss (Note 18(a)(i))	<u>(396,472)</u>	<u>(264,240)</u>	<u>(110,158)</u>	<u>(110,158)</u>
	<u>4,726,547</u>	<u>4,405,862</u>	<u>139,037</u>	<u>104,493</u>
Lifetime non-credit impaired	4,680,758	4,413,411	45,915	104,553
Lifetime credit impaired	442,261	256,691	203,280	110,098
Gross carrying amount	<u>5,123,019</u>	<u>4,670,102</u>	<u>249,195</u>	<u>214,651</u>
ECL:				
Non-credit impaired	47,333	7,549	-	60
Credit impaired	349,139	256,691	110,158	110,098
	<u>396,472</u>	<u>264,240</u>	<u>110,158</u>	<u>110,158</u>
Net carrying amount	<u>4,726,547</u>	<u>4,405,862</u>	<u>139,037</u>	<u>104,493</u>

Notes to the financial statements

- 31 December 2023 (cont'd.)

18. TRADE AND OTHER RECEIVABLES (CONT'D.)

(a) Trade receivables (cont'd.)

Reconciliation allowance for expected credit loss is as follows:

(i) Reconciliation of allowance for expected credit loss

	Lifetime non-credit impaired RM	Group Lifetime credit impaired RM	Total RM
Lifetime ECL			
At 1 January 2023	7,549	256,691	264,240
Allowance made	39,784	92,448	132,232
At 31 December 2023	<u>47,333</u>	<u>349,139</u>	<u>396,472</u>
At 1 January 2022	10,518	138,171	148,689
(Reversals)/Allowance made	(2,969)	118,520	115,551
At 31 December 2022	<u>7,549</u>	<u>256,691</u>	<u>264,240</u>
	Lifetime non-credit impaired RM	Company Lifetime credit impaired RM	Total RM
Lifetime ECL			
At 1 January 2023	60	110,098	110,158
(Reversals)/Allowance made	(60)	60	-
At 31 December 2023	<u>-</u>	<u>110,158</u>	<u>110,158</u>
At 1 January 2022	10,518	138,171	148,689
Reversals	(10,458)	(28,073)	(38,531)
At 31 December 2022	<u>60</u>	<u>110,098</u>	<u>110,158</u>

Notes to the financial statements

- 31 December 2023 (cont'd.)

18. TRADE AND OTHER RECEIVABLES (CONT'D.)

(a) Trade receivables (cont'd.)

(ii) Ageing analysis of gross trade receivables

The ageing analysis of the Group's and the Company's gross trade receivables is as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Neither past due nor impaired balances	1,206,045	608,594	45,915	-
1 to 30 days past due	735,969	2,071,498	-	-
31 to 60 days past due	2,016,160	426,263	-	11,371
61 to 90 days past due	-	395,221	-	-
91 to 120 days past due	456,913	200,340	-	-
121 to 150 days past due	265,371	222,222	-	-
151 to 180 days past due	-	395,811	-	-
more than 180 days past due	442,561	350,153	203,280	203,280
	3,916,974	4,061,508	203,280	214,651
	<u>5,123,019</u>	<u>4,670,102</u>	<u>249,195</u>	<u>214,651</u>

Notes to the financial statements

- 31 December 2023 (cont'd.)

19. AMOUNT DUE FROM SUBSIDIARIES, NET

	Company	
	2023 RM	2022 RM
(a) MARC Solutions Sdn. Bhd.		
Amount due from subsidiary	638,789	1,393,710
Amount due to subsidiary	(434,481)	(872,726)
(b) MARC Learning Sdn. Bhd.		
Amount due from subsidiary	100,364	5,100
Amount due to subsidiary	-	-
(c) MARC Ratings Berhad		
Amount due from subsidiary	1,739,033	84,215
Amount due to subsidiary	(15,303)	(52,812)
(d) MARC Data Sdn. Bhd.		
Amount due from subsidiary	3,204,300	530,059
Amount due to subsidiary	(76,054)	(61,531)
	<u>5,156,648</u>	<u>1,026,015</u>

The amounts due from/to subsidiaries are repayable on demand, trade and non-trade in nature, unsecured and interest-free except from advances to subsidiaries which bears a 1.5% interest rate per month. There is no ECL charged during the financial year.

Notes to the financial statements

- 31 December 2023 (cont'd.)

20. DEPOSITS WITH LICENCED FINANCIAL INSTITUTIONS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Deposits with: licenced financial institutions	24,440,318	20,092,020	8,330,550	5,374,837

The weighted average effective interest rates and average maturity of deposits at the reporting date were as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Weighted average effective interest rates (%)	3.88	3.61	3.91	3.55
Average maturity (days)	119	107	149	107

21. CASH AND BANK BALANCES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash at banks	1,045,650	1,233,034	572,259	53,793
Cash on hand	1,451	1,381	444	225
	1,047,101	1,234,415	572,703	54,018

Notes to the financial statements

- 31 December 2023 (cont'd.)

22. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Bonus provision	3,412,262	2,944,598	1,777,105	1,646,628
Accrued operating expenses	397,311	366,966	303,948	276,339
Deferred revenue	853,012	555,505	93,182	93,182
Sales and service tax	578,940	556,259	-	6,022
Others	130,547	91,280	70,771	76,973
	<u>5,372,072</u>	<u>4,514,608</u>	<u>2,245,006</u>	<u>2,099,144</u>

Movements in bonus provision are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At beginning of year	2,944,598	3,625,323	1,646,628	3,525,022
Utilisation	(2,792,673)	(3,609,463)	(1,530,173)	(3,509,162)
Additions	3,260,337	2,928,738	1,660,650	1,630,768
At end of year	<u>3,412,262</u>	<u>2,944,598</u>	<u>1,777,105</u>	<u>1,646,628</u>

23. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2023 RM	2022 RM	2023 RM	2022 RM
Issued and fully paid				
At 1 January/31 December	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

24. RETAINED EARNINGS

The entire retained earnings of the Group and of the Company are available for distribution of dividend under the single-tier income tax system.

Notes to the financial statements

- 31 December 2023 (cont'd.)

25. OTHER RESERVES

Other reserves consists of fair value adjustment reserve which represents the cumulative fair value changes, net of tax, of FVTOCI financial assets.

26. RELATED PARTY DISCLOSURES

(a) Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties took place at terms agreed between the parties during the financial year:

	Company	
	2023 RM	2022 RM
Advances from a subsidiary	(5,613,597)	(5,244,000)
Advances to subsidiaries	2,125,950	762,000
Interest expense	(4,666)	(27,848)
Interest income (Note 5)	21,068	3,271
Shared service fee income	324,662	72,280
Management fee income	9,188,600	8,405,000
Consultancy fee expense	<u>(403,869)</u>	<u>(381,776)</u>

(b) Compensation of key management personnel

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Short-term employee benefits	4,826,156	4,483,436	2,797,282	3,097,167
Defined contribution plan	745,310	718,794	449,188	503,457
	<u>5,571,466</u>	<u>5,202,230</u>	<u>3,246,470</u>	<u>3,600,624</u>

Key management personnel is defined as the Group Chief Executive Officer, Chief Commercial Officer, Chief Financial Officer, Chief Executive Officers, Chief Rating Officer and Chief Economist.

27. OPERATING LEASE COMMITMENTS

The Group and the Company have entered into commercial leases on the use of office equipment. These leases have an average tenure of between three to five years with no contingent rent provision included in the contracts.

Notes to the financial statements

- 31 December 2023 (cont'd.)

27. OPERATING LEASE COMMITMENTS (CONT'D.)

Future minimum rentals payable under non-cancellable operating lease at the reporting date are as follows:

	Group and Company	
	2023	2022
	RM	RM
Not later than 1 year	20,124	12,900
Later than 1 year but not later than 5 years	72,111	-
	<u>92,235</u>	<u>12,900</u>

28. FAIR VALUE OF FINANCIAL INSTRUMENTS

A. Fair value of financial instruments that are carried at fair value

Fair value hierarchy

The Group and the Company classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

There have been no transfers between Level 1 and Level 2 fair value measurements during the financial years ended 2023 and 2022.

28. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D.)

A. Fair value of financial instruments that are carried at fair value (cont'd.)

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

Group	Level 1		Level 2		Level 3		Total	
	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM
Financial assets:								
<i>FVTPL</i>								
(Quoted in Malaysia)								
Unit trust funds	25,963,137	24,683,365	-	-	-	-	25,963,137	24,683,365
Real estate investment trusts	1,599,515	1,682,935	-	-	-	-	1,599,515	1,682,935
(Unquoted in Malaysia)								
Club membership	-	-	20,000	20,000	-	-	20,000	20,000
<i>FVTOCI</i>								
(Unquoted outside Malaysia)								
Equity instruments	-	-	46,627	46,627	-	-	46,627	46,627
At 31 December	<u>27,562,652</u>	<u>26,366,300</u>	<u>66,627</u>	<u>66,627</u>	<u>-</u>	<u>-</u>	<u>27,629,279</u>	<u>26,432,927</u>

For the financial year ended 31 December 2023 and 31 December 2022, there is no Level 3 financial assets at the Group.

Notes to the financial statements

- 31 December 2023 (cont'd.)

28. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D.)

A. Fair value of financial instruments that are carried at fair value (cont'd.)

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

Company	Level 1		Level 2		Level 3		Total	
	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM
Financial assets:								
<i>FVTPL</i>								
(Quoted in Malaysia)								
Unit trust funds	24,893,248	23,665,990	-	-	-	-	24,893,248	23,665,990
Real estate investment trusts	1,599,515	1,682,935	-	-	-	-	1,599,515	1,682,935
(Unquoted in Malaysia)								
Club membership	-	-	20,000	20,000	-	-	20,000	20,000
<i>FVTOCI</i>								
(Unquoted outside Malaysia)								
Equity instruments	-	-	46,627	46,627	-	-	46,627	46,627
At 31 December	26,492,763	25,348,925	66,627	66,627	-	-	26,559,390	25,415,552

For the financial year ended 31 December 2023 and 31 December 2022, there is no Level 3 financial assets at the Company.

Notes to the financial statements

- 31 December 2023 (cont'd.)

28. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D.)

B. Fair value of financial instruments that are not carried at fair value

The estimated fair values of those on-balance sheet financial assets and financial liabilities as at the reporting date approximate their carrying amounts as shown in the statements of financial position, except for the financial assets as disclosed below.

	Group and Company			
	2023		2022	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Financial assets:				
At amortised cost				
4.0% p.a. RM corporate bonds due 8 February 2023	-	-	4,975,000	5,045,000

(i) Equity instruments (unquoted outside Malaysia)

These equity instruments represent ordinary shares in a Bahraini rating agency that is not quoted on any market and does not have any comparable industry peer that is listed. The fair value is based on the net total asset of the Bahraini rating agency, an institution incorporated in Bahrain.

(ii) Club membership (unquoted)

The fair value of the Company's investment in club membership is measured based on Level 2 fair value measurement derived from quoted market price of the golf club membership.

Notes to the financial statements

- 31 December 2023 (cont'd.)

28. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D.)

C. Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	18
Amount due from subsidiaries, net	19
Deposits with licenced financial institutions	20
Cash and bank balances	21
Other payables and accruals	22

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Group Chief Executive Officer and Chief Financial Officer. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial years, the Group's policy that no derivatives shall be undertaken. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Notes to the financial statements

- 31 December 2023 (cont'd.)

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and the Company's policy to receive part payment from customers upon signing of rating engagement letters in order to mitigate credit risks. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's and the Company's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

The Group and the Company do not have any significant exposure to any individual customer or counterparty nor do they have any major concentration of credit risk related to any financial assets.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 18. Deposits with banks and other financial institutions and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 18.

Notes to the financial statements

- 31 December 2023 (cont'd.)

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group and the Company actively manage their operating cash flows and the availability of their funding so as to ensure that all repayment and funding needs are met. As part of their overall liquidity management, the Group and the Company maintain sufficient levels of cash to meet their working capital requirements.

All financial assets and financial liabilities are expected to be realised in the next financial year.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits with licenced financial institutions and in short term money market funds.

Sensitivity analysis for interest rate risk

Sensitivity analysis has not been disclosed because the Group and the Company have no significant net exposure to interest rate risk as at the reporting date.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company are not significantly exposed to transactional currency exposures as the majority of the Group's and the Company's transactions, assets and liabilities are denominated in their functional currency.

The Group and the Company are also exposed to currency translation risk arising from its net investments in Bahrain. The Group's and the Company's net investments in Bahrain are not hedged as currency positions in USD are considered to be long-term in nature.

Notes to the financial statements

- 31 December 2023 (cont'd.)

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company are exposed to market price risk arising from its investment in real estate investment trusts ("REITs") and unit trust funds. These instruments are classified as FVTPL. The Group and the Company do not have exposure to commodity price risk.

The Group's and the Company's objective is to manage investment returns and market price risk by maintaining a diversified portfolio with steady yields within its investments. The Board of Directors approves the Group's and the Company's composition of investments and the approved composition limits are monitored by the management.

Sensitivity analysis for market price risk

At the reporting date, if the market value had been 5% higher/lower, with all other variables held constant, the Group's and the Company's profit before tax would have been RM79,976 (2022: RM84,147) higher/lower, arising as a result of an increase/decrease in the fair value of investments in real estate investment trusts ("REITs") classified as FVTPL. Based on past records, the impact of changes in the market value of the unit trust funds, with all variable held constant, is immaterial to the Group's and the Company's profit before tax and equity.

30. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a sustainable capital position in order to support its business and operations.

The Group and Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2023 and 31 December 2022.

MARC Ratings Berhad, a subsidiary of the Company is required by the Securities Commission ("SC") vide its Guidelines on Registration of Credit Rating Agencies (under Paragraph 4.03) revised on 10 January 2023 to maintain minimum shareholders' funds unimpaired by losses of RM10 million, or such amount as may be specified by the SC at all times, to operate independently and to withstand economic and financial pressures. This externally imposed capital requirement has been complied with by the subsidiary company for the financial year ended 31 December 2023.

Notes to the financial statements

- 31 December 2023 (cont'd.)

31. DIVIDENDS

Group and Company	
2023	2022
RM	RM

Recognised during the financial year:

Dividends on ordinary shares:

- A first and final single tier dividend of 10% at 10 sen per ordinary share (2022: A first and final single tier dividend of 10% at 10 sen per ordinary share)

2,000,000

2,000,000

List of Shareholders

No.	Shareholder	Percentage (%)
1.	Moody's Asia Pacific Limited	19.450
2.	CARE Ratings Limited	10.000
3.	JF Apex Securities Berhad	4.900
4.	Kenanga Investment Bank Berhad	4.900
5.	MIDF Amanah Investment Bank Berhad	4.900
6.	Rashid Hussain Berhad (In Members' Voluntary Liquidation)	4.900
7.	RHB Investment Bank Berhad	4.900
8.	TA Enterprise Berhad	4.900
9.	MSIG Insurance (Malaysia) Bhd	4.250
10.	Malaysian Reinsurance Berhad	4.100
11.	AmSecurities Holding Sdn. Bhd.	4.000
12.	Manulife Holdings Berhad	3.500
13.	Zurich Life Insurance Malaysia Berhad	3.500
14.	Chubb Insurance Malaysia Berhad	3.300
15.	AXA Affin General Insurance Berhad	2.500
16.	Inter-Pacific Securities Sdn. Bhd.	2.350
17.	Lonpac Insurance Bhd.	2.350
18.	Public Investment Bank Berhad	2.350
19.	Affin Hwang Investment Bank Berhad	2.000
20.	KAF Investment Bank Berhad	2.000
21.	Maybank Investment Bank Berhad	2.000
22.	Berjaya Sompo Insurance Berhad	1.175
23.	Prudential Assurance Malaysia Berhad	1.175
24.	Sun Life Malaysia Assurance Berhad	0.600

Notice of the 28th Annual General Meeting

MALAYSIAN RATING CORPORATION BERHAD
Registration No. 199501035601 (364803-V)
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN that the Twenty-Eighth (28th) Annual General Meeting ("AGM") of the shareholders of Malaysian Rating Corporation Berhad ("MARC") will be held virtually through live streaming from the Broadcast Venue at 19-07, Level 19, Q Sentral, 2A Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur on Tuesday, 25 June 2024 at 3.00 p.m. to consider the following items of business:

AGENDA

As Ordinary Business: -

1. To receive the Audited Financial Statements together with the Reports of the Directors and Auditors for the financial year ended 31 December 2023.
2. To approve the payment of Group Directors' Fees for an amount up to RM RM770,000 for the period from the 28th AGM to the 29th AGM of the Company:-

(Resolution 1)

Company: RM542,000
Subsidiaries: RM228,000
3. To approve the payment of Group Directors' Benefits for an amount up to RM220,000 from the 28th AGM to the 29th AGM of the Company:-

(Resolution 2)

Company: RM120,000
Subsidiaries: RM100,000
4. To re-appoint Messrs Deloitte PLT (LLP0010145-LCA & AF 0080) as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

(Resolution 3)

Notice of the 28th Annual General Meeting (cont'd.)

As Special Business: -

5. To consider and, if thought fit, to pass the following resolution with or without modification as an Ordinary Resolution: -

Ordinary Resolution **-Authority to Allot and Issue Shares by Directors**

"THAT pursuant to Sections 75 & 76 of the Companies Act, 2016 and subject always to the approval(s) from governmental/regulatory bodies where such approvals shall be necessary, the Directors be and are hereby authorised to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued share capital of the Company for the time being AND THAT such authority shall continue be in force until the conclusion of the next Annual General Meeting of the Company."

(Resolution 4)

6. To transact any other business for which due notice shall have been given.

By Order of the Board

CYNTHIA GLORIA LOUIS

(MAICSA No. 7008306)

(SSM PC No. 201908003061)

CHEW MEI LING

(MAICSA No. 7019175)

(SSM PC No. 201908003178)

Company Secretaries

Kuala Lumpur

31 May 2024

Notes:

- (1) *The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders are not required to attend the 28th AGM in person at the Broadcast Venue on the day of the meeting.*
- (2) *Any member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him. A member can appoint any person as his proxy.*

Notice of the 28th Annual General Meeting (cont'd.)

- (3) *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if such appointer is a corporation, under its Common Seal or the hand of its attorney.*
- (4) *The Proxy Form or Certificate of Appointment of Corporate Representative or Power of Attorney must be deposited at the Registered Office of the Company at 19-07, Level 19, Q Sentral, 2A Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur or sent via e-mail to marccosec@corporatepartners.com.my not later than Sunday, 23 June 2024 at 3.00 p.m.*
- (5) *The invitation to participate at the 28th AGM will be sent to the email address provided by the shareholders. A shareholder who has appointed a proxy or authorised representative or attorney is required to provide their email address to participate at the 28th AGM not later than Sunday, 23 June 2024 at 3.00 p.m.*

As the 28th AGM is a virtual AGM, shareholders who are unable to participate in this 28th AGM may appoint the Chairman of the meeting as their proxy and indicate the voting instructions in the proxy form.

Explanatory Note on Ordinary Business and Special Business: -

(6) **Resolution 1- Ordinary Resolution – Directors’ Fees**

The Company is seeking approval of the shareholders for the proposed Directors’ Fees for an amount up to RM770,000 for the Group to commensurate with their roles and responsibilities:-

Company: RM542,000
Subsidiaries: RM228,000

The Director’s Fee for the holding entity covers the fees for three additional directors. Of these, two will replace existing directors who are set to complete their terms in April 2025.

(7) **Resolution 2 – Ordinary Resolution – Directors’ Benefits**

The benefits include meeting allowance payable for attending Board, Board Committee Meetings and Meetings of Members for the Group. The estimated amount of RM220,000 is derived from the estimated number of meetings to be held by the Group from the 28th AGM to the 29th AGM:-

Company: RM120,000
Subsidiaries: RM100,000

(8) **Resolution 4 – Ordinary Resolution – Authority to Allot and Issue Shares by Directors**

The proposed Ordinary Resolution (Resolution 4), if passed, will empower Directors of the Company to allot and issue shares up to an aggregate amount not exceeding ten per centum (10%) of the issued share capital of the Company for the time being and for such purposes as the Directors consider would be in the interests of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.

Proxy Form

No. of Shares:	
----------------	--

I/We _____ (name as per NRIC, in capital letters),
NRIC No./Company No. _____ (new) _____ (old) of _____

_____ (full address) being a member(s) of **MALAYSIAN RATING CORPORATION BERHAD ("Company")**, hereby appoint _____

(name of proxy as per NRIC, in capital letters) NRIC/Passport No. _____ (new) _____ (old)
of _____

_____ (full address) and email address at _____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Eighth (28th) Annual General Meeting ("AGM") of the Company to be held virtually through live streaming from the Broadcast Venue at 19-07, Level 19, Q Sentral, 2A Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur on Tuesday, 25 June 2024 at 3.00 p.m. and at any adjournment thereof in the manner indicated below.

My/our proxy is to vote on resolutions set out below as indicated by an "X" in the appropriate spaces below. If this form is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he/she thinks fit.

NO.	SHAREHOLDER	FOR	AGAINST
1.	To approve the payment of Group Directors' Fees for the period from the 28th AGM to the 29th AGM of the Company.		
2.	To approve the payment of Group Directors' Benefits from the 28th AGM to the 29th AGM of the Company.		
3.	To re-appoint Messrs Deloitte PLT as Auditors.		
4.	Authority to Issue Shares by Directors.		

Dated this _____ day of _____ 2024.

Signed by the said _____

In the presence of _____

Proxy Form (cont'd.)

Notes:

- (1) *The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders are not required to attend the 28th AGM in person at the Broadcast Venue on the day of the meeting.*
- (2) *Any member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him. A member can appoint any person as his proxy.*
- (3) *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if such appointer is a corporation, under its Common Seal or the hand of its attorney.*
- (4) *The Proxy Form or Certificate of Appointment of Corporate Representative or Power of Attorney must be deposited at the Registered Office of the Company at 19-07, Level 19, Q Sentral, 2A Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur or sent via e-mail to marccosec@corporatepartners.com.my not later than Sunday, 23 June 2024 at 3.00 p.m.*
- (5) *The invitation to participate at the 28th AGM will be sent to the email address provided by the shareholders. A shareholder who has appointed a proxy or authorised representative or attorney is required to provide their email address to participate at the 28th AGM not later than Sunday, 23 June 2024 at 3.00 p.m.*

As the 28th AGM is a virtual AGM, shareholders who are unable to participate in this 28thAGM may appoint the Chairman of the meeting as their proxy and indicate the voting instructions in the proxy form.

PERSONAL DATA NOTICE

By submitting the proxy form, the shareholder or proxy accepts and agrees to the collection, use and disclosure of their personal data by the Company (or its agents or service providers) for the purpose of preparation and compilation of documents relating to the AGM (including any adjournment thereof).

STAMP

MALAYSIAN RATING CORPORATION BERHAD
[Registration No. 199501035601 (364803-V)]

19-07, Level 19, Q Sentral,
2A Jalan Stesen Sentral 2,
Kuala Lumpur Sentral,
50470 Kuala Lumpur

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MARC

MALAYSIAN RATING CORPORATION BERHAD
199501035601 (364803-V)

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