



ANNUAL REPORT 2021

CONGRUENCE

Meeting
MSMEs' Needs

Enhancing
Internal Capabilities





CREDIT
GUARANTEE
CORPORATION
MALAYSIA
BERHAD

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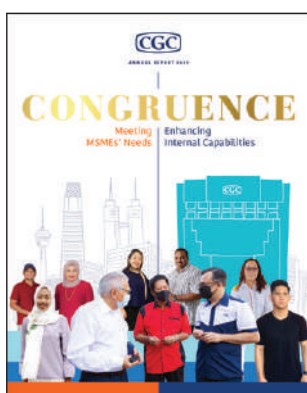
HIGHLIGHTS



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Chairman's Message



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**In Conversation with
President/CEO**



CONGRUENCE MEETING MSMEs' NEEDS, ENHANCING INTERNAL CAPABILITIES

The last two years have taught us a lesson about who we were - and who we must become. Out of our personal and professional comfort zones, we have been propelled into unaccustomed perspectives of working and living. In response, Credit Guarantee Corporation Malaysia Berhad (CGC) managed the fast transforming business landscape with **CONGRUENCE. Meeting MSMEs' Needs, Enhancing Internal Capabilities.** In forging ahead on a critical path that demanded collaboration, we centred our efforts on ensuring that we partnered our MSMEs. Throughout their recovery. We enhanced our internal capabilities, too, and realigned our strategies while honing our operational readiness. In building resilience, seeking untold opportunities and meeting changing needs, CGC and MSME paths met. And we achieved congruence.

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Businesses have been reshaped in the last two years to meet unexpected challenges of an unfolding global crisis. Business as usual had to make way for new uncharted ways to change, grow and sustain.



Scan here for more
information about CGC



Emphasising **CONGRUENCE. Meeting MSMEs' Needs, Enhancing Internal Capabilities**, in line with CGC's 5-Year Strategic Plan 2021-2025, the Corporation spared no effort in partnering MSME growth across their life stages. This aspiration drives both our vision and mission, putting belief into practice. CGC in 2021 doubled down on its dedication to promoting MSMEs' development and sustainability, as well as enhancing their viability during the recovery period. Our internal capabilities were further enhanced to align and be congruent with all our stakeholders' needs.

Since its inception in 1972, CGC has never veered from its mandate to serve the underserved small businesses, i.e. 1.15 million micro, small and medium-sized businesses. These enterprises make up 97.2% of Malaysia's total business establishments and employ 70% of the country's workforce.

While 2021 was still spent addressing issues brought to light by COVID-19, these issues required renewed measures. CGC re-set its strategies to immediately support MSMEs' changing needs. In accordance with the Government's 6R National Economic Recovery Strategy (Resolve, Resilient, Restart, Recovery, Revitalise and Reform), we sharpened operational readiness to enable ourselves to chart the journey in a transformed time to come.

Even with 2021 being the foundation year for CGC's 5-Year Strategic Plan (2021-2025), we attained more than 90% of all our five Headline Targets. Also, our total outreach for last year increased to RM6.1 billion, with over 20,000 approvals in guarantee and financing. The number of MSMEs we assisted rose to 49,059.

Additionally, our Strategic Plan 2021-2025 strengthened our digital foundation, with four prerequisites completed in 2021, while two Strategic and two Digital Initiatives began. Also, imSME's enhanced one-stop service for MSMEs included faster, hassle-free guidance. This enables potential customers to seamlessly source their business financing through authorised channels. Together with that, since its 2016 inception, the signature CGC Developmental Programme™ has benefited 49,594 MSMEs.

A key focus in 2021 was building Bumiputera competencies to sustain resilient, agile businesses. The value of Bumiputera guarantee and financing approvals reached RM1.3 billion, with 6,669 approvals. The focus of attention was lauding well-grounded business partnerships, not solely based on ethnicity. To this end, three MSMEs featured in this report were recipients of CGC's inaugural Merdeka Awards, recognising its MSME customers with multi-racial partners. This reflects the strengths of Malaysia - diversity and unity - while being more inclusive across religious, racial and ethnic boundaries.

In facilitating business rehabilitation and recovery, our MSMEs were provided access to the Bank Negara Malaysia (BNM) Targeted Relief and Recovery Facility (TRRF) and Targeted Repayment Assistance (TRA) programmes. This included the 6-month moratorium and rescheduling and restructuring of loan obligations. CGC also strongly maintained guarantee schemes to support the nine BNM initiatives, including the Fund for Small-Medium Enterprises, Business Recapitalisation Facility (BRF) and Low Carbon Transition Facility (LCTF).

With MSMEs positioned as the new growth drivers, an integrated MSME ecosystem will be crucial in creating value via collaboration, as ecosystem partners leverage each other's strengths. It is imperative for all MSMEs to be able to demonstrate a high degree of business resilience, so that they can continue to operate effectively in times of great change and uncertainty.

Gradual normalisation of economic activity, as well as continued improvement in external demand, is expected to support economic growth in 2022. The Government expects most sectors and industries, as well as employment, to gradually recover in 2022. Budget 2022, worth RM332.1 billion, aligns with the Twelfth Malaysia Plan (12MP). Various strategies and initiatives will focus on people's well-being and businesses to promote a prosperous, sustainable economy, with MSMEs a key target segment of the Budget.

Findings point to businesses that have had to rethink, reshape and reinvent themselves being best placed for the future. Despite the difficulties it has spawned, the 2-year pandemic has created a plethora of opportunities, too. Opportunities for the nation, for the Corporation and, undoubtedly, for MSMEs.



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MAJOR MILESTONES

In 2021

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APRIL

- **Portfolio Guarantee signing ceremony** with Standard Chartered Bank Malaysia Berhad (SCB)
- Participated in the **Malaysia Financial Planning Council (MFPC) Roundtable Discussion: Islamic Fintech in Malaysia**
- imSME was **awarded the Most Innovative SME Financing Platform in Malaysia** by Global Economics Awards 2021

JULY

Collaborated with AmBank for **SME Portfolio Guarantee Revival Scheme**

SEPTEMBER

- **Extraordinary General Meeting**
- Signed an agreement with the Ministry of Finance and Bank Pembangunan Malaysia Berhad for the **100% acquisition of Danajamin Nasional Berhad**

NOVEMBER

- Hosted the **26th FI/DFI & SME Awards** virtually, graced by YB Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz, Minister of Finance
- Participated in the **33rd Asian Credit Supplementation Institution Confederation (ACSIC) Conference 2021**, organised virtually by the Japan Finance Corporation (JFC) and Japan Federation of Credit Guarantee Corporations (JFCG)

02

FEBRUARY

Celebrated **imsME's 3rd Anniversary**

04

06

JUNE

- Participated in Bank Negara Malaysia's Fund for **Targeted Recovery and Relief Facility (TRRF), Targeted Repayment Assistance (TRA), and Rescheduling and Restructuring (R&R)**
- First virtual **48th Annual General Meeting**
- Signed **Memorandum of Understanding with Boost Holdings** for potential digital bank guarantee

07

08

AUGUST

Collaborated with **Sunway Malls and RHB Banking Group** to facilitate up to RM200 million in working capital to assist retailers

09

10

OCTOBER

- **Crossed the RM2 billion mark in Wholesale Guarantees (WG) for unsecured Small and Medium Enterprise (SME) financing** with OCBC Bank
- Received **two merit awards** for BizMikro-i scheme and Robotic Process Automation (RPA) from the **Association of Development Financing Institutions in Asia and the Pacific (ADFIAP)** at its Sustainable Development Awards 2021 ceremony, held in conjunction with ADFIAP's virtual 44th Annual Meeting

11

12

DECEMBER

- Provided **BizBina-i Flood Relief Financing** to CGC MSMEs affected by the flood
- **AmBank Group SME Portfolio Guarantee (SPG) Revival Scheme** in collaboration with CGC, in support of e-commerce

CORPORATE EVENTS

18

June
2021

48th Annual General Meeting

CGC conducted its first virtual Annual General Meeting. The Board of Directors and the Management Committee Members were present virtually.



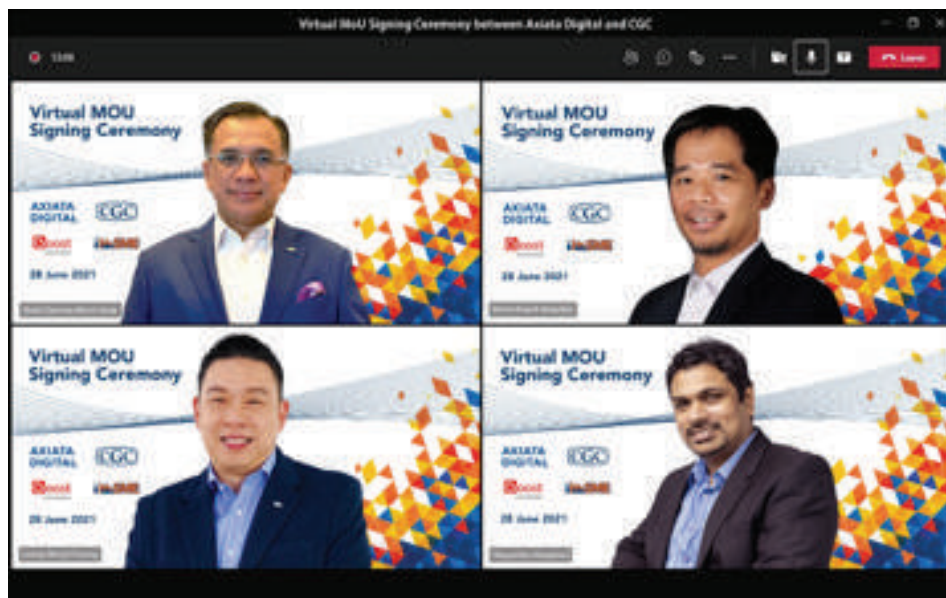
28

June
2021

Memorandum of Understanding (MoU) with Boost Holdings, Axiata Digital

CGC signed an MoU with Axiata Digital's fintech holding arm, Boost Holdings Sdn Bhd, for a potential digital bank guarantee.

Axiata Digital's Mohd Khairul Abdullah, CEO, and Boost Holdings' Sheyantha Abeykook were present, along with Datuk Mohd Zamree Mohd Ishak, President/Chief Executive Officer and Leong Weng Choong, Chief Business Officer.





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1
September
2021

Extraordinary General Meeting

CGC conducted its first virtual Extraordinary General Meeting.



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September
2021

Bank Pembangunan Malaysia Berhad (BPMB) signed agreements with CGC and the Minister of Finance (Incorporated) to acquire Danajamin Nasional Berhad

BPMB signed agreements with CGC and the Minister of Finance (Incorporated) for the 100% acquisition of Danajamin Nasional Berhad as part of the Government's medium-term plan to strengthen and align the mandates of Development Financial Institutions.



BPMB's Tan Sri Nazir Abdul Razak, Chairman, and Arshad Mohamed Ismail, President/Chief Executive Officer, were present, along with CGC's Dato' Mohammed Hussein, Chairman, and Datuk Mohd Zamree Mohd Ishak, President/Chief Executive Officer.

10
November
2021

26th FI/DFI & SME Awards 2020

CGC held its 26th FI/DFI & SME Awards virtually, to recognise Financial Institutions and MSME customers for their active participation in the various financing schemes. Of the 31 awards, 13 were for leading Financial Institutions and Development Financial Institutions. The 18 awards for MSMEs were categorised into TPUB-i Exemplary Customer, Top Rebate Customer, Top Graduate Customer and Merdeka Awards. The ceremony was graced by YB Senator Tengku Datuk Seri Zafrul Tengku Abdul Aziz, Minister of Finance.



KEY HIGHLIGHTS

FINANCIALS

Total Income
RM833.5
million

Revenue
RM205.1
million

Net Profit
RM542.3
million

Total Assets
RM5.2
billion

Liabilities
RM1.0
billion

Equity
RM4.2
billion

Return on Equity*
2.7%

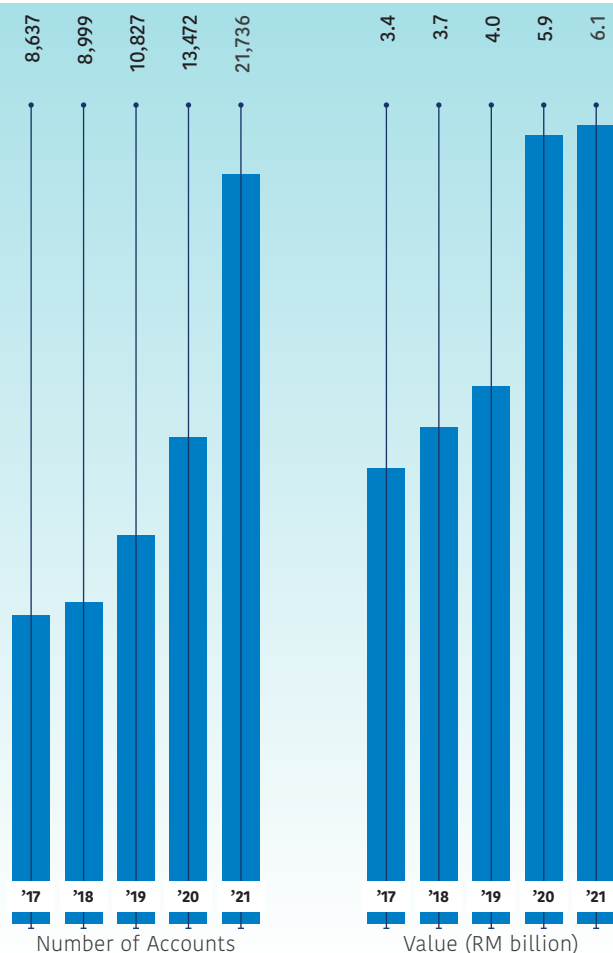
Guarantee Reserve Ratio*
1.7
times

Cost-to-Income Ratio*
35.9%

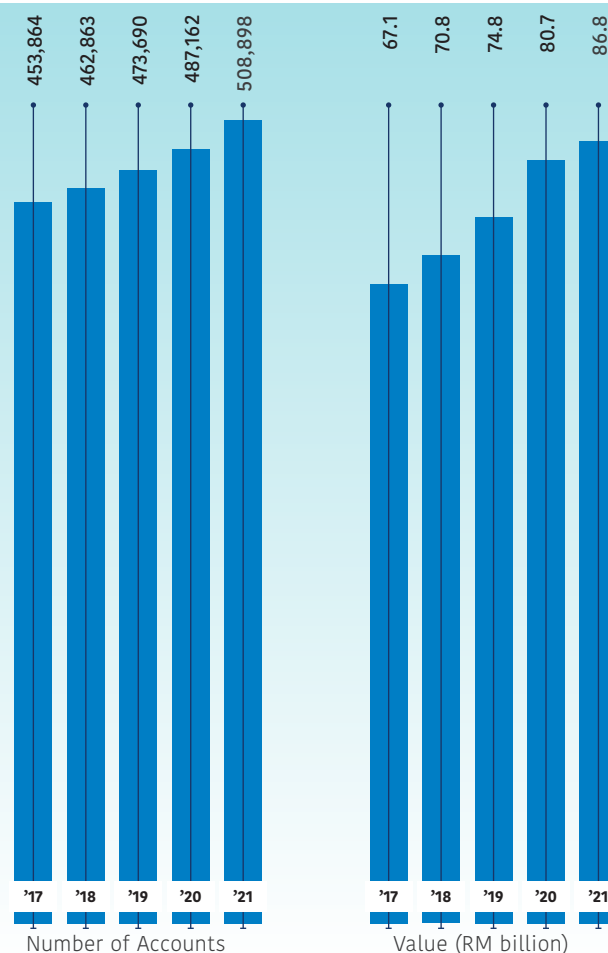
* The ratios are calculated by excluding one-off gain from the disposal of Danajamin and/or Special Purpose Reserve.

GUARANTEE AND FINANCING APPROVALS

Annual



Cumulative





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Awards for the Year

In continuously striving for excellence, CGC values the recognition received from leading international establishments.

29 April 2021

The Global Economics Awards 2021

CGC, through imSME, its online Micro Small and Medium Enterprises (MSMEs) referral platform, received the award for the Most Innovative SME Financing Platform in Malaysia from the Global Economics Awards 2021. CGC also won the award for the Best Financing and Guarantee Scheme Provider for its Thematic Portfolio Guarantee (PG) schemes such as BizWanita-i, BizMula-i and BizMikro-i, which cater for various segments such as women, startups and micro-entrepreneurs.



30 June 2021

The Asset Triple A Islamic Finance Awards 2021

CGC received an award at The Asset Triple A Islamic Finance Awards 2021 under the category Best Banking Loan Solution for BizMikro-i and Psychometric Assessment for its innovation with alternative assessment tools tailored for micro financing schemes.



27 October 2021

ADFIAP 2021 Outstanding Development Awards

CGC received two awards at the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) 2021 Outstanding Development Awards. CGC was recognised for its Robotic Process Automation (RPA) project and for Payment posting and for its innovation in SME financing for BizMikro-i and Psychometric Assessment project under the Technology Development and SME Development categories, respectively.



Lam Sui Cheng &
Mohamad Ridzuan
Zulkifli

Pekan, Pahang

Petrol Station



ASP JAYA LEGACY



“ I will give CGC a 5-star! For their service and for always trying to help me when I face difficulties. ”

Managing Business

Lam Sui Cheng was a Shell petrol station manager for 21 years in Kelantan. Her current managing partner, Mohamad Ridzuan Zulkifli, worked for her there for nine years. Despite Shell previously offering her opportunities to open her own station at far away sites in Johor or Melaka, she only accepted when it was in Pekan.



In August 2019, with money borrowed from family and friends, she found her partner in Ridzuan. They knew each other and had worked very well together. In the early days of running her business she struggled with cash flow, as she had to pay cash for fuel before delivery. Then the pandemic struck and sales dropped by about 50% to 70%. Luckily, her business was an essential service, so operations were maintained, bills and full staff salaries paid.

CGC's Commitment

In 2020, after operating her business for more than six months and armed with bank statements showing sales improvement, she was pleased to obtain BizWanita-i financing. With the pandemic still severely affecting businesses, she was offered BizBina-i. "Once I received the financing, my cash flow stabilised and I was able to invest and improve the facilities in my station." She increased the number of toilets, added a *surau* and, to serve her customers better, invested in staff training. Her fuel and Shell SELECT sales increased by 20% each. She has since applied to Shell to either upgrade to a bigger station or operate a Shell cluster.

"I will give CGC a 5-star! For their service and for always trying to help me when I face difficulties." She could not have been happier to be a recipient of CGC's inaugural Merdeka Awards, and attributes the recognition to treating Ridzuan and her 13 other staff members as family.

Pandemic Principle

"Not just for business-owners but also personally, prepare enough savings for any unexpected difficulties in the future."



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AT A GLANCE



ASPIRATION

Partner for MSME Growth across Life Stages



VISION

To be an effective financial institution dedicated to promoting the growth and development of competitive and dynamic micro, small and medium-sized enterprises



MISSION

To enhance the viability of micro, small and medium-sized enterprises through the provision of products and services on competitive terms and with the highest degree of professionalism, efficiency and effectiveness

CORE VALUES



Teamwork



Hardworking



Integrity



Nurturing



Knowledgeable

PRODUCTS AND SERVICES

In delivering its mandate, CGC extends financial assistance to MSMEs through access to direct financing and providing guarantees by means of its Financial Institution partners. In addition, CGC Developmental Programme™, a Beyond Guarantee initiative, includes Financial Advisory and Market Access Advisory in support of this purpose to assure MSMEs' growth, especially during the COVID-19 pandemic. CGC ensures MSMEs have access to financing, while enhancing their capabilities to rebuild and reinvent their businesses in order to remain viable.



Guarantee Schemes



Direct Financing
Schemes



imSME



CGC Developmental
Programme™



MyKNP@CGC



WHAT WE OFFER

In 1972, CGC was established as a guarantor for bank loans for small enterprises to draw MSMEs with inadequate or no collateral or track records into the financial system's credit process. From a traditional guarantee provider, CGC has evolved into a full-fledged partner to MSMEs, supporting and promoting their growth through its products and services.

In offering financial accessibility and aligning with MSMEs' changing needs, CGC developed its recent 5-Year Strategic Plan 2021-2025, with aspirations to be a partner for MSME growth across life stages. Customised products and innovative ideas were developed, along with critical knowledge, to generate expansion and viability in the underserved and unbanked MSME sector.

DIRECT FINANCING SCHEMES

- Tabung Projek Usahawan Bumiputera-i (TPUB-i)
- BizMula-i
- BizWanita-i
- BizBina-i
- BizMikro-i

GUARANTEE SCHEMES

Portfolio Guarantee Schemes

Wholesale Guarantee Schemes

- | | | |
|-------------------|----------------------|---|
| • BizMaju | • BizJamin NRCC | • BizJamin-i TRRF |
| • BizSME | • BizJamin-i NRCC | • Flexi Guarantee Scheme (SME-All Economic Sectors) |
| • BizJamin | • BizJamin HTF-NIA | • Flexi Guarantee Scheme-i (SME-All Economic Sectors) |
| • BizJamin-i | • BizJamin-i HTF-NIA | |
| • BizJamin Bumi | • BizJamin TRRF | |
| • BizJamin Bumi-i | | |

Government-backed Scheme

- Franchise Financing Scheme

BEYOND GUARANTEE

imsME

CGC DEVELOPMENTAL PROGRAMME™

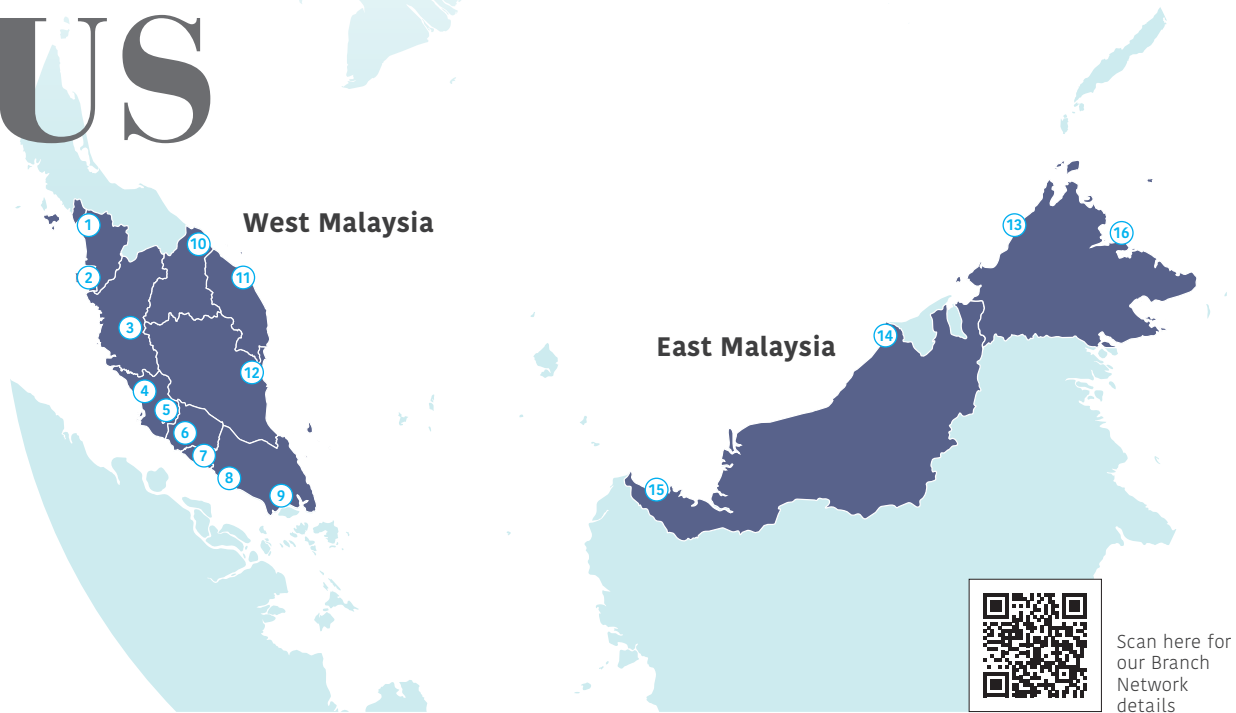
- Financial Access Advisory
- Market Access Advisory

MyKNP@CGC



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Established on 5 July 1972, CGC is mandated to bridge the gap between financial institutions and MSMEs by guaranteeing their financing.

Over the last 49 years, CGC has been evolving constantly to meet MSMEs' financing needs. As a result, it has progressed from being a traditional guarantee provider to a financially sustainable institution, providing guarantee and financing products for MSMEs, paving the way for them to remodel their businesses to meet transformation prerequisites.

CGC is 78.6% owned by Bank Negara Malaysia (BNM), with the remaining percentage held by various Financial Institutions (FIs) and Developing Financial Institutions (DFIs). Our stakeholders drive our agenda for financial inclusion and are directly involved in what we do.

MSMEs are able to enjoy broader and faster access to financing, which has been made possible by strategic alliances between CGC and leading FIs and DFIs to offer financing through our various Portfolio Guarantee (PG) schemes. In addition, our Wholesale

Guarantee (WG) schemes provide guarantee coverage to financing facilities of FIs. We also offer financing products for startups, women entrepreneurs and contract financing to ensure that MSMEs remain progressive and dynamic.

As of 31 March 2022, CGC had provided MSMEs with over 513,000 guarantees and financing valued at over RM88 billion, impacting over 350,000 MSMEs.

In 2018, CGC took a leap by embarking on digitalisation, launching imSME, our pioneer venture into fintech. imSME is an online platform tailored for MSMEs, matching them with suitable financing facilities from FIs, DFIs, P2P players and Crowdfunding. As the first financing/loan referral platform in Malaysia, imSME is a one-stop centre for MSMEs to compare and choose the best facility available in the market for their financing needs.

- | | |
|-------------------|---------------------|
| 1 Alor Setar | 9 Johor Bahru |
| 2 Prai | 10 Kota Bharu |
| 3 Ipoh | 11 Kuala Terengganu |
| 4 HQ: Kelana Jaya | 12 Kuantan |
| 5 Kuala Lumpur | 13 Kota Kinabalu |
| 6 Seremban | 14 Miri |
| 7 Melaka | 15 Kuching |
| 8 Batu Pahat | 16 Sandakan |

Khoo Wen Dee &
Dr Pramod G. Bagali

Kuala Lumpur,
Wilayah
Persekutuan

Business
Consulting and
Services



WITTY CHARMAN CoTS



“ Winning CGC’s Merdeka Awards gave us so much joy and satisfaction, as we have been consistent in cultivating a fair and inclusive work culture. ”

Managing Business

Cutting-edge technology and medical expertise come together in Witty Charman CoTS. Partners Khoo Wen Dee and Dr Pramod G. Bagali share a remarkable working relationship based on trust, as well as sincerity, transparency and respect. Their business focusses on medical technology research, project management consultancy, training and development, and healthcare apps. Their team comprises medical doctors, IT developers, bioinformaticians, biomedical scientists and forensic experts, among others. Their vision is to offer affordable, brilliant and compassionate patient care through their products to make a difference in people’s health and lives.

Like many other businesses, the pandemic raised unanticipated challenges for the 5-year-old company. The initial lockdown period caused a severe dent in their revenue, affecting their operations and hampering efforts to acquire necessary equipment, IT infrastructure and staff. “To overcome the crisis, we learnt a couple of great life-lasting lessons that sustained us during this tumultuous 2-year period.”

CGC’s Commitment

With their ambition to be one of the biggest IT solutions providers in the medical industry, they worked on turning their challenges into opportunities. With the BizMula-i financing, received in February 2020, they immediately scaled up their operations to meet new market demands and to expand into newer market segments.

Building on their strengths, they recruited additional expert staff, trained staff as trainers and developed currently relevant software. Among them, WittyViz that visualises and analyses biopsy slides through whole slide scanning (WSI) with results shared through a secure portal. They conduct COVID-19 swabbing in their clinics and on-site to minimise and monitor the public’s exposure to the virus. A COVIDCare blog was launched for post-COVID survivors and patients.

To top all of that, “Winning CGC’s Merdeka Awards gave us so much joy and satisfaction, as we have been consistent in cultivating a fair and inclusive work culture.”

Pandemic Principle

“Respond to crises by converting risk into opportunity and create cross-functional team members to help us endure, overcome and survive the COVID-19 pandemic.”





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CHAIRMAN'S MESSAGE

**Dear
Shareholders,**

On behalf of the Board of Directors, I am pleased to present to you the 2021 Annual Report of Credit Guarantee Corporation Malaysia Berhad (CGC).

**DATO'
MOHAMMED
HUSSEIN**

Chairman

INTRODUCTION

Malaysia's transition to the COVID-19 endemic phase on 1 April 2022 allows us to return to a sense of normalcy after two years of disruption.

The global health crisis critically impacted the backbone of our nation's economy, 1.15 million micro, small and medium enterprises (MSMEs). They make up 97.2% of total business establishments and employ 70% of the country's workforce. Historically, MSMEs' gross domestic production (GDP) growth has always been higher than Malaysia's GDP growth. In 2020, according to the Department of Statistics Malaysia, for the first time in 17 years, MSMEs' GDP growth registered a negative 7.3%, lower than Malaysia's GDP of negative 5.6%. Our MSMEs only contributed 38.2%, or RM512.8 billion, to GDP.

Thus, for CONGRUENCE. Meeting MSMEs' Needs, Enhancing Internal Capabilities, CGC's 2021 theme, we needed to strengthen our focus and efforts, ensuring that we partner our MSMEs through their rebuilding and reinventing stages. We must enhance our internal capabilities and create alignment and congruence with the needs of our stakeholders.

CREATING CONGRUENCE

CGC has always been consistent in setting our priorities and strategies i.e. to fulfil our mandate to develop and empower MSMEs. Whilst that objective remains, MSMEs' changing requirements challenge us to upgrade our own internal capabilities to match their needs.

Therefore, in 2021 most of our efforts focused on facilitating business rehabilitation and recovery, through constant engagement and providing access to the Bank Negara Malaysia (BNM) Targeted Relief and Recovery Facility (TRRF) and Targeted Repayment Assistance (TRA) programmes, including the 6-month moratorium and rescheduling and restructuring of loan obligations. We strongly supported guarantee schemes, especially the nine BNM initiatives. These included their Fund for Small-Medium Enterprises, the Business Recapitalisation Facility (BRF) and the Low Carbon Transition Facility (LCTF).





Whilst that objective remains, MSMEs' changing requirements challenge us to upgrade our own internal capabilities which are aligned to their new needs. This will ensure that CGC will be in a state of organisational readiness to continue our role as a catalyst in the MSMEs' focus on rebuilding and reinventing their businesses. Hence the theme Congruence. Meeting MSMEs' Needs, Enhancing Internal Capabilities.



MEETING MSMEs' NEEDS

Many MSMEs were caught off guard by the COVID-19 pandemic, leaving them unable to sustain their businesses through the prolonged health and economic crisis. Yet the crisis made it imperative for businesses to reconfigure their operations. As you will see in our MSME stories highlighted in this Annual Report, opportunities also arose for MSMEs at this time to transform their businesses. While they had to stretch themselves to adapt swiftly to changing market conditions, learning to be flexible, we at CGC were right with them.

We, too, adapted to meet their evolving requirements, taking our cue from their new needs. Indeed, we had to reshape processes, give leeway on repayment schedules, and adopt even more inventive, innovative measures. All to ensure that MSMEs became not only more resilient, but also more competent and progressive in their outlook.

ENHANCING INTERNAL CAPABILITIES

The onus on CGC is to now re-examine our understanding of MSMEs' revised needs and come up with the right approach to meet them. This right approach has to be comprehensive i.e. how we evaluate their business proposals and come up with the right business solutions, and how we monitor their progress. To do this, our current tools and approach may not be applicable. We have to come up with new tools. And new tools require new skills on our part. This requires proper training to change the way our staff think, develop more empathy and understanding, and how to apply the new tools properly. It is therefore imperative that we do all this so that we can achieve better organisational readiness, and achieve congruence with our customers' varied needs, including those in the gig economy - predicted to be a major growth sector.

A MORE INCLUSIVE APPROACH TO DEVELOPING THE BUMIPUTERA BUSINESSES

We remain committed to our Bumiputera agenda, with a focus on building their competencies. We believe that to achieve resilience and sustainability, the Bumiputera businesses must be backed by competency. Our strategy for developing Bumiputera businesses is therefore two-pronged, to focus on competency-





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backed Bumiputera businesses and to encourage partnerships with other Malaysians, in the spirit of Keluarga Malaysia. But these must be substantive partnerships i.e. where all partners, including the Bumiputera partners, are actively involved, because competency can only be acquired by way of experience through active participation. We will focus on joint ventures between different ethnicities, to capitalise on each other's strengths. We believe Bumiputera economic participation solely based on sharing equity, even with majority ownership, is not sustainable in the long term unless backed by competency.

In November 2021, we introduced nine special Merdeka Awards at our virtual 26th Financial Institution/Development Financial Institution (FI/DFI) & SME Awards 2020. The awards recognised our MSMEs with multi-racial partners, reflecting Malaysia's potential for diversity in unity.

Last year's Ernst & Young study on what the world's MSMEs want to be revealed the significance of digital and financial savviness for future businesses. Its findings show that, while Malaysia scores way below Indonesia and Vietnam at 15% against the 26% global average in digital savviness, we score higher at 53%, bettering global (41%), Indonesian (37%) and Vietnamese (41%) financial savviness.

Needing to expand our range of competencies, CGC's vision is to build a digitally savvy organisation. The pandemic requires that we accelerate the pace of our digital transformation. This will be another major focus in the current year.

INTEGRATED ECOSYSTEM

Our national recovery agenda encompassed in the Twelfth Malaysia Plan 2021-2025 aims to restore economic stability, as well as holistically regenerate and reinvigorate national economic growth. With the objective of building a prosperous, inclusive, sustainable Malaysia, Theme 1 of the Plan is Resetting the Economy, where Game Changer III focuses on transforming MSMEs into new growth drivers.

Prioritising MSME digitalisation in the national agenda enables MSMEs, including Bumiputera entrepreneurs, to transform, compete and penetrate global markets. With imSME, to broaden CGC's positioning in the MSME ecosystem, our Guarantees with Partner Ecosystems Initiative began

in 2021, introducing new Portfolio Guarantee schemes with alternative financiers (fintech players).

To navigate the aftermath of pandemic uncertainties, an integrated MSME ecosystem is essential, creating value and collaboration, each ecosystem partner leveraging on each other's strengths.

DISPOSAL OF DANAJAMIN NASIONAL BERHAD

In November 2021, CGC disposed of our 50% interest in Danajamin Nasional Bhd to Bank Pembangunan Malaysia Berhad as part of a DFI-rationalisation process. The 50% interest in Danajamin, amounting to RM500 million, was CGC's initial and final subscription when Danajamin was incorporated in May 2009. The sales consideration amounted to RM940 million. The net surplus amounting to RM440 million has been channelled into our Special Reserve Fund to fund our growth and various programmes.

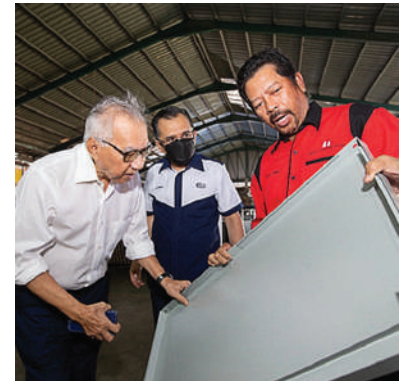
We thank the past and present Danajamin Berhad Board and Management for their astute management and enhancement of Danajamin's value leading to a substantial gain for CGC. We also wish the Board, Management and staff of Danajamin all the very best in its new, expanded role in the DFI-rationalisation process and as part of the Bank Pembangunan Malaysia Group.

ACKNOWLEDGEMENTS

I wish to thank the Ministry of Finance and Bank Negara Malaysia for their continuing strong support for CGC in carrying out our mandate. Our 2021 achievements with our stakeholders and strategic financial industry partners in the MSME ecosystem reflect the close cooperation we enjoy with our partners and stakeholders.

On behalf of the Board, we express our sincere appreciation to the Management team led by Datuk Mohd Zamree Mohd Ishak, President/CEO of CGC, for steering CGC through these difficult and challenging times.

I would also like to extend our gratitude and appreciation, on the Board's behalf, to Datuk David Chua Kok Tee, who retired from the Board in February 2022. In his 9-year tenure as an Independent Non-Executive Director, he served on many Board committees and contributed immensely to CGC in carrying out our mandate.



CGC also bid farewell to Adnan Zaylani Mohamad Zahid, our Board's Non-Independent Non-Executive Director for the last three years, who resigned on 19 April 2022. He brought his 28 years of stellar experience in investment operations and financial markets at Bank Negara Malaysia to the betterment of our work.

I would like to take this opportunity to welcome Anthony Lim Choon Eng as CGC's new Independent Non-Executive Director, effective 1 April 2022. With stellar academic qualifications, he comes on board with over 35 years of experience in the banking and finance industry, guided by invaluable service in key management positions in treasury and business banking, along with investment banking and risk management.

Please also welcome Suhaimi Ali, recently appointed as Bank Negara Malaysia's Assistant Governor on 1 April 2022, as our new Non-Independent Non-Executive Director. He comes on board with 24 years of experience comprising financial sector development, regulation and supervision, strategic planning, market conduct, international negotiations and IT services, as well as in the Bank Negara Malaysia Governor's Office. We look forward to his significant contribution to our Board, effective 28 April 2022.

Lastly, I extend my utmost appreciation to my fellow Board Members, Management and CGC employees for their continued dedication.

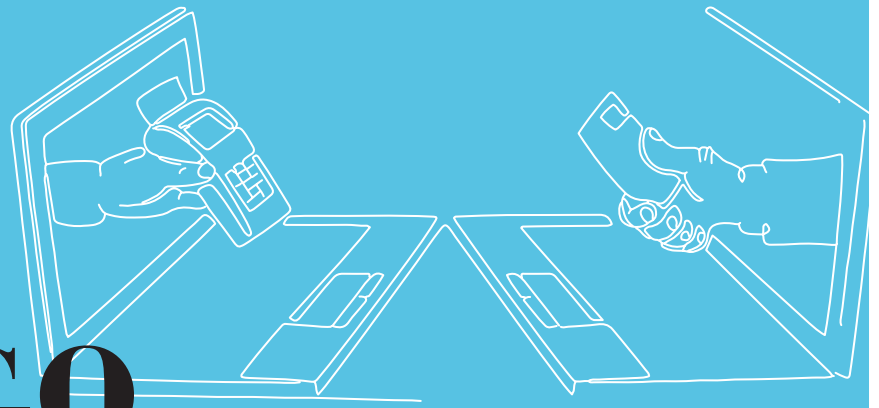
With our various planned initiatives for 2022 to further align ourselves to the needs of the MSMEs, we are confident that we can further fulfil our role in the ecosystem to develop and empower MSMEs.

Dato' Mohammed Hussein
Chairman

Yap Cheng Loo &
Abdul Razak Ahmad

Kuala Lumpur,
Wilayah
Persekutuan

Providing retail
management
system and
integrated online
payment platform



DUOGO

“ We are proud and honoured to receive the recognition from CGC, considering that we started with zero track record to having a loan-worthy track record. ”

Managing Business

Founders Dr Abdul Razak Ahmad and Dr Yap Cheng Loo had a vision to help small businesses be digital-economy-ready when they established DUOGO in late 2017. “COVID-19 accelerated the process of digitalisation for many businesses and so it was good for our business.” The company provides Cloud Point-of-Sale (POS) with built-in data analytics, franchise management system and ERP solution. Now more than 3,000 Malaysian small businesses in the food-and-beverage and retail sectors use their franchise, iBOXFAN Smart Business solution.

During the pandemic, their business faced significant challenges and rising costs. They also had to get accustomed to payment collection issues with businesses that had cash flow problems. So, managing the company’s cash flow was a skill they had to master. “However, as we had no liabilities in terms of loans, most financial institutions ignored us as we had no track record for borrowings despite our positive bottom-line.”

CGC’s Commitment

The BizMula-i financing they received in November 2020 allowed DUOGO to establish

a track record for borrowings. Subsequently, after several months of good payment record, other financial institutions began to approach them with offers of bigger loans. This enabled them to maintain their operations, as well as pitch for new projects.

In April 2022, DUOGO opened its first physical Digital Transformation Centre at Sunway Geo under the iBOXCHAIN brand. It will be a hub to support MSMEs on their digital transformation journey, with an ambition to create 20,000 more MSME success stories in the next five years.



Alongside many awards that the Malaysia Book of Records holder has garnered, DUOGO received CGC’s Merdeka Award in 2021. “We are proud and honoured to receive the recognition from CGC, considering that we started with zero track record to having a loan-worthy track record.” Their business goal is to use their solution platform to help similarly capable entrepreneurs to generate sustainable revenue. This is so that they, too, can access financing, in line with DUOGO’s tagline of ‘Transforming SME Underdogs into Heroes’.

Pandemic Principle

“We’ve learnt that monitoring staff performance remotely is hard to manage. Motivating them, too, was a challenge without face-to-face meetings.”



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IN CONVERSATION WITH PRESIDENT/ CEO

Dear Shareholders,

As I was penning my thoughts for this annual report, many countries had begun loosening COVID-19 restrictions and reopening their borders. Malaysia itself was preparing to enter the endemic phase and businesses were gradually resuming full operations. Since the beginning of the pandemic, CGC has been supporting our Malaysian MSMEs and up to 31 December 2021, we had committed over RM11 billion to them in the form of guarantee and financing.

**DATUK MOHD ZAMREE
MOHD ISHAK**

President/Chief
Executive Officer



INTRODUCTION

Growth prospects look optimistic, despite the protracted pandemic uncertainties, as most recent data show a growing global economy, albeit at a restrained pace. In 2021, global economic growth rebounded to 5.5%, and the Malaysian economy to 3.1%. Also, World Bank's Doing Business 2020 report ranked Malaysia 12th among 190 economies, and second in South East Asia. The Malaysian economy is expected to improve between 5.3% and 6.3% growth in 2022.

In CGC 2020 Annual Report, I mentioned that 2020 was a year like no other. As we entered 2021, much hope was placed for a better year as vaccine rollout commenced. Nevertheless, that hope was dampened due to uneven vaccine roll out which saw richer nations getting theirs earlier which in turn resulted in uneven economic recovery throughout the world.

We were still addressing many issues originally addressed in 2020, but the 2021 prescription was different. Since the beginning of the health crisis, we realigned our strategies supporting our MSMEs by expediting our operational readiness to align with the Government's 6R National Economic Recovery Strategy (Resolve, Resilient, Restart, Recovery, Revitalise and Reform).

In 2020, we assisted our MSMEs with BNM's Special Relief Fund (SRF), BizJamin and BizJamin-i SRF schemes. The 6-month moratorium, with rescheduled and restructured loan commitments, also helped alleviate short-term cash-flow impediments. We then pivoted toward Recovery, rehabilitating businesses with the Short-Term Economic Recovery Plan (PENJANA).

The focus in 2021, was more on the last two stages, Revitalise and Reform, by participating in the National Immunisation Programme (NIP) and BNM initiatives such as Targeted Relief and Recovery Facility (TRRF), High Tech Facility - National Investment Aspirations (HTF-NIA) and Micro Enterprise Facility (MEF).

2021 PERFORMANCE

Q1

How would you describe CGC's FY2021 performance? What were the most notable achievements?

Our stakeholders were appreciative, commending CGC for our unstinting efforts since the pandemic began and throughout 2021. We will continue with our efforts to build stronger, more resilient MSMEs in Malaysia.

We hoped for a better year in 2021 and, despite the pandemic's still-lingering aftermath, CGC performed well in FY2021. We recorded more than 90% achievement for all our Headline Targets. Our total outreach for FY2021 also increased to RM6.1 billion, with over 20,000 approvals. Another notable achievement I wish to highlight is our CGC 5-Year Strategic Plan 2021-2025. We have progressed significantly in strengthening our digital foundation for the Strategic Plan. Four prerequisites were completed in 2021 while two Strategic Initiatives and two Digital Initiatives began.

FY2021	Target 2021	Actual 2021	Achievement
Guarantee & Financing Base (RM billion)	16.4	15.0	91%
Number of MSMEs Assisted	46,000	49,000	107%
Guarantee Reserve Ratio (times)	1.7	1.7	100%
Digitally Active Customers (%)	50	48	96%

Q2

How did CGC respond in terms of financial assistance to businesses and relief aid to those affected by the extensive December 2021 floods?

Most MSMEs were just beginning their recovery after the numerous, extended COVID-19 lockdowns when the December 2021 floods caused further business disruption to around 18,000 MSMEs. The Department of Statistics Malaysia reported the overall losses due to the floods at RM6.1 billion.

However, the COVID-19 crisis prepared us for unforeseen events, and CGC was swift in aiding flood-affected MSMEs. Our direct financing scheme, BizBina-i financing, became available to existing CGC customers whose business operations had been affected by floods. To alleviate the financial burden and assist MSMEs to resume operations following this disaster, a 1.5% per annum profit rate reduction and an extended tenure to 5.5 years with six months' moratorium were provided. Additionally, through BNM's Disaster Relief Facility (DRF), CGC provided up to RM500 million worth of guarantees. Here, affected MSMEs directly applied to participating partner financial institutions.



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Q3

CGC is committed to the UN Sustainable Development Goals (SDGs). What were some key initiatives implemented in line with this pledge?

We tirelessly support all 17 UN SDGs, with a special focus on the 11 directly aligned with CGC's purpose and aim. Our Corporate Social Responsibility (CSR) initiatives, with selected NGOs, align with these goals to assist and offer relief to deserving underprivileged communities.

Other than our CSR activities, we promote the Green Technology Financing Scheme (GTFS), a special scheme that the Government introduced to support Malaysia's green technology development. We offered guarantees worth RM292 million in approvals. In support of SDG 10, Reducing Inequalities, we provided RM17 million under BizWanita-i to 297 women-owned MSMEs. Along with RM1.7 million worth of BizMikro-i financing to 304 micro-enterprises.

CONGRUENCE.

Meeting MSMEs' Needs, Enhancing Internal Capabilities

Q4

What were the most difficult business and leadership lessons learned in 2021 in taking steps to overcome COVID-19's prolonged challenges?

In the current situation that leaders and businesses face, I strongly believe that once leaders decide, they must execute their decision with full conviction. Without vacillating, going back and forth, wracked with doubt and changing their minds when a problem surfaces.

With uncertainty a constant, when we discover a solution, I am convinced of the best course of action. To address all the areas affected by our decision, the 5W1H principle always guides my team and me: Who, What, Where, When, Why and How. We always return to the basics, too - the four management principles of planning, organising, leading and controlling.

In terms of overcoming the prolonged COVID-19 challenges, we kept our staff informed and engaged, and prioritised their health and safety. We also scaled up our human resource capabilities by enhancing skills with training, reskilling, and increasing proficiency levels.

When critical situations arise, such as staff members and their families contracting the virus or being a close contact, we have a high preparedness level in place to deal with the situation immediately.

Q5

With the financial inclusion agenda remaining a top priority, how did CGC further help viable MSMEs to access financing?

BNM's Financial Sector Blueprint 2022-2026, complementing the Twelfth Malaysia Plan, was launched at MyFintech Week 2022. The Blueprint's strategies set the vision for the nation's financial sector development as a catalyst for reform, drive sustainability and contribute to our collective aspiration toward a 'Prosperous, Inclusive and Sustainable Malaysia.'

New technological applications, broader shifts to digital channels and the emergence of new business models have opened up exciting possibilities for better financial services. One of the Blueprint's five strategic thrusts is to advance financial sector digitalisation. Our imSME, Malaysia's first SME financing referral platform, has grown in purpose and reach since its launch. The one-stop centre, digitally tailored for MSMEs, by 31 March 2022 had attracted over two million visitors, with 55,250 registered MSMEs. We recorded 4,955 under total approved financing, amounting to RM510 million. Since Malaysia's first Movement Control Order (MCO) in 2020, we saw average daily visitors increase by up to 2,100.



Q6

What were the key touchpoints of 2020 and 2021 that you think will lead to better years ahead?

The pandemic has, unexpectedly, taught us to play our individual roles in a concerned collective. Almost everyone plays their part by following SOPs, by being disciplined and unselfish. You protect yourself and you protect others.

The national vaccination effort has been a key touchpoint in the last two years. By early November 2021, Malaysia ranked 10th in the world, with 77% of the total population fully vaccinated. As for us, 99% of our staff have been vaccinated and every Friday I receive a status report on staff infection and recovery rates.

Along with our Revitalising efforts, two new BNM Fund for SMEs facilities funds were released on 3 February 2022. The Business Recapitalisation Facility (BRF) aims to support MSMEs' recovery with innovative financing solutions via improvements in their MSME capital structure. We are also participating in BNM's Low Carbon Transition Facility (LCTF), established to support MSMEs adopting sustainable, low-carbon practices.

COUNTERCYCLICAL INITIATIVES: THREE-PRONGED APPROACH

Q7

Why was it imperative for CGC to promote countercyclical initiatives for MSMEs?

After an unprecedented year like 2020, we assisted our MSMEs rebuild and reinvent their businesses with various available schemes such as BNM's Targeted Relief and Recovery Facility (TRRF) for working capital. CGC assistance to 9,031 MSMEs was valued at RM2.9 billion. Other schemes in which we participated include High Tech Facility – National Investment Aspirations (HTF-NIA) financing to affected high tech and innovation-driven MSMEs, and the Disaster Relief Facility (DRF) to alleviate flood-affected MSMEs' financial burden and enable them to resume their business operations.

Our countercyclical measures helped offset the effects of the prevailing economic cycle. We closely monitored our 3-pronged strategies created to enhance access to financing and immediate support for MSMEs. For our guarantee schemes we offered both subsidised schemes and higher guarantee cover. For our direct financing schemes we lowered profit rates and offered a higher financing margin, especially for our BizBina-i and BizMikro-i schemes.

To ease MSMEs' financial responsibilities, our loan moratoriums, targeted repayment assistance and rescheduling and restructuring (R&R) facility offered a reprieve. More than 90% of our MSMEs benefitted from this breathing space to rebuild their cash reserves. We also nurtured our MSMEs with targeted government support in building capacity and capability. This we did by increasing their resilience and building their digital presence through our targeted CGC Developmental Programme™, mentoring workshops and market access initiatives.



All initiatives are in line with our 5-Year Strategic Plan 2021-2025 and the third Financial Sector Blueprint 2022-2026 Thrust 1 to fund Malaysia's economic transformation. It is imperative for CGC to promote countercyclical initiatives as an active contributor in a supportive credit guarantee ecosystem.



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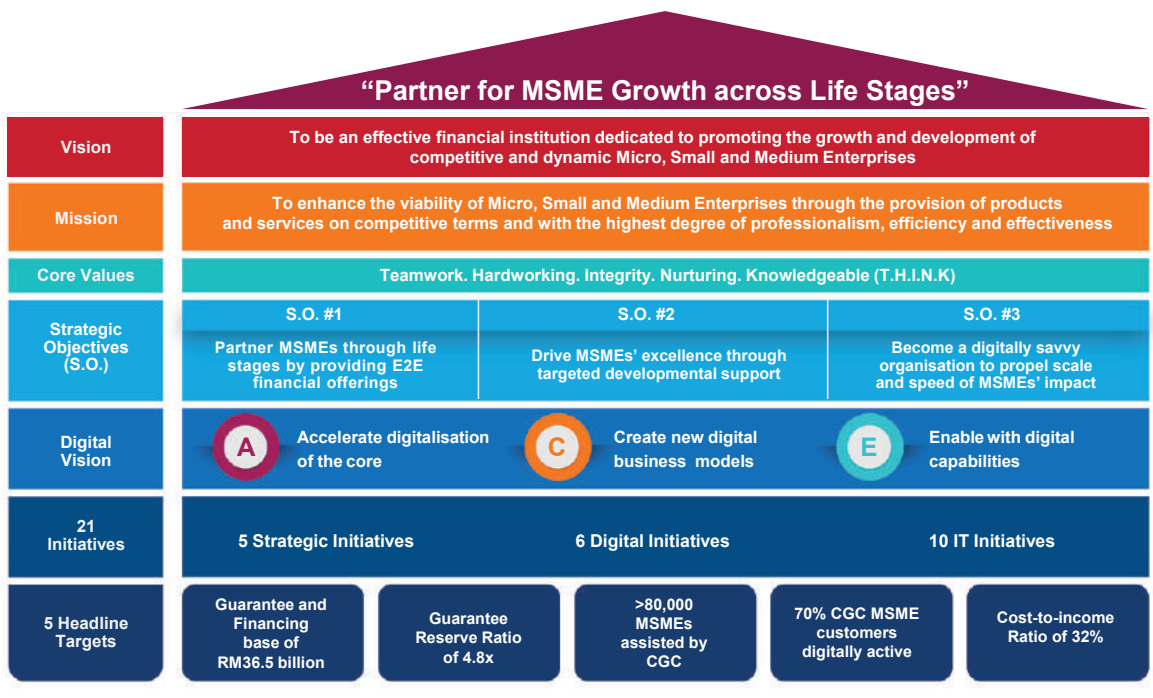
CGC's 5-YEAR STRATEGIC PLAN 2021-2025

Q8

What is the key focus of CGC's 5-Year Strategic Plan 2021-2025? How do you plan to catalyse CGC's internal capabilities, as well as MSME growth across their different business life stages?

We performed well in our previous 5-Year Strategic Plan 2016-2020, as we brought that plan to a close in 2020 by achieving a number of its Headline Targets, while exceeding others. Among our most notable accomplishments were doubling our outreach, in terms of MSMEs served, from 2015 to 2020. As we did with our outstanding Guarantee and Financing base, both in terms of value and raising the total number of accounts to 42,000 in 2020. Our brand awareness also increased by 31% from the previous year and our Beyond Guarantee initiatives, consisting of CGC Developmental Programme™, imSME and myKNP, grew considerably.

In our 5-Year Strategic Plan 2021-2025, we want to be even bolder and more ambitious, acting as a catalyst and leveraging our previous Plan's foundation.



CGC's 5-Year Strategic Plan 2021-2025 was developed with the aspiration to be the 'Partner for MSME Growth across Life Stages', after becoming 'the Household Name for SMEs by 2020'. This aspiration is supported by our vision and mission, dedicated to promoting MSME growth and development. In enhancing MSMEs' viability, we provide them with competitive terms, products and services.

Our 'T.H.I.N.K' core values are Teamwork, Hardworking, Integrity, Nurturing and Knowledgeable. These underpin who we are, what we believe in and how we relate to our stakeholders and each other. In realising the Corporation's aspiration, three Strategic Objectives (S.O.) have been identified:

S.O. #1	S.O. #2	S.O. #3
Partner MSMEs through life stages by providing E2E financial offerings	Drive MSMEs' excellence through targeted developmental support	Become a digitally savvy organisation to propel scale and speed of MSMEs' impact

Our Plan is in accord with the five Strategic Thrusts of the Financial Sector Blueprint 2022-2026 and will support the outcomes. The initiatives and plans will contribute directly and indirectly in several aspects identified in the Blueprint. Year 2021 marked the beginning of the journey toward partnering our MSMEs' growth across their life stages.

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Q9

What was the groundwork laid down in 2021 to ensure the execution of the 5-Year Strategic Plan 2021-2025?

One of our key digital initiatives last year was developing imSME Rebuild to further drive efficiency through automation and process changes. CGC is optimistic about achieving its long-term corporate goal of imSME becoming its main digital engagement channel, covering all three Strategic Objectives mentioned above. Further progress is expected in 2022 when E2E Digital Direct Financing will establish a fully digitalised direct financing process and provide a seamless digital customer experience for faster application turnaround.

In addition, our Guarantees with Partner Ecosystems Initiative commenced in 2021, introducing new Portfolio Guarantee (PG) schemes with alternative financiers in the

fintech arena. Expanding partnerships to broader ecosystems will drive business growth, as well as offering financing support and non-financial assistance to MSMEs. This initiative is slated to further expand in 2022, when CGC aims to form new partnerships with more alternative financiers such as P2P, digital banks and other fintech players.

Additionally, E2E Support for Digital Adoption for Advisory & Financial was established in 2021 with engagement with start-up accelerators and potential digital toolkit providers. As their engagement and development progress, the launch of digital training and workshops to MSMEs through partnerships with accelerators is scheduled for end-2022.

Q10

How are you progressing with CGC's digital vision? How does it help in building an inclusive, competitive, transformative digital economy and platform internally, as well as the MSMEs you support?

One of CGC's 5-Year Strategic Plan 2021-2025's key focus was to speed up our digital transformation journey. The Digital & Transformation Office (DTO) was set up to drive the strategic and digital transformation, while embedding the new culture and ways of working. Additionally, CGC established its Agile Procurement Process by revising the Approving Authority Matrix (AAM) for the Strategic Plan 2021-2025 to be more feasible and realistic, implementing faster Agile project execution. All planned training sessions were also completed to improve stakeholders' digital competencies and to familiarise themselves with Agile culture. Finally, Agile toolkits were procured, on top of upgrading CGC's IT infrastructure.

Furthermore, the new Human Resource Management System (HRMS) named SMART People was completed in 2021. This initiative aims to drive a new way of working for CGC to emerge as a stronger organisation building a resilient workplace, supporting our 5-Year Strategic Plan. It also allows seamless virtual monitoring of staff performance, in line with CGC's health and safety measures, and inculcates a performance-driven culture among our employees nationwide. These enhancements aim toward employee development goals to ensure better engagement, increased productivity and a high-performance culture in CGC.

ACKNOWLEDGEMENTS

The pandemic and its repercussions and disruptions are propelling businesses and people out of their comfort zones. The crisis also gave rise to a wave of innovation and a new generation of entrepreneurs, capitalising on digitalisation. Companies, too, have had the opportunity to reconfigure and transform their operations to be more productive. Businesses are building resilience, embracing opportunities to create a business landscape for a more digitalised, entrepreneurial and sustainable future.

With our Strategic Plan 2021-2025 as our foundation, together with our stakeholders, partners and MSMEs, we have created congruence in the MSME ecosystem that effectively assists in meeting MSMEs' needs while enhancing internal capabilities.

With this, I sincerely thank all our stakeholders, valued customers, Federal and State Governments, Bank Negara Malaysia, our strategic partners in Malaysia's MSME ecosystem, and our Board of Directors for their sound counsel. Last but not least, my colleagues for their continued belief and trust in what we do.

With uncertainty still swirling around us, CGC has stayed on course. We are not just bouncing back, but bouncing beyond, with accelerated momentum. At the last two stages - Revitalise and Reform - of the 6R National Economic Recovery Strategy, more than ever we are committed to delivering our mandate. And committed to change.

With full conviction and resolve,

Datuk Mohd Zamree Mohd Ishak
President/Chief Executive Officer

NG HAN SIN

Kuala Lumpur,
Wilayah
Persekutuan

Interior decoration
and custom-made
carpentry furniture

MANGO CONCEPT INDUSTRY



“ With the BizMula-i financing, I was able to manage my operations and stock up on material using cash terms for our upcoming projects. ”

Managing Business

Ng Han Sin's newly set up Mango Concept Industry suffered many setbacks during the lockdowns in 2020. These include continuing to pay rent for a factory he had just leased, paying workers' salaries despite lack of new jobs, and loss of income. His debts to suppliers were rising.

Ng trained as a renovator and builder, and had been in the industry for more than 15 years before deciding to found his own business, specialising in interior design, carpentry work and design consultancy. Just before the COVID-19 crisis hit, he had rented a factory in Balakong to manufacture the company's own custom-made furniture. The intention was to export it in future. The company also managed to record up to RM500,000 in sales before the pandemic. "We hope to be a one-stop solution centre for renovation and custom carpentry works." But, as businesses remained shut during lockdowns and the health crisis continued, Ng had to source for capital.

CGC's Commitment

"With the BizMula-i financing, I was able to manage my operations and stock up on material using cash terms for our upcoming projects." Three months later, they reached RM200,000 in sales and, although he had increased his staff, was looking to hire more. After the movement restrictions were lifted, he says his sales accelerated to higher than pre-pandemic levels. "Everyone has been holding on for two years without any renovations, either in new or old homes or restaurants, so we have been very busy."

Ng admits that he was a little shocked when informed that CGC's PCEO, Datuk Mohd Zamree Mohd Ishak, would visit his factory. However, he found the PCEO very friendly and showed him around the factory, introducing machines and materials to him. He also informed Datuk Zamree that 70% of his production content is local. "I also shared with him my future plans of upgrading and expanding my factory to export very niche, high-quality and high-priced loose furniture to Europe and the United States."

Pandemic Principle

"At a time like this, it is sales and capital that we need to uphold the company, office and the whole team."



RAVINDRAN
KANAGASABA

Kuala Lumpur,
Wilayah
Persekutuan

Elderly Nursing
Home

ELDERLY GARDENS CARE CENTRE



“ I did think that, after I received the first financing, I wouldn’t hear from CGC again. Instead, I have not only had frequent visits, video calls during the pandemic, but an amazed President/CEO who spent a lot of time talking to my residents during his visit. ”

Managing Business

Fifteen years ago, Ravindran Kanagasaba began helping his mother run her elderly care home. In 2017, he decided to branch out on his own and set up Elderly Gardens Care Centre. Currently, he hosts 60 members, including 24-hour staff, at the two centres in the capital city. Well-versed with the rigours required to establish such a business, including paperwork, financing and government-agency registrations, he has helped friends set up, too.

Yet not all have thrived, he reveals, as this work requires a gift. “I am here every day, keeping my patients and staff both happy, even if a couple of aunties treat me as their daughters-in-law!” He ensures they feel comfortable, cared for and at home. He listens to and spends time with the residents, in return learning a lot from the advice they freely give.

He adheres to his late mother’s principle - offer the best service at an affordable price. Neither deposits nor extra charges for unnecessary items. He works with residents’ relatives as a team to ensure that the elderly in his care spend their final days pleasantly.

CGC’s Commitment

With CGC’s BizMula-i financing at the end of 2019, Ravindran received the working capital he needed, as initial set-up costs can be prohibitive. In addition, he widened his search for better accommodation and location. “I have now grown in size, locations and number of residents.” With elderly care demand increasing, he hopes to add another

centre to his stable by end-2022. His second financing, BizMula-i, received in 2021, helped him cope with the pandemic.

He finds CGC Developmental Programme™ webinars very useful, too, learning many new things. “I did think that, after I received the first financing, I wouldn’t hear from CGC again. Instead, I have not only had frequent visits, video calls during the pandemic, but an amazed President/CEO who spent a lot of time talking to my residents during his visit.”

Ravindran felt honoured by Datuk Mohd Zamree Mohd Ishak’s visit to his humble establishment. It meant that, although he had started very small, he must be doing something right.

Pandemic Principle

“Learned a lot about humanity and compassion, as we made a lot of friends that helped each other with urgent supplies during the lockdowns.”





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BILLION

Share Capital

Our funds are mainly sourced from guarantee fees and other liability instruments, operations and equity. They enable us to manage our business and to finance our development and operating activities in increasing MSMEs' access to financing. The guarantee and financing/loans base's growth represents our expanded outreach activities, propelling our core business functions forward in enabling MSMEs to achieve their business objectives.

FINANCIAL

Total Number of Employees

Our pride is our employees' accomplishments. To enhance their capabilities, we invest in their growth and nurture them in a conducive environment, prioritising their career paths and pursuit of their personal goals. We inspire our people to achieve excellence in executing CGC strategies, capitalising on opportunities to aid MSMEs with solutions to improve their viability.

HUMAN

569
PEOPLE
as at December 2021

SOCIAL AND RELATIONSHIPS

We continuously strengthen our relationships with our stakeholders and relevant societies with whom we collaborate to enhance our social capital. We strive to create an enabling framework for all our stakeholders, incorporating their needs into our business processes, fulfilling our commitments and building long-term value to achieve mutual progress in realising expectations. We constantly seek to establish strategic collaborations with new partners in the evolving ecosystem.

INTELLECTUAL

Intellectual capital, due to its ingenuity, significantly drives competitive advantage. Among other things, intellectual property includes patents, copyright, organisational structures and software, procedures and protocols. It also consists of the intangibles linked to the brand and credibility that have been created. As part of CGC's digital transformation, faster approvals, enhanced customer service, new ways of working are the new norm. Repetitive manual procedures have been reduced with robotic process automation. Cybersecurity risks and data protection issues are managed compatibly in line with the same standards demanded by existing FI requirements.



FINANCIAL

- Provision of guarantees to strengthen the credit profile of MSME financing with financial institutions, enabling MSMEs to achieve their business objectives.
- Offering financing for micro entrepreneurs, startups and women entrepreneurs, along with Bumiputera financing, expansion financing and contractual financing.
- Effective fund management activities to meet targeted returns.

SUPPORT

- Forging strategic alliances with relevant agencies and trade associations to reach out to more MSMEs.
- Provision of CGC Developmental Programme™, encompassing Financial Access Advisory and Market Access Advisory activities.
- Offering a one-stop centre and a seamless digital experience for MSMEs to source and compare financing products on imSME.

SUSTAIN

- Maintaining, optimising and investing in our operations, including technology and infrastructure.

MANAGING RISK

- Enterprise-wide risk management that includes Credit Risk; Operational Risk; Strategy, Business and Financial Risk; Market Risk; Regulatory and Compliance Risk; IT Risk and Reputational Risk.

TOTAL INCOME

RM833.5
MILLION

REVENUE

RM205.1
MILLION

LIABILITIES

RM1.0
BILLION

EQUITY

RM4.2
BILLION

TOTAL ASSETS

RM5.2
BILLION

NET PROFIT

RM542.3
MILLION

EMPLOYEES

- Employment opportunities.
- Investment close to RM800,000 for staff training and development in 2021.

REGULATORS

- Adhered to sustainable practices to safeguard our assets.
- Complied with regulations to mitigate systemic risk.

CUSTOMERS

- CGC made available to MSMEs over 508,800 guarantees and financing valued at over RM86.8 billion.
- Over 21,700 guarantees and financing approvals were given for MSMEs in 2021.
- Guarantee and financing approvals valued at RM6.1 billion were granted for MSMEs in 2021.
- imSME's enhanced service for MSMEs includes faster, hassle-free guidance at their convenience to legitimise and authorise channels to source their business financing needs.
- Since its inception in 2016, our signature CGC Developmental Programme™ has benefited 49,594 MSMEs.
- Through our associate, Credit Bureau Malaysia, credit information and credit rating services are available to MSMEs to enhance their credibility and bankability to secure financing.

...
**ENABLE OUR
BUSINESS
ACTIVITIES**

...
**DELIVER
FINANCIAL
OUTCOMES
FOR CGC**

...
**CREATE
VALUE
FOR OUR
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ECONOMIC REVIEW AND OUTLOOK

GLOBAL



Review

Global economic recovery continued in the fourth quarter of 2021. According to the World Bank, the global GDP growth in 2021 was estimated at 5.5%. The world economy's main drivers were the vaccination rollout and continued accommodative fiscal, monetary and financial conditions in the world's larger economies. Global economic activity gained significant momentum, with GDP growth in the first half of the year broadly in line with expectations.

However, the recovery was uneven. Moreover, considerable uncertainty about its durability was noted when momentum weakened due to increasing infections in many emerging markets and in developing economies, intensified by supply disruptions. The resurgence also dampened consumer confidence, further affecting service activities.

Nevertheless, strength in manufacturing and trade activity continued, amid early signs of easing of the global supply disruption. The labour market contracted as many people struggled to gain employment with the new and enhanced skills demanded in the wake of the crisis. The risk of inflation pressures also emerged in many economies. This occurred as the surge in demand for goods met bottlenecks in production chains, as well as strains in the global supply chain, which remained elevated.



Outlook

Growth in the global economy in 2022 is expected to remain below pre-pandemic projections, at around 4%. This is subject to significant downside risks. These risks include the possibility of large pandemic waves in the context of new virus variants, the military conflict in Ukraine and spillovers that could disrupt commodity supply, leading to higher commodity prices and inflation. This could raise cost pressures on firms and lower real income for households. Nonetheless, improving labour market conditions amid progressive reopening of economies over the past year are expected to facilitate recovery in private sector activity in 2022.

Globally, the new Omicron variant and supply chain disruptions were the major drivers of inflation in late 2021 and early 2022. Inflationary pressure is likely to increase above pre-crisis averages. This is due to higher energy and commodity prices and ongoing global supply chain disruptions in an environment of sustained demand recovery. Controlling the pandemic at the global level will require more equitable vaccine rollout distribution, especially for low-income countries. Additionally, efficiently allocated fiscal support can aid the recovery, as well as safeguarding price stability and fiscal sustainability. A lasting recovery is also possible by enhancing reforms and steering economies onto a greener, more resilient, and more inclusive development path. Environmental, social and governance (ESG) risks are becoming increasingly significant with the opportunities and challenges they present.

DOMESTIC



Review

The nation's GDP rebounded 3.6% in the fourth quarter of 2021, initiated by strong external trade and gradually improved domestic activity. The economy recorded an increase of 3.1% in 2021 with improvements across all economic sectors driven by the manufacturing, services and agriculture sectors. All expenditure components on the demand side recorded positive performance, too, driven mainly by the improvement in private-sector expenditure.

The country's transition to Phase Four of the National Recovery Plan (NRP) and safe reopening of the economic sector contributed to the improvement of global demand, labour market recovery, ongoing policy support and successful vaccination rollout under the National COVID-19 Immunisation Programme (PICK). A substantial and multi-pronged pandemic policy response targeted to support affected households and businesses assisted in preventing a more severe downturn in 2021.

The cost-push factor of headline inflation is to be recorded at 3.2% in 2021. This is mainly due to normalisation in electricity prices following the lapse in the three-month electricity bill discount implemented in July 2021 under the People's Protection and Economic Recovery Package (PEMULIH) initiative, higher price of volatile items and increase in core inflation contributed by discretionary and consumer items.

The labour market also bounced back as the unemployment rate declined further to 4.3%, driven by strong recovery in employment rate, high labour participation rate and better labour demand. Overall performance in gross exports expanded by 29%, reflecting a broad-based expansion across products amid strong external demand. Imports, too, grew by 29.6%, driven by the expansion in intermediate imports.

The main challenges are the scarring impact of the COVID-19 pandemic on income, the emergence of new vulnerable groups, and under-employment and inadequate social protection that directly affect Malaysians. Certain industries - especially the tourism sector, including hotels, transport, recreation facilities and restaurants - continue to be impacted and are dragging down economic contribution. Another emerging threat is the physical risks stemming from climate change, whose impact can be as devastating as the COVID-19 pandemic.



Outlook

Positive growth momentum is expected to continue in 2022 with strong economic fundamentals and a diversified economic structure, as GDP growth is forecast to expand by between 5.3% and 6.3%. Successful on-going vaccine rollout and swift implementation of economic policy support measures will support this growth.

The favourable outlook is predicated on continued expansion in external demand. This expansion will be supported by tech upcycle, lifting of containment measures and reopening of international borders amid high vaccination rates, improvement in employment and income prospects, higher private consumption and investment demand, as well as higher supply in Services and Manufacturing sectors and continued access to targeted policy measures. As economic activity normalises, headline inflation is projected to remain moderate, between 2.2% and 3.2%, while core inflation is expected to gradually increase by between 2.0% and 3.0%. The improved health situation and easing of restrictions will also spur household consumption and fixed investment. On top of this, strong demand for electrical and electronic goods will sustain the external sector.

In contrast, the downside risks to growth include a resurgence caused by emerging vaccine-resistant variants, commodity price shocks and disruptions to supply chain and trade. This is due to on-going geopolitical conflicts and elevated cost of living and profitability concerns weighing on household and business sentiments. The emergence of Omicron variants remains a major threat to economic recovery in 2022, although almost 80% of the population is fully vaccinated. Nevertheless, the economic outlook is strongly expected to improve. Thus, Malaysia is prepared for the full reopening of its international borders on 1 April 2022.

The financial landscape is expected to undergo rapid changes in the coming years driven by technological advance, demographic shifts and climate change. A strong, sustainable financial sector will continue to provide countercyclical support throughout economic cycles and facilitate financial development with the developmental and regulatory priorities outlined in the Financial Sector Blueprint 2022-2026.

The Blueprint, launched on 24 January 2022, sets out the financial sector approach to financial development in the next five years. It will continue to serve as a guide to addressing the financial inclusion gaps, focusing on higher take-up rates alongside more responsible use of financial products and services to enhance overall well-being. Development Financial Institutions (DFIs) also play an important role in supporting the nation's development agenda, demonstrated by DFIs' crucial countercyclical role during the pandemic. The year 2022 will see reform of DFIs as a key enabler in enhancing inclusivity and access to financing, as well as DFIs' advisory support to businesses.



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MSMEs



Review

As the backbone of the national economy, MSMEs are vital contributors to Malaysia's GDP. According to the Department of Statistics Malaysia (DOSM), as of 2020, a total of 907,065 registered business establishments in Malaysia are MSMEs. MSME employment accounted for 7.25 million people in 2020, 65,000 less than in 2019, a significant indicator of the pandemic's direct impact on MSMEs.

As a result of the decline in economic performance, MSME GDP in 2020 contracted 7.3%, more sharply than the decline in Malaysia's GDP and non-MSME GDP, which shrank by 5.6% and 4.6% respectively. This was also lower than Malaysia's GDP for the first time since 2003. The MSME sector registered a nominal GDP of RM512.8 billion in 2020, decreasing its contribution to Malaysia's GDP to 38.2% from 38.9%. Labour productivity among MSMEs by economic sector also showed that all sectors were on a declining trend throughout 2020.

During the pandemic, many businesses incurred losses. According to the Ministry of Entrepreneur Development and Cooperatives (MEDAC) in September 2021, over 37,000 MSMEs had closed down since the outbreak of the COVID-19 crisis following the subsequent nationwide MCOs. In all, 69.5% of them were micro businesses and the rest were MSMEs.

The economy and financial sector faced another challenging year in 2021. During the year, the Government reintroduced two Movement Control Orders (MCOs) to ease the pressure on the healthcare system and contain the resurgence of the pandemic.

In December 2021, a heavy downpour caused flash floods which tragically caused loss of human lives, damaged properties, and impacted livelihoods. The Government and the financial sector had to be agile and responsive during these situations, especially with MSMEs, who faced a slower or uneven recovery of their financial circumstances. Eight economic stimulus packages worth RM530 billion have been successfully implemented since March 2020.

The assistance for businesses includes repayment or payment assistance, which has benefitted 395,000 MSMEs since April 2020. The Banks together with Agensi Kaunseling dan Pengurusan Kredit (AKPK) also launched the Financial Management and Resilience Programme (URUS) in October 2021. URUS aims to assist with financial management plans, providing AKPK's advisory, education and income support programmes for vulnerable sectors with prolonged cash flow difficulties due to COVID-19.



Outlook

Many reports suggest a spike in bankruptcies is likely to occur in early 2022, especially if businesses suffer permanent losses in employment or business income. Despite most economic sectors being allowed to operate at full capacity, several MSMEs have nevertheless been badly affected and still need support to bounce back and rebuild themselves. Therefore, various initiatives, especially access to financing, will be implemented through the National Budget 2022 to ensure business continuity.

The closure of brick-and-mortar stores due to recurring MCOs helped accelerate the digitalisation of business processes towards digital marketing and e-commerce. MSMEs can enhance digital capabilities by exploring opportunities through online platforms for greater reach, as well as constantly reassessing their digital opportunities and readiness.

Nevertheless, many MSMEs are still ill-equipped to transition towards digitalisation. About 60% of MSMEs lack awareness and knowledge about financing, digital talent and technologies. Moreover, the gaps in digital infrastructure must be tackled. Most MSMEs are not prepared to adopt new norms of remote working due to difficulties related to infrastructure and systems, since financing or digitalisation costs remain one of the top challenges.

As the nation is on a strong economic recovery path, implementation of the SemarakNiaga Keluarga Malaysia Programme (SemarakNiaga) with an allocation of more than RM40 billion under Budget 2022 will help MSMEs to recover and move forward. Alternative financing and financing schemes through relevant agencies for MSMEs and other affected businesses will help them to recover and generate revenue soon. The initiative will prioritise the most impacted sectors such as tourism, retail, and entertainment. Other than that, efforts towards digital enablement include grants for MSME digitalisation and smart automation, matching grants to accelerate digital transformation, as well as assistance for gig economy players and startups to better navigate the world of commerce and business.

5-YEAR STRATEGIC PLAN 2021-2025

“Partner for MSME Growth across Life Stages”

Vision	To be an effective financial institution dedicated to promoting the growth and development of competitive and dynamic Micro, Small and Medium Enterprises				
Mission	To enhance the viability of Micro, Small and Medium Enterprises through the provision of products and services on competitive terms and with the highest degree of professionalism, efficiency and effectiveness				
Core Values	Teamwork. Hardworking. Integrity. Nurturing. Knowledgeable (T.H.I.N.K)				
Strategic Objectives (S.O.)	S.O. #1 Partner MSMEs through life stages by providing E2E financial offerings	S.O. #2 Drive MSMEs' excellence through targeted developmental support	S.O. #3 Become a digitally savvy organisation to propel scale and speed of MSMEs' impact		
Digital Vision	A Accelerate digitalisation of the core	C Create new digital business models	E Enable with digital capabilities		
21 Initiatives	5 Strategic Initiatives	6 Digital Initiatives	10 IT Initiatives		
5 Headline Targets	Guarantee and Financing base of RM36.5 billion	Guarantee Reserve Ratio of 4.8x	>80,000 MSMEs assisted by CGC	70% CGC MSME customers digitally active	Cost-to-income Ratio of 32%



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CGC's 5-Year Strategic Plan 2021-2025 was developed with the aspiration 'To be the Partner for MSME Growth across Life Stages', supported by both our vision and mission statements that are dedicated to promoting growth and development of MSMEs, as well as enhancing their viability through providing them with products and services on competitive terms. Our 'T.H.I.N.K' core values (representing Teamwork, Hardworking, Integrity, Nurturing and Knowledgeable) serve as a platform to express who we are, what we believe in and how we relate to our stakeholders and with each other. In realising the Corporation's aspiration, three Strategic Objectives (S.O.) have been identified:

S.O. #1:	S.O. #2:	S.O. #3:
Partner MSMEs through life stages by providing E2E financial offerings.	Drive MSMEs' excellence through targeted developmental support.	Become a digitally savvy organisation to propel scale and speed of MSMEs' impact.

Our plan is in line with five strategic thrusts of the Financial Sector Blueprint 2022-2026, announced in January 2022. The initiatives and plan, looking ahead, will contribute directly and indirectly to several areas identified in the Blueprint.

Year 2021 marks the start of CGC's 5-Year Strategic Plan 2021-2025 journey towards realising the aspiration to be the 'Partner for MSME Growth across Life Stages'. CGC has made good progress, especially in building and strengthening the digital foundation, apart from starting several prioritised strategic, digital and IT initiatives.

Digital Foundation

Most of 2021 was spent completing the 5SP prerequisites as the backbone of CGC's digital journey. To this end, Digital & Transformation Office (DTO) was set up to drive the strategic and digital transformation while embedding the new ways of working and culture.

Additionally, CGC managed to establish Agile Procurement Process with the revision of Approving Authority Matrix (AAM). This is for 5SP to be more feasible and realistic for faster Agile project execution. All planned training sessions were also completed to improve stakeholders' digital competencies and to familiarise them with Agile culture. Finally, Agile toolkits were also procured on top of upgrading CGC's IT infrastructure to enable Agile project execution.

Strategic Initiatives

To broaden CGC's positioning in the MSME landscape, Guarantees with Partner Ecosystems Initiative commenced in 2021. Here a new PG scheme with an alternative financier was introduced. The expansion of the partnership was to broaden ecosystems, not only to further drive business growth, but also to support financing and offer non-financial assistance to MSMEs. Further development is expected for this initiative in 2022, when CGC aims to form new partnerships with more alternative financiers such as P2P, digital banks and other fintech players.

In addition, E2E Support for Digital Adoption for Advisory & Financial started its journey in 2021 with engagement with startup accelerators and digital toolkit providers. As the engagement and development progress, the launch of Digital Training & Workshops to MSMEs through partnership with accelerators is targeted to be conducted by end 2022.

Digital Initiatives

imSME Rebuild commenced its development in 2021 to further drive efficiency through automation and process changes. With the start of this initiative, which covers all three Strategic Objectives as mentioned above, CGC is optimistic about achieving its long-term corporate goal to realise its aspiration as the platform is envisioned to be CGC's main digital engagement channel. Further development is planned in 2022, when E2E Digital Direct Financing will begin its development in supporting a fully digitalised direct financing process and providing seamless digital customer experience for faster application turnaround.

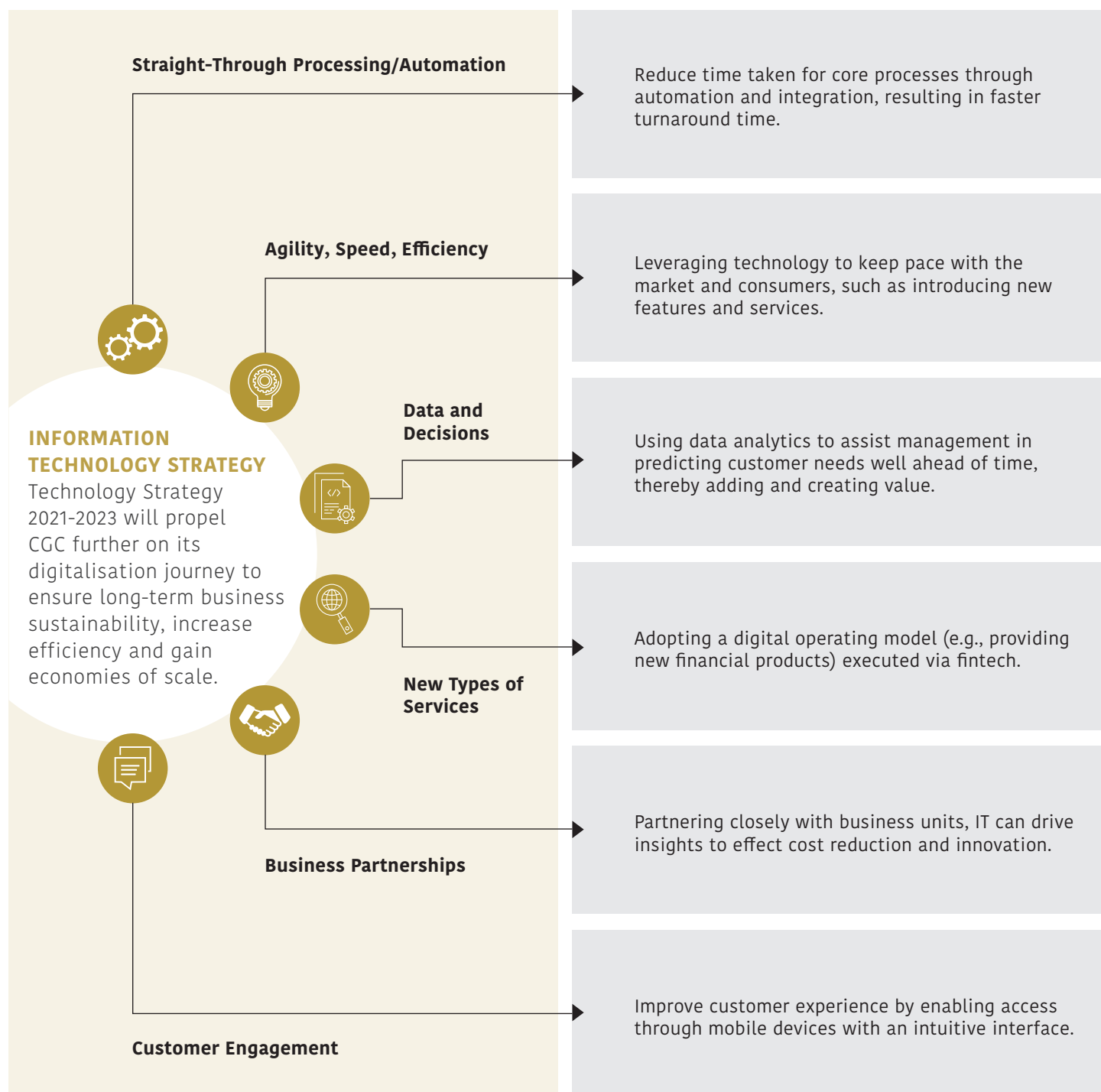
IT Initiatives

In terms of becoming a digitally savvy organisation, CGC registered several achievements in 2021 on the IT Initiatives, including the completion of Office 365 and DevOps platform development. These achievements allow for seamless communication and collaboration between employees to ensure greater efficiency and productivity, even in a remote work environment.

The new Human Resource Management System (HRMS) named SMART People was also completed in 2021. This initiative aims to drive a new way of working for CGC to emerge as a stronger organisation and build a resilient workplace, as well as to support the 5SP initiatives.

It also allows seamless and virtual staff performance monitoring in line with CGC's health and safety measures and performance culture inculcated among employees nationwide. The enhancements are aimed towards employee development goals to ensure better employee engagement, increased productivity, reduced employee attrition and a more positive culture in CGC.

INFORMATION TECHNOLOGY



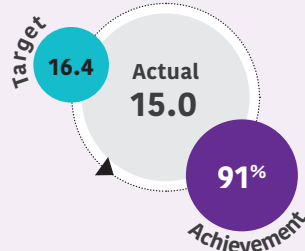


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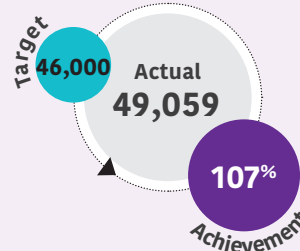
PERFORMANCE SCORECARD

2021 HEADLINE TARGETS

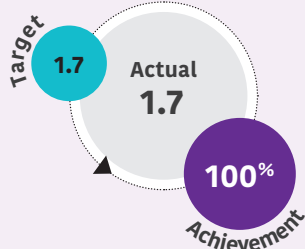
Guarantee & Financing Base (RM billion)



Number of MSMEs Assisted



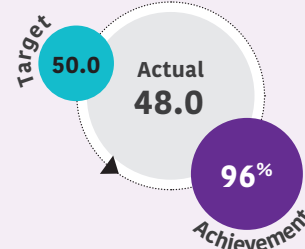
Guarantee Reserve Ratio (times)*



Cost-to-Income Ratio (%)*



Digitally Active Customers (%)

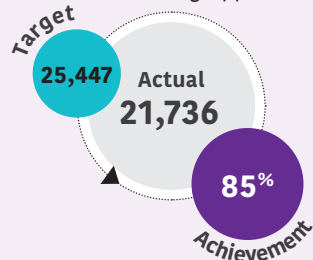


* The ratios are calculated by excluding one-off gain from the disposal of Danajamin or Special Purpose Reserve.

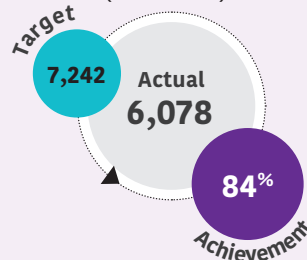
MSME Outreach and Efficiency Charter (Actual 2021)

MSME Outreach

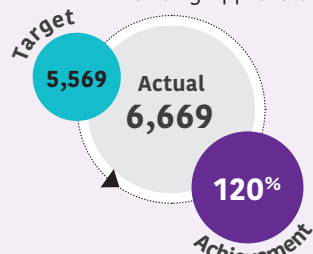
Number of Guarantee & Financing Approvals



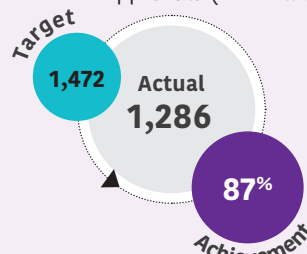
Value of Guarantee & Financing Approvals (RM million)



Number of Bumiputera Guarantee & Financing Approvals

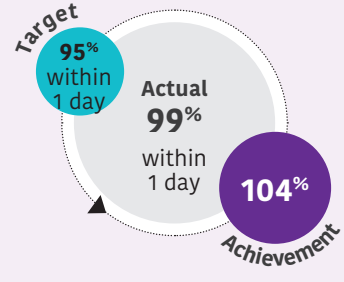


Value of Bumiputera Guarantee & Financing Approvals (RM million)

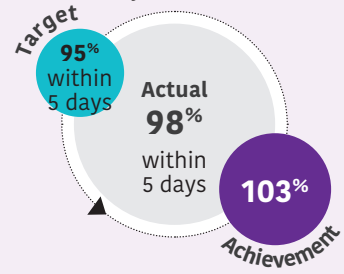


Efficiency Charter

Financing/Loans Processing for PG



Claim Payment



2022 HEADLINE TARGETS



**Guarantee &
Financing Base
(RM billion)**

24.4



**Number of MSMEs
Assisted**

70,135



**Guarantee
Reserve Ratio
(times)***

1.7



**Cost-to-Income
Ratio**

39.5%

* Guarantees Reserve Ratio is calculated by excluding Special Purpose Reserve.

MSME Outreach and Efficiency Charter (Target 2022)

MSME Outreach



**Number of Guarantee
& Financing Approvals**

19,711



**Value of Guarantee &
Financing Approvals
(RM million)**

5,000



**Value of Bumiputera
Guarantee & Financing Approvals
(RM million)**

1,000



**Number of Bumiputera
Guarantee & Financing
Approvals**

5,999

Efficiency Charter



**Financing/Loans
Processing for PG**

95%
WITHIN 1 DAY



**Claim
Payment**

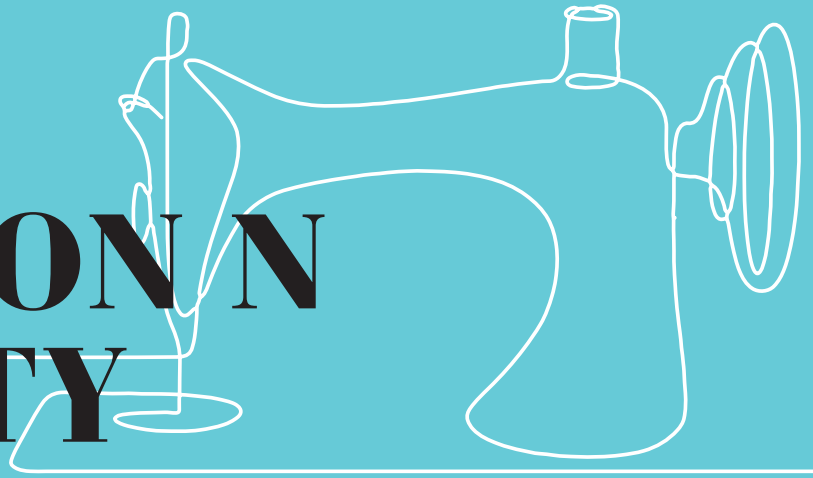
95%
WITHIN 5 DAYS

WAN NUR AQILA
WAN ROSLAN

Tumpat,
Kelantan

Sewing and
Tailoring

DAQ FASHION N BEAUTY



“ With the BizWanita-i financing, I reinvented my business and grew from one staff to 10 in order to increase my output. ”

Managing Business

Ever since Wan Nur Aqila Wan Roslan was a student she had always helped out at her mother's tailor shop. While still a student, she registered with Suruhanjaya Syarikat Malaysia (SSM), to sell products as an agent. When she was fifteen, she enrolled in vocational school to study fashion design. Whenever she was home for the holidays, she spent her time helping her mother sew clothes. By then, she was already practised in sewing *tudung*, specialising in seam-edge finishing.

In 2019, Aqila took over her mother's shop, continued the business and was doing fairly well. However, when she attended a business course, the trainer advised her to focus only

on one area of clothing. “I realised that I could not spread myself too thin, doing everything. I see now it is better to focus on just my *tudung* customers.”

CGC's Commitment

Three years ago, when Aqila decided to concentrate on *tudung*, *tudung* finishing and accessories related to the head gear, she needed working capital to redirect her business. “With the BizWanita-i financing, I reinvented my business and grew from one staff to 10 in order to increase my output.”

She also has a joint-venture agreement with a print factory in Kelantan to take on bulk finishing work. Although currently unable to fulfil the potential 30,000 pieces a month, she

hopes to grow her production to increase her capacity. One day, she'd like to open her own factory, grow a larger supply base and launch her own brand of clothing. As a larger business, she explains, she'll also be able to negotiate better terms.

Aqila was able to survive the various MCOs in the last two years, despite having to shut her shop. Meanwhile, however, she was still paying rent, and paying her staff on a piece-by-piece basis without any orders or income. Her savings sustained her business.

Pandemic Principle

“Savings! We are small and new, so our terms are always cash. I have started saving diligently again.”



JAMILAH MAT SIDEK

Kluang,
Johor

Catering and
Wholesale Food

FAZMYILA ENTERPRISE



“ I needed to get some capital back into my business, and after I received that funding via imSME, I was able to breathe a little easier to improve my business. ”

Managing Business

“I like to do new things, so I always add new dishes to my menu so that my regular customers do not get bored.” Jamilah Mat Sidek has always liked cooking. After she married she set up a catering business with her husband five years ago. She is adept at preparing all types of food depending on whatever her customers request.

She cooks from home and caters for special orders mainly for events, as well as bulk orders of snacks, desserts, cakes, popcorn and kuih Raya. She also has her own line of products, among them *Sambal Petai*, *Sambal Ikan Masin Cili Api* and *Sambal Garing Kudapan*.

During the pandemic, despite the trust and support of her community, it was tough. The catering orders reduced a lot, as did her income.

CGC's Commitment

While researching and applying for bank loans, Maybank suggested that she log on to imSME. The processes were easy and the service good, so Jamilah has already recommended the site to her friends and family.

She managed to obtain two financing schemes in 2021 via imSME, BizWanita-i and Mikro-i Individu through Bank Rakyat. “I needed to get some capital back into my business, and after I received that funding via imSME, I was

able to breathe a little easier to improve my business.” She also ventured into the Bundle business, selling clothes.

Jamilah uses Facebook pages to advertise both her businesses and updates the pages frequently. Though she hopes to open a restaurant in the next few years, she will take it slow. Prices of goods have all gone up, she

laments, and she depends on food sales. “I feel the burden but I raise my prices only when necessary, otherwise I try to maintain them like before.”

Pandemic Principle

“In business expect ups and downs, especially in the food business, as there are too many competitors with a variety of platforms.”





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RISK AND MITIGATIONS

KEY RISKS

BUSINESS RISK

The risk of inability to meet the target or achieve the set financial goals.

KEY MITIGATIONS

- The Board approves the Risk Appetite Statement. This outlines the amount and type of risks that CGC is exposed to and is willing to take, in order to meet its strategic objectives.
- Annual material risk assessment is carried out to determine relevance and materiality of each risk type to CGC's business.
- Capital stress testing is performed in line with CGC's Capital Adequacy Framework that is based on BNM ICAAP framework. This ensures that the operation is within an appropriate capital level.
- The Approving Authority Matrix (AAM) ensures that all transactions are authorised in accordance with:
 - Sound risk management practices
 - Proper control procedures that include effective oversight of activities and transactions
- Risk-based pricing is adopted to ensure the rate is reasonable and not excessive according to the estimate of the expected value of all future costs associated with the risk profile.

KEY RISKS

CREDIT RISK

The risk of loss arising due to the inability or failure of a borrower or counterparty in meeting their obligations.

The key objective of credit risk management is to monitor and maintain credit risk exposures within acceptable parameters. Inherent credit risk is managed at both portfolio and individual credit levels

KEY MITIGATIONS

- Credit risk policies are put in place ensuring that best practices in credit risk management are upheld. This is in line with the developmental role of the Corporation. This covers end-to-end credit processes, including credit assessment, approval, monitoring, review, concentration risk, exceptional and problem credit and write-offs.
- Establishment of Group Exposure & Single Counterparty Exposure Limit is to enhance the monitoring and tracking of total exposures granted to a particular group or single customer.
- Timely review of Internal Risk Rating Model (IRRM) and scorecards, improves the overall on-boarding and behaviour monitoring of viable businesses.
- Threshold limits are set for larger MSMEs under the Single Counterparty Exposure Limit as a monitoring tool and control measure for larger MSMEs.
- Monitoring and managing Capital Adequacy Ratio (CAR) is within acceptable ranges.
- Monitoring and managing Concentration Risks is within acceptable levels.
- Monitoring the performance of the existing products takes place on a timely and regular basis.
- Reporting Risk items to Management and Boards takes place on a timely and regular basis.

KEY RISKS**MARKET RISK**

The risk exposure of earnings or net worth arising from changes in market factors (e.g., interest rates, foreign exchange rates and indices) which would affect the income, expense and balance sheet values.

KEY MITIGATIONS

- Monitoring and independent review of prescribed risk limits and risk levels are within the agreed risk tolerance.
- Advisory is provided to Board and Management on market risk management strategies, risk control, asset liability management strategies and limiting exposure levels.
- Input is given to Board and Management regarding market risk impacts on investment exposure (by product) for the purpose of providing direction to Management.
- Mark-to-market analysis of exposure, market risk measurement analysis, sensitivity analysis and stress test are carried out.

KEY RISKS**LIQUIDITY RISK**

Liquidity risk arises from the difference in timing between cash inflows and outflows.

KEY MITIGATIONS

- Monitor and control liquidity risk exposure and funding needs to ensure financial obligations can be met at all times.
- Maintain adequate liquidity, in terms of amount and quality, to meet expected cash outflows.
- Regularly analyse liquidity gap and assets-liabilities mismatches.

KEY RISKS**OPERATIONAL RISK**

The risk of direct or indirect loss from inadequate or failed internal processes, people and systems, or from external events.

KEY MITIGATIONS

- Continuously strengthen operational risk management approach through development of Operational Risk Management Policy, defining a minimum standard and processes for managing operational risks and internal controls.
- Identify and assess inherent operational risk within all business lines, leveraging risk management tools to assess materiality of inherent risks.
- Assess capital stress testing in line with CGC's Capital Adequacy Framework. This ensures the operation is within an appropriate capital level.
- Set up appropriate mitigation controls relative to the inherent operational risks and assess the design and effectiveness of these controls.
- Assess risk and control self-assessment to form a comprehensive business lines operational risk profile. Integrate this into an overall process.
- Develop key risk indicators at multiple levels throughout the Corporation to monitor key risk areas and escalate triggers at relevant committee for breaches of thresholds.
- Collect and analyse information relating to all internal operational risk events, including losses.
- Continuously make operational risk awareness and educational programmes available at all levels.



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KEY RISKS

BUSINESS CONTINUITY RISK

This is a risk of inability to respond to incidents and business disruptions, to resume or recover business operations at an acceptable pre-defined level.


KEY MITIGATIONS

- Establish Business Continuity and Crisis Management Programme through:
 - Identification and categorisation of criticality of business functions, vulnerabilities and disruptive impact.
 - Guiding principles and good practice for crisis management to plan, implement, establish, operate, monitor, review, maintain and continually improve a crisis management capability to ensure the least possible impact on the Corporation's services and public image during and after emergency/incident/crisis situations.
 - Threshold setting for activation of disaster recovery and business continuity plans.
 - Customised business continuity and crisis management training for all employees, in accordance with specific roles, as well as regular reviews of training needs in order to ensure its applicability.
 - Periodic testing of incident response and business recovery plans.
- Enhance existing business continuity plans to respond to COVID-19 pandemic:
 - Reassessment of business impact analysis for impacted operations and revision of existing business continuity plan.
 - Activation of split workforce operations and Work From Home arrangements.
 - Activation of Emergency Contact Centre.
 - Activation of Crisis Command Centre.
 - Changes to existing processes and operations to suit remote working environment.
- Develop a Crisis Management and Communication Plan to coordinate, implement and manage the communication process and overall coordination of the Corporation's response to a crisis, in an effective, timely manner, with the goal of avoiding or minimising damage to the Corporation's profitability, reputation, or ability to operate.
- Document escalation process of incidents and procedures for disaster declaration while addressing the immediate reaction and response to an emergency or incident situation and its focus to protect human life and the key assets of the Corporation.

KEY RISKS

CYBER SECURITY RISK

This is a breach of IT security (external and internal) resulting in financial loss, disruption, or damage to the reputation of an organisation due to the inability to effectively operate the systems.




KEY MITIGATIONS

- Continuously strengthen cyber-control framework to improve resilience and cyber security capabilities. This includes threat detection and analysis, access control, data protection, network controls, back-up and recovery; as well as cyber security awareness.
- Invest in business and technical controls to prevent, detect and respond to an increasingly hostile cyber threat environment. These include enhancing controls to protect against advanced malware, data leakage and denial-of- service attacks.
- Perform due diligence review on the third-party cloud service provider's capabilities, system infrastructure and expertise to make an informed selection of service providers in relation to the risks associated with the confidentiality, integrity, authentication, authorisation and non- repudiation of information.

KEY RISKS

COMPLIANCE RISK

The risk of legal or regulatory sanctions, financial loss or reputational damage as a result of failure in complying with legal and regulatory requirements applicable to an organisation's activities.



KEY MITIGATIONS

- Develop compliance risk appetite that articulates the nature, types and levels of compliance risk that CGC is willing to assume.
- Establish compliance policies related to Anti-Money Laundering and Counter-Financing of Terrorism, Personal Data Protection Act and the Anti-Bribery and Corruption Policy.
- Adopt escalation and reporting processes for breaches or potential breaches of compliance risk appetite through periodic reporting to Risk Management Committee and Board Risk Management Committee.
- Perform annual risk assessment of money laundering and terrorism financing.
- Conduct mandatory and customised compliance training for all employees to continuously educate them on:
 - Importance of compliance risk management.
 - Their responsibilities in handling day-to-day activities.
- Continuously raise compliance awareness for all employee levels through compliance alerts.



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UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Through its core activities CGC supports the UN's Sustainable Development Goals (SDGs) that define global sustainable development priorities and aspirations for 2030. Using creativity and innovation, CGC derives business-led solutions and technologies to develop and implement. At CGC the SDGs act as a guide in addressing the challenges of the global agenda.



People



Stakeholders

Employees

Community

Business & Operations

The health and safety of our people and their families continues to be our priority. In the second year of the pandemic, our people adapted to the new norms, yet minimising the impact on productivity. The enablers that the Corporation provided in 2020 and 2021 have helped our people to continue creating value for the Corporation and MSMEs.

As part of the effort to build a high-performance organisation, continuous upskilling and enhancement of competencies are key priorities, especially in the digital transformation that CGC is currently embarking on. Apart from that, we strive to create value for our people and help them reach their full potential by nurturing employees' talent through learning and development initiatives.

Achievements

e-Learning

46

e-Learning modules made available to staff

93%

participation rate

Staff Training and Development

RM800,000

Investment in Training and Development

Economic Practices



Stakeholders

MSMEs

Shareholders

Government and Regulators

Business & Operations

Our commitment to our mandate is embedded in all aspects of our business. Throughout the year we continued to innovate to find new ways to deliver better. As we go forward amidst the continuing economic uncertainty, we aim to intensify our focus on providing support to underserved segments and MSMEs to help them build resilience within a disruptive economic environment.

In support of Malaysia's 6R National Economic Recovery Strategy, we intensified countercyclical measures to assist targeted MSME groups via our Portfolio Guarantee Schemes, BizJamin TRRF and our BizBina-i Direct Financing Scheme. We continue our significant progress in our financial inclusion journey with our guarantee schemes, as well as the direct financing schemes. These aim to assist targeted MSME groups such as startups, Bumiputera MSMEs and women entrepreneurs.

We expanded our focus on the developmental perspective to further assist MSMEs with our 'Beyond Guarantee' initiatives. Our non-financial assistance programme, CGC Developmental Programme™, also showed significant results in assisting MSMEs in Financial Advisory and Market Access Advisory. Moreover, imSME, Malaysia's 1st SME Financing/Loan Referral Platform, continued to show strong progress on total number of visitors, number of registered MSMEs and total approvals. Similarly, the number of MSMEs seeking advice from CGC's advisory unit, MyKNP@CGC, has also increased over the years.

Achievements

Guarantee Schemes

Portfolio Guarantee (PG) and Wholesale Guarantee (WG)
RM2.4 billion > 10,190 accounts

TRRF (BizJamin)
RM70.6 million > 636 accounts

TRRF (PG and PG-i)
RM2.8 billion > 8,395 accounts

BizJamin & BizJamin-i
RM175.0 million > 311 accounts

Direct Financing Schemes

TPUB-i
RM112.6 million approved
108 accounts

BizMula-i
RM67.9 million approved
972 accounts

BizWanita-i
RM17.2 million approved
297 accounts

BizBina-i
RM10.7 million approved
173 accounts

BizMikro-i
RM1.7 million approved
304 accounts

CGC Developmental Programme™

49,594 MSMEs benefitted since 2016

223 MSMEs gained access to new markets

42,397 MSMEs obtained financing through CGC

Financial Advisory Team since 2018

imSME

Visitors **2,243,505**

Registered MSMEs **52,186**

Approved financing **4,731** applications

Approved financing **RM488** million

MSMEs referred to capacity-building agencies **42**

MyKNP Programme

1,656 enquiries received related to MSMEs



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Corporate Partnerships



Stakeholders

Ecosystem Partners
Government & Regulatory Authorities

Business & Operations

In enhancing CGC's financial inclusion effort, improving its services to customers and increasing outreach to MSMEs, CGC maintains its strong relationships with existing strategic partners. It is constantly fostering new collaborations, especially with alternative financiers and fintech players.



Community & Stakeholder Engagements



Stakeholders

Ecosystem Partners
Government & Regulatory Authorities
NGOs
Community

Business & Operations

Systematic engagement is fundamental to understanding stakeholders' needs. Our stakeholders and their input are valuable to us and we seek to reach out to them regularly through various platforms as part of the usual course of our business. It is crucial to analyse, understand and respond to the evolving expectations, needs, and issues of our stakeholders in order to advocate principles and programmes that will raise awareness and activate support to enable meaningful actions towards sustainable development.

We believe that involvement in various community initiatives will increase awareness among our employees of various social and environmental issues and reinforce belief in their critical role in bringing about positive change through sustainable solutions. In line with our aspiration, we are committed to achieving sustainable and meaningful relationships with MSMEs through corporate responsibility programmes (CSR). This will bring positive impact to the community. Our CSR is aligned with our vision to provide society, especially the underserved, the opportunity to enjoy a better life by championing our mandated roles in providing financial inclusion to all.

Achievements

Corporate Social Responsibility (CSR)

27
initiatives in 2021

Over
7,000
beneficiaries, including members of
the B40 community

Internship Opportunity

13
interns onboarded

FSTEP Opportunity

6
FSTEP Trainees

Environment



Stakeholders

MSMEs

Employees

Suppliers and Service Providers

Business & Operations

CGC continues to support the development of the Green Technology sector in Malaysia by proceeding with the special financing scheme, Green Technology Financing Scheme 2.0 (GTFS/i 2.0). The number of GTFS accounts in 2021 was 38, valued at RM291.9 million.

CGC initiated its digital transformation in 2018. The journey to become more digitalised has been continuing through initiatives such as E2E Digital Guarantee, E2E Digital Direct Financing and Guarantee Schemes Straight-through Processing, Green Lane Approval for BizMula-i and BizWanita-i, and TPUB-i Fast Track Processing. These initiatives will lead to more efficient processes, better resource allocation, faster turnaround times and better customer service.

In December 2021, CGC established a Sustainability Taskforce to expand UNSDGs within CGC. The taskforce is to set the direction and offer guidance on developing and implementing sustainability activities, as well as overseeing and supporting the delivery of the Sustainability Agenda. The taskforce will construct a detailed plan and timeline for CGC's Sustainability activities in 2022.

During the major floods in December 2021, CGC was swift in aiding its flood-affected MSMEs, offering them BizBina-i financing. This helped to alleviate their financial burden and assisted them in sustaining their business operations following the natural disaster. CGC also participated in the RM500 million Disaster Relief Fund by providing guarantees to MSMEs affected by the flood, where applications could be made directly to participating financial institutions.

CGC also participated in providing guarantee up to RM500 million for MSMEs adopting sustainable practices under the Low Carbon Transition Facility (LCTF) that was launched in February 2022.

Achievements

Green Technology Financing Scheme (GTFS)

RM291.9 million

approved

38

accounts

Disaster Relief Fund (DRF)

RM500 million

worth of guarantee committed

Low Carbon Transition Facility (LCTF)

RM500 million

worth of guarantee committed



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PERFORMANCE BY DIVISIONS

In an unprecedented year like 2021, uncertainty ruled, both personally and professionally. Yet, despite the lingering pandemic, the world at large pushed ahead towards recovery. The year 2021 was also seen as an opportunity to reset, while learning to live within an endemic phase. Creating a new way of life, in adapting to extraordinary circumstances.

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While still addressing the many issues that had emerged in 2020, CGC became more creative and resourceful in navigating 2021 through the novel notions conceived together with all its stakeholders. In creating CONGRUENCE. Meeting MSMEs' Needs, Enhancing Internal Capabilities, strategies were realigned by expediting CGC's operational readiness to meet stakeholders' needs. In strengthening its focus CGC ensured it acted in line with its 5-Year Strategic Plan 2021-2025 aspiration to be the 'Partner for MSME Growth across Life Stages'. It did this by continuing to aid MSMEs' recovery and by adapting to a rapidly evolving business landscape.

As the Performance by Division reports show CGC's performance in 2021 came with more than 90% achievement in all its five Headline Targets, with total outreach in 2021 increasing to RM6.1 billion, for over 20,000 approvals. Digitalisation dominated, both internally and in the MSMEs that CGC supports to access financing, with the pandemic greatly accelerating the embrace of digital technologies.

Last year was also a lesson learned - that pre-pandemic solutions do not work so well in the current reshaping of the business terrain. CGC had to re-examine its understanding of MSMEs' needs, learning to evaluate them differently while recognising the impact of events beyond their control.

Internally, new ways of doing things were adopted, as well as new skills acquired to enhance capabilities. Not only had the way to do things changed. CGC staff, too, had reoriented their thinking to adapt to the 'new normal.'

Certainly, the search for growth will continue in 2022. However, we will need to envision a more sustainable, inclusive future - one where we consider both the limits to growth, as well as its potential. This will require concerted action to make a difference in protecting the planet and its people, while pursuing shared prosperity. It is a question of congruence. And CGC will ensure this is achieved by meeting MSMEs' needs and enhancing internal capabilities.



CORPORATE

INVESTMENT



Staying true to the investment mandate, this department manages the Investment portfolio with the primary objective of achieving good returns while preserving its long-term capital value. At the same time, it aims to achieve consistent and growing streams of investment income as well as Sustainable and Responsible Investment (SRI) targets. The department maintains and regularly updates investment policies and guidelines that govern both investment risk management and portfolio management.

2021 ACCOMPLISHMENTS

- Implemented appropriate strategies to manage investment opportunities and risks in the challenging and volatile financial market.
- Developed and implemented Sustainable and Responsible Investment guidelines for the Investment Fund portfolio.
- Despite a challenging year, the department was able to ensure that the target investment income for the year was achieved.



CORPORATE

STRATEGIC MANAGEMENT

In supporting the Board and Management's overall strategic vision by developing long-term strategic business plans, Annual Corporate and Divisional KPIs are developed with scheduled timely performance analysis. Furthermore, research and analysis are conducted to inform the Board and Management about matters pertaining to CGC businesses and strategic partnerships.

Strategic Management also develops innovative products and schemes to address the needs of MSMEs. Additionally, it provides data and information to support business operations. These include branch performance monitoring, outreach analysis and marketing plan, as well as undertaking broad macro-economic and industry research. It also identifies opportunities and challenges to evaluate and improve CGC's product offerings, keeping up with the rapid change in the financial services industry.

In addition, this sub-division also develops reporting systems, data automation, and performance dashboard for business users.

2021 ACCOMPLISHMENTS

- Spearheaded the development of the 5-Year Strategic Plan 2021-2025 and the annual Business Plan.
- Reviewed and reprioritised the short-term business plan during the mid-year review to mitigate the impact of COVID-19 on MSMEs and CGC.
- Enhanced the Scorecard and Performance Management Framework.
- Established the Sustainability Taskforce to drive the Sustainability Agenda.
- Provided timely, quality data, reporting, and information to support CGC's agenda.
- Expanded BizMikro-i scheme by developing four new programmes, targeting the start-ups, gig workers, the differently-abled (*Orang Kelainan Upaya*), and members of trade chambers nationwide.
- Developed the Management Dashboard via the Enterprise Data Warehouse.

HUMAN CAPITAL AND ADMINISTRATION (HCA)

Develop effective human capital strategies by identifying challenges and opportunities in current and future operating landscapes. HCA also initiates and implements people solutions by leveraging interventions via diverse Human Capital functions namely manpower planning, talent acquisition, performance management, compensation and benefits, organisational development (including succession planning), employee engagement and industrial relations. The function of HCA also includes activities pertaining to Facilities & Administration Services providing support to internal and external stakeholders.

2021 ACCOMPLISHMENTS

- Established the Human Capital 5-Year Strategic Plan to drive the people agenda and supported the development of CGC's 5-Year Strategic Plan with Manpower Planning simulations.
- In support of CGC's Digital Transformation, Human Capital completed the HR system migration to the SAP SuccessFactors to drive process efficiency and manpower optimisation Corporation-wide, enabling Human Capital to focus on driving CGC's future talent development.
- Enhanced the Human Capital Policy to ensure complete coverage of the Employee Life Cycle. Also, obtained approval to implement new strategic Human Capital frameworks i.e. Leadership Development Journey, Succession Planning Framework and revision of the Performance Management Framework.
- Continued efforts to refine and reshape divisional structures in order to support the execution of effective business strategies and initiatives.
- Improved TAT for recruitment by about 15% via business process re-engineering and simplification.
- Rolled out learning opportunities through CGC iThink e-Learning platform that promotes 'anywhere any time' learning.
 - Continued to cultivate a company culture of integrity and embracing Corporate Governance best practices through training via iTHiNK by rolling out four Regulatory and Compliance e-Learning courses: Personal Data Protection Act (PDPA), Anti Bribery and Corruption Awareness (ABC), Operational Risk Management (ORM) and IT Risk and Cybersecurity Awareness.
 - Launched Leadership e-Learning to address CGC's Core Competencies featuring courses that cover critical leadership skills, including coaching, delegation and motivation across the Corporation, ensuring widespread adoption of key leadership skills and driving permanent behaviour change.
- Collaborated with more professional bodies and reputable organisations, further enhancing CGC's network and adding to the current list, which comprises the Institute of Chartered Accountants in England and Wales (ICAEW), Association of Chartered Certified Accountants (ACCA), Chartered Institute of Management Accountants (CIMA), Asian Institute of Chartered Bankers (AICB), Asian Banking School (ABS), Asia School of Business (ASB) and Malaysian Institute of Management (MIM).
- In responding to COVID-19 pandemic, CGC aligned its working culture with the execution of Work From Home (WFH) and Work In Office (WIO) Guidelines to ensure sustainability, productivity and business continuity. We also included PCR test and COVID treatment (hospitalisation) as part of the medical benefits.
- Celebrated 158 employees in the Long Service Award for 2020 and 2021 via a hybrid ceremony where employees attended physically and virtually.
- Provided financial aid to employees affected by the flood disaster in December 2021.



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CORPORATE

CORPORATE COMMUNICATIONS



Corporate Communications strives to enhance the CGC brand as the growth catalyst for MSMEs across life stages. Offering end-to-end holistic support, with both financial and non-financial assistance, is vital. In building and strengthening the Corporation's relationship with the media, a credible, positive reputation is created through collaboration and engagement. Effective branding and advertising campaigns create awareness of CGC products, services, and commitment to MSMEs to drive the businesses.

Alongside this, CGC stakeholders are well informed of our strategies, initiatives and developments via effective internal and external communications. The department organises corporate and business events, fostering association and strengthening relationships with internal and external stakeholders. CGC engages with MSMEs, showcasing their growth and sharing their testimonials via our social and digital medial platforms in an effort to encourage other budding entrepreneurs. Most importantly, all Corporate Social Responsibility (CSR) initiatives and collaborations ensure continuous reach to the unserved and underserved communities.

2021 ACCOMPLISHMENTS

- Organised the first virtual 26th FI/DFI & SME Awards 2020, graced by Minister of Finance YB Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz, and attended by representatives from leading financial institutions, development financial institutions, and award-winning CGC MSMEs.
- Organised CGC's 48th Annual General Meeting, delivered virtually for the first time.
- Organised CGC's virtual Extraordinary General Meeting for the disposal of its 50% stake in Danajamin Nasional Berhad to Bank Pembangunan Malaysia Bhd (BPMB).
- Jointly organised a signing ceremony with BPMB for the sale of CGC stake in Danajamin Nasional Berhad, attended virtually by representatives from CGC, BPMB, and Danajamin.
- Teamed up for a virtual MoU signing ceremony with Axiata Digital Capital Sdn Bhd (Aspirasi), Boost Holdings Sdn Bhd's subsidiary, to accelerate financial inclusion for the underserved MSMEs.
- Organised a Special Town Hall with Chairman Dato' Mohammed Hussein, incorporating CGC's Long Service Awards 2020 and 2021.
- Garnered 500 items of media news coverage via television, radio channels, newspapers and online publications. This coverage highlighted CGC's continuing commitment to COVID-19-impacted MSMEs' development and recovery.
- Increased CGC presence and awareness on social media with over 41,000 Facebook followers and 2,900 Instagram followers.
- Enhanced CGC's brand awareness through corporate sponsorship, rising to become the main sponsor of The Star Outstanding Business Awards (SOBA).
- Managed the 'Keeping Dreams Alive' social media campaign, featuring 20 CGC customer testimonials. Garnered 3.7 million in unique reach and 16.24 million impressions from postings.
- Conducted the 'CGC MSME Bersama Food Panda' social media campaign for the Marketing Access team. Featured videos of CGC customers' pivotal experiences that achieved impressive reach and response among MSMEs.
- Arranged virtual staff town halls every quarter.
- Celebrated the spirit of Ramadan with hampers for CGC staff nationwide, during the work-from-home period.
- Completed 27 CSR initiatives benefitting over 7,000 people, including those from the B40 community.
- Participated in impactful CSR initiatives with the Malaysian Relief Agency (MRA), UNICEF Malaysia and Medical Relief Society (MERCY) Malaysia to assist COVID-19-affected B40 groups.

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FINANCE

FINANCE



Finance acts as an enterprise-wide business partner by performing advisory roles in financial-related matters. In addition, Finance safeguards CGC's interests by advising the Board and management on strategic financial matters.

Finance prepares Audited Financial Statements in accordance to financial reporting standards and other finance-related regulatory requirements. It also coordinates budget preparations with key stakeholders and monitor utilisation to ensure effective use and alignment with the target set. Along with that, Finance enforces cost control by inculcating strong financial discipline and a cost-conscious culture, and acts as the final checker/reviewer for payments and income received from customers.

Furthermore, Finance plans, manages and monitors day-to-day cash inflows and outflows to ensure effective cash management and maximise returns on operational funds. It also plans and monitors timely receipts of receivables and credit terms for payables. Moreover, timely disbursements are made to customers for financing/loans and claims to ensure good customer experiences.

2021 ACCOMPLISHMENTS

- Spearheaded the corporate restructuring exercise involving associate i.e. Danajamin. This included advisory, corporate finance (e.g. valuations), negotiations on the disposal of equity stakes in Danajamin, and establishment of Special Purpose Reserve to help MSMEs during the critical period.
- Established Product Profitability Architecture that provides a consistent framework for direct financing product pricing, enterprise-wide.
- Formulated overarching strategy for Branches' acquisition and lease for cost and cash flow optimisation.
- Remodelled the new methodology of Expected Credit Losses (ECL) to ensure sufficient ECL provision was accorded.
- Anchored the financial modelling of the Special Relief Schemes for subsequent relief measures launched by Bank Negara Malaysia in 2021 (TRRF and DRF).
- Cultivated a cost-conscious culture through the adoption of proactive cost analysis, challenge exercise and effective budget monitoring.
- Optimised Cash Operational Fund (COF), via effective monitoring of excess funds throughout the year.
- Improved operational finance processes for critical payment, which led to 100% turnaround time compliance.
- Improved operational process for non-banking operations via bank reconciliation automation to increase staff effectiveness and efficiency.
- Collaborated with Business and IT departments in operationalising new product launches and initiatives.

PROCUREMENT



Procurement facilitates acquisition and sourcing of goods and services in a cost-effective manner. Procurement advises and guides CGC staff in sourcing goods and services, in accordance with the right processes and procedures. In addition, it safeguards CGC's interests by ensuring that processes are aligned with the best practices and sound governances.

2021 ACCOMPLISHMENTS

- Achieved cost savings and cost avoidances of approximately RM2.7 million and RM7.1 million, respectively.
- Established Empanelment Procurement Processes that reduces turnaround time and increases efficiency.
- Accomplished above 90% turnaround time for Purchase Order (PO) creation.

KUAH HONG LENG

Seri Kembangan,
Selangor

Electrical
Goods
Trading

KAY ELECTRICAL

“ I must applaud the helpful and friendly CGC staff who made my experience so easy and comfortable. Their presentation allowed me to trust them in the process. ”

Managing Business

Kuah Hong Leng has been in the retail business for the last six years, supplying electrical hardware and basic lighting items for the construction sector. Her target customers consist of wiremen, contractors and building maintenance personnel. Among the stock in her electrical hardware supply store are conduits, trunking, cables, circuit breakers, lighting, exhaust fans, ceiling fans and wall fans.

With limited capital, the business started from scratch in 2017. It grew organically and Kuah was ready to begin expanding in 2019, with ambitions to open more Klang Valley branches.

CGC's Commitment

“It was a blessing when CGC approved our funding and, instead of expansion, we used it prudently to sustain our business.” However, COVID-19 came without warning, interrupting the business in 2020 and 2021. During the lockdowns, the shop had to shut down. Meanwhile, the intermittent cessation of the construction sector further impacted business.

However, they needed to pay their fixed overheads. “The CGC BizWanita-i funding came in right after the first MCO and at the right time to cushion our business and help us pull through our difficult time.” They were able to turn things around without too much damage, with enough left over to add stock volume and expand their variety of items to cater to the eventual larger demand from customers who also had to put renovations and construction plans on hold. Soon, sales increased.

With the renovation and construction sectors moving, sales kept improving. Kuah plans to increase product stock volume to cater to buyers' needs and develop sales through online platforms in line with new trends.

“I must applaud the helpful and friendly CGC staff who made my experience so easy and comfortable. Their presentation allowed me to trust them in the process.”

Pandemic Principle

“Life is full of surprises. This pandemic is a lesson for me to understand what it means to be on standby all the time.”





BUSINESS

Resolute in its mandate, CGC's Business division has grown beyond merely providing guarantee cover on financing facilities. Throughout the years it has added various innovative and inventive products and services to its range of financing provisions for MSMEs that are not fully served by the traditional banking system.

Direct financing initiatives for MSMEs in operation for less than four years are channelled through BizMula-i and BizWanita-i. To assist micro MSMEs, micro financing is based on psychometric rather than traditional credit assessment. To support the Bumiputera agenda, the Corporation provides a contract financing facility via Tabung Projek Usahawan Bumiputera-i (TPUB-i) to fully Bumiputera-owned enterprises.

The Business division also administers msSME, Malaysia's first SME financing/loan referral platform and oversees the CGC Developmental Programme™. The Programme supports MSMEs through its Financial and Market Access Advisories. It also operates Khidmat Nasihat Pembiayaan (Financing Advisory Services), a service formalised by Bank Negara Malaysia (BNM) in collaboration with CGC and Agensi Kaunseling dan Pengurusan Kredit (AKPK).

GUARANTEE BUSINESS

Guarantee schemes reduce the credit risk of Financial Institutions (FIs) and Development Financial Institutions (DFIs) in providing financing to MSMEs. During the year, the Corporation expanded its coverage to non-traditional FIs. Looking ahead, CGC will intensify outreach to non-traditional partners and digital banks. Typically, guarantee coverage extended has a range of between 50% and 90%.

Three types of guarantee formed the majority of CGC's guarantee business in 2021:

1) Portfolio Guarantee (PG) and Wholesale Guarantee (WG) Schemes

- The largest share of business contribution, with a total of RM5.21 billion representing 86% of total approvals. Of this, the Targeted Relief and Recovery Facility (TRRF) PG contributed RM2.8 billion, or 46% of total approvals.
- The first PG with a non-traditional FI was with Axiata Digital Capital, a subsidiary of Boost Holdings Sdn Bhd and member of the Axiata Group Berhad Sdn Bhd, for RM30 million.
- An alternative digital financier, Boost Credit, leverages digital technologies such as artificial intelligence (AI) and machine learning. This helps to provide a unique 3-minute application journey with fast approval process to meet MSMEs' financial needs to further their business aspirations, and be part of the digital economy.
- The PG further enhances the Corporation's financial inclusion agenda to reach out, connect with and support more MSMEs, mainly micro entrepreneurs and those in the gig economy, a new growth sector.
- The Supply Chain Financing Portfolio Guarantee is in tandem with CGC's 5-Year Strategic Plan 2021-2025. This is to partner with MSMEs throughout their business life stages and provide end-to-end financial offerings that drive excellence. This is achieved through targeted developmental support, enabling them to evolve into digitally savvy businesses.



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2) New variants of the PG structure to support the growing and differentiated needs of the MSME market space

a) PG-i Property with CIMB Islamic Bank

- The first PG-i Property with CIMB Islamic Bank aims to provide additional working capital in the form of cashline-i for MSMEs, where the facility is partially secured by the property.
- This PG tranche is another milestone in reaching out to more MSMEs by providing financial assistance to sustain them, especially during the pandemic.

b) Collaboration between Sunway Mall, RHB Bank and CGC

- RHB will facilitate up to RM200 million in working capital to assist Sunway Mall's retailers through financing facilities.
- The financing facilities assisted retailers to bridge their working capital needs, supporting business resilience during the numerous MCOs.

c) PG/PG-i Revival with AmBank (M) Berhad and AmBank Islamic Berhad

- AmBank allocated an additional RM200 million in financing facility under the second tranche of its PG/PG-I Revival Scheme. This is to further assist SMEs in reviving and expanding their businesses throughout the recovery period.
- The additional allocation supports AmBank's and CGC's e-commerce initiative further strengthening our SME-in-a-Box proposition, for MSME e-commerce success.

In 2021, CGC quadrupled its participation in BNM's Targeted Relief and Recovery Facility (TRRF), from RM1 billion in 2020 to RM4 billion in 2021. Last year, some 9,031 MSMEs benefitted from the TRRF.

The PG/PG-i TRRF was made available to Alliance Bank Berhad, Alliance Islamic Bank Berhad, AmBank (M) Berhad, AmBank Islamic Berhad, Bank Muamalat Malaysia Berhad, Bank Pertanian Malaysia Berhad, CIMB Islamic Bank Berhad, Maybank Islamic Berhad, OCBC Bank (Malaysia) Berhad, Public Bank Berhad, RHB Berhad, and RHB Islamic Berhad.

The Corporation also participated in BNM's Micro Enterprise Facility (MEF) and High-Tech Facility - National Investment Aspiration (HTF-NIA) worth RM50 million each. To alleviate the effect of severe floods on MSMEs in parts of the country in the last months of 2021, the Corporation participated in BNM's Disaster Relief Facility for RM200 million. As of the Facility's closure on 31 July 2021, a total of 90 MSMEs had been assisted with a total approval of RM23.08 million. CGC will continue to help with such nation-building initiatives.

3) Piecemeal guarantee under BizJamin schemes

Commercial BizJamin, BizJamin-i and BizJamin Bumi scheme approvals fell slightly with partner banks from RM199 million in 2020 to RM178 million in 2021. Nonetheless, partner banks supported BNM's TRRF schemes, including those submitted under the BizJamin and BizJamin-i platforms.



BUSINESS

	2020		2021	
	Outreach	RM million	Outreach	RM million
PG and WG	6,271	2,655	10,190	2,410
BizJamin and BizJamin-i	423	199	311	174.9
Flexi Guarantee Scheme	285	77.7	124	64.0
TRRF (BizJamin, PG and PG-i)	439	360	9,031	2,870
DRF (BizJamin and BizJamin-i)	n/ap	n/ap	90	23.1
HTF-NIA (BizJamin and BizJamin-i)	n/ap	n/ap	9	15.9

BRANCH PERFORMANCE

Despite the pandemic continuing into 2021, Branch performance in terms of both outreach and approval value improved by 6.7% and 59% respectively. The increase in BizMula-i and BizWanita-i schemes was mainly to support growth in newly set-up enterprises and enterprises below four years of operation.

BizBina-i was directed to mostly existing direct financing customers facing cash flow issues arising from the health crisis. Meanwhile, Tabung Projek Usahawan Bumiputera-i (TPUB-i) showed a three-fold increase in approval value to RM112.6 million. This was mainly due to the gradual re-opening of the construction industry and more government-awarded contracts.

BizMikro-i was still under its Phase 1 pilot test, but will enter into Phase 2 testing in 2022. It is designed to reach out to micro enterprises with a financing range of between RM1k and RM10k.

	2020		2021	
	Outreach	RM million	Outreach	RM million
BizMula-i	805	56.6	972	67.9
BizWanita-i	243	14.2	297	17.2
TPUB-i	37	37.5	108	112.6
BizBina-i	344	22.8	173	10.7
BizMikro-i	309	1.7	304	1.7
	1,738	132.7	1,854	210.0

BUMIPUTERA MSMEs

Two key headline Bumiputera targets were outreach numbers and approval value targets.

	2020		2021	
	Outreach	RM million	Outreach	RM million
Target	4,000	1,000.0	5,569	1,472.0
Achievement	4,025	893.9	6,669	1,285.5
%	101%	89%	120%	87%

The Corporation registered its highest historical outreach to 6,669 Bumiputera MSMEs in 2021 (2020: 4,025). Approval value increased 43% year-on-year to RM1.29 billion. Bumiputera outreach composition was mainly from the following: PG and WG (60%), participation in BNM schemes in relation to the pandemic (21%) and branches (19%).



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BUSINESS

CGC Developmental Programme™

An advisory service introduced to develop existing capabilities of MSMEs to spur expansion. Since 2016, CGC Developmental Programme™ has progressively made its mark. As of December 2021, it had an outreach of 49,594 MSMEs nationwide.

ADVISORY SERVICES

FINANCIAL ACCESS

Financial Advisory

- Review unsuccessful applications
- Provide Financial Advisory
- Recommend alternative financing
- Improve eligibility for funding

MARKET ACCESS

Advisory Workshops

- Digital Marketing
- Business expansion
- Branding
- Financial literacy

Access to New Markets

- Local market
- International market
- e-Commerce

FINANCIAL ACCESS ADVISORY



Financial Advisory Team (FA Team)

The FA Team's main objective is to increase the number of financing schemes tapped by MSMEs that face difficulties. These difficulties may be due to a lack or absence of financial records (bank statements or profit-and-loss statements) and weak financial literacy. Furthermore, MSMEs without collateral or those with poor credit track records may find it taxing to secure business financing. This is particularly so in the current endemic situation.

The FA Team provides advisory services through:

- contacting MSMEs that fail to obtain business financing, or iMSME referrals
- attending to MSMEs on the MyKNP platform whose financing applications have been rejected

The Team begins by conducting a comprehensive review and diagnosis before providing one-to-one personalised financial advisory services to MSMEs. This is to improve their eligibility for financing in the future, including:

- shortfall
- alternative financiers
- advising MSMEs on the reasons for their failure in obtaining financing
- maintaining good financial and repayment track record

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FINANCIAL ACCESS ADVISORY



The main objective of the Financial Advisory Team (FA Team) is to increase the number of MSMEs obtaining financing/loan.

Improve eligibility for financing

Provide business coaching by referring MSMEs to capacity-building agencies for related training programmes that will help strengthen their business plans or rectify any shortfalls.

Recommend alternative financing

Recommend alternative financiers that are able to provide alternate funding to MSMEs such as:

- Peer-to-Peer (P2P) Financing
- Equity Crowdfunding
- Other Government Agencies



Review unsuccessful applications

Identify the gaps and advise MSMEs the reasons for their failure to obtain financing.

Provide financial advisory

Provide coaching to MSMEs for maintaining a good financial and repayment track record.

Since its inception in February 2018, more than 42,000 MSMEs have been assisted, with 17,680 cases successfully referred to FIs/DFIs/P2P/CBA. In addition, more than 1,200 MSMEs have been approved to receive financing, referred from the msME and MyKNP portals. The MSMEs' progress is consistently tracked and the FA Team constantly looks forward to assisting them on their entrepreneurial journeys.

As part of CGC's digitalisation process, the FA Team and internal IT Division developed Financial Advisory Team Digital Solutions (FATDS) and a digital Call Centre Solution to digitalise manual processes and tools. This increased the team's productivity and efficiency. They also collaborated with strategic partners MARA, TEKUN, Axiata's Aspirasi and other Financial Institutions or Agencies who offered Pemerkasa. This was to increase MSMEs' chances of financing approval. Equity Crowdfunding (ECF) was another suggested option to source funding.

The FA Team organised four Financial Advisory workshops. These were to prepare and improve MSMEs' knowledge of how to sustain and grow their businesses towards obtaining future financing:

Financial
Management

Financial
Literacy

Debt
Control

Maintaining Proper Financial Records and
Changing/Digitalising Business Models

2021 ACCOMPLISHMENTS

Performance of FA Team (November 2017 - 31 December 2021)

MSMEs

42,397

Advisory
provided

17,680

MSMEs successfully referred
to FIs/DFIs/P2P/CBA

1,297

MSMEs successfully
obtained financing

Performance of MyKNP@CGC (22 August 2019 - 31 December 2021)

MSMEs

1,762

Total enquiries received
related to MSMEs

1,656

Financial Advisory provided (for enquiries
about secured and unsecured financing)

117

MSMEs successfully obtained financing
post-Advisory provided



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MARKET ACCESS ADVISORY

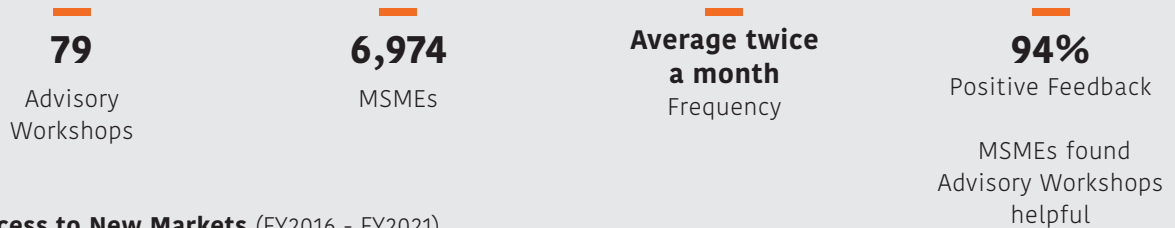
This facilitates MSMEs in gaining knowledge and going into new channels and markets. This allows them to overcome challenges, learn new methods and become sustainable. Since Market Access Advisory's inception, more than 7,000 committed MSMEs have been assisted on their journey to digitalisation through its two-way approaches:

- The Advisory Workshops – MSMEs are furnished with comprehensive knowledge on business trends such as digital marketing, branding, business expansion and financial literacy. Additionally, subject matter experts coach them through a series of workshops and knowledge-sharing sessions. In 2021, due to the movement restrictions and safety concerns, the advisory workshops moved online.
- Access to New Markets – This assists MSMEs to facilitate and expand their market locally, internationally and through e-Commerce platforms. In 2021, 60 MSMEs were onboarded on three (3) essential online delivery services partnered by CGC.

2021 ACCOMPLISHMENTS

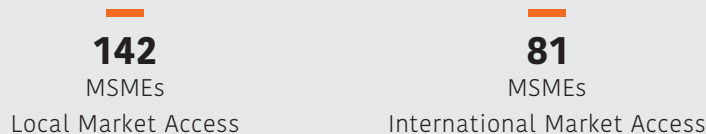
Advisory Workshops (FY2016 - FY2021)

Number



Access to New Markets (FY2016 - FY2021)

Number



As of 31 December 2021, 223 MSMEs had successfully entered new markets, of which 108 completed 24 months' monitoring, with 100% of them still in business:

22% of MSMEs experienced an increase in sales only

25% of MSMEs experienced an increase in sales and number of employees

53% of MSMEs with no change in status quo

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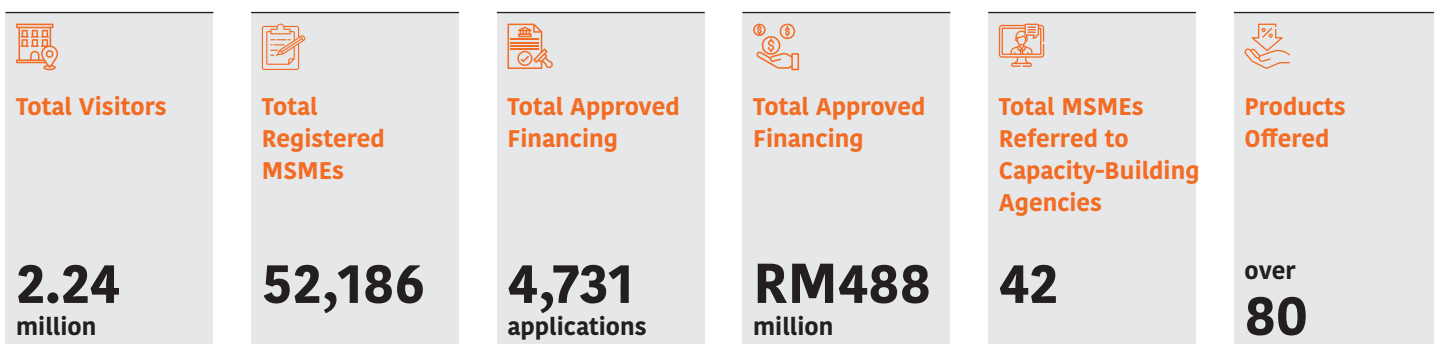


BUSINESS

DRIVING CGC FINTECH INITIATIVE VIA imSME

imSME continued its progress in 2021 in driving financial inclusion for MSMEs in Malaysia with the availability of financing referral services. imSME also received recognition with the award of Most Innovative SME Financing Platform from The Global Economics in 2021.

Partners and technology remain the main drivers in providing the digitalisation experience to MSMEs when they look for access to business financing via imSME. The partnership with the P2P platform operators in Malaysia who offer a variety of types of financing such as Invoice Financing has increased financing options to meet the greater demand from MSMEs. The imSME platform was enhanced to allow MSMEs to self-select their preferred financing options from both the financial institutions and P2P platform operators.



Performance as of 31 December 2021

DELIVERING SUPERIOR CUSTOMER EXPERIENCE

The Client Service Centre (CSC) assists CGC in providing excellent customer service experience through timely and accurate response to received enquiries. Alternatives and solutions to customer issues are also made available. Its initial objective was to be a one-stop communication centre via various channels for CGC's customers to obtain information about products and services.

2021 ACCOMPLISHMENTS

- Expanded CSC's role in supporting and assisting the chain of customer experience for imSME and MyKNP.
- Continued to serve imSME clients through outbound calls to help them complete their journey on the platform.
- Continued to serve MSMEs by providing advisory for unsecured financing enquiries under MyKNP@CGC.
- Increased number of Chatbot users and interaction tremendously. CSC leads the Chatbot project, also known as imSME Digital Assistant (iDA), an extension of the imSME portal, to provide to customers virtual assistance and a channel of communication.
- Launched a new Chatbot avatar look to attract more customer engagement. The Chatbot attended to 35,406 users, with 115,820 interactions.
- Set up new call centre system to help CSC to continuously serve customers, even during a pandemic, to increase productivity and efficiency.
- Served 7,536 in-bound calls, with 93% of inquiries resolved within Charter.



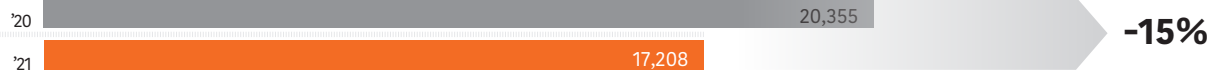
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BUSINESS

(a) imSME Performance (Y-O-Y 2020 vs 2021)

REGISTRATIONS



APPROVALS (RM million)



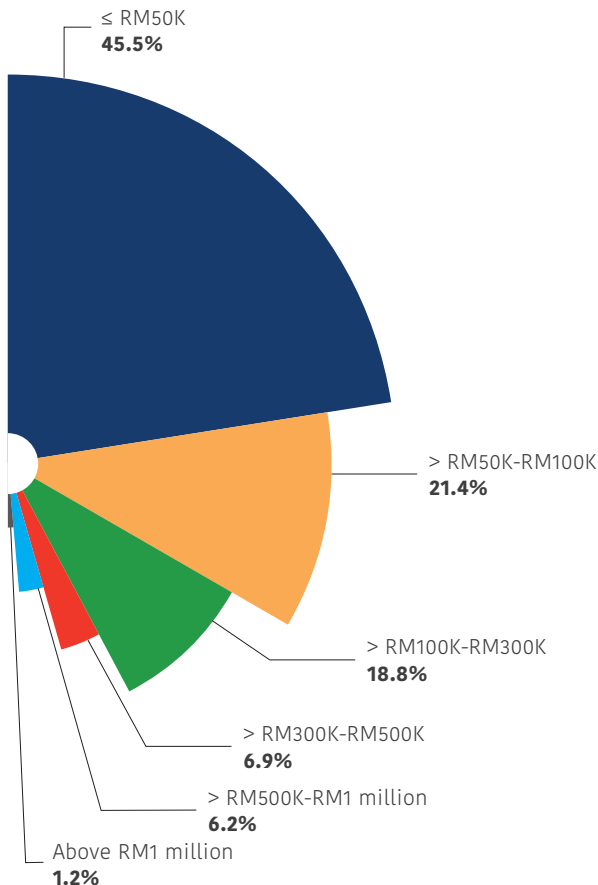
DISBURSEMENTS (RM million)



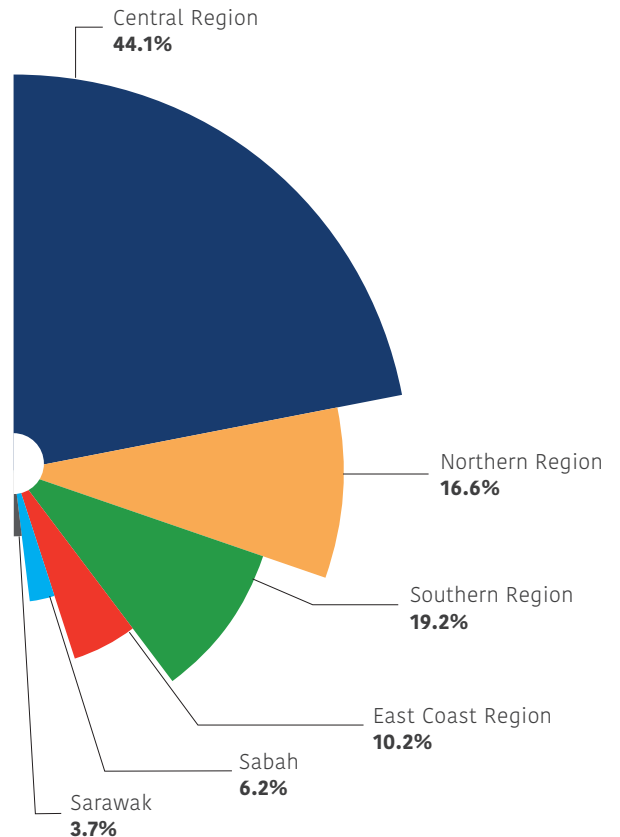
(b) imSME Customer Profile

INFORMATION IS COMPUTED BASED ON THE CUMULATIVE NUMBER OF APPLICATIONS FROM DECEMBER 2017 TO DECEMBER 2021.

FINANCING AMOUNT



GEOGRAPHICAL



Central: Selangor, Kuala Lumpur and Putrajaya
Northern: Perlis, Perak, P. Pinang and Kedah
Southern: Negeri Sembilan, Melaka and Johor
East Coast: Kelantan, Terengganu and Pahang

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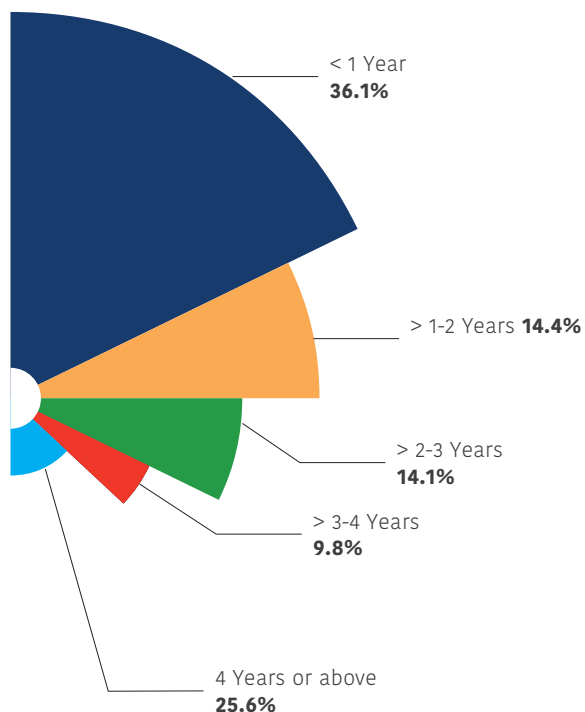
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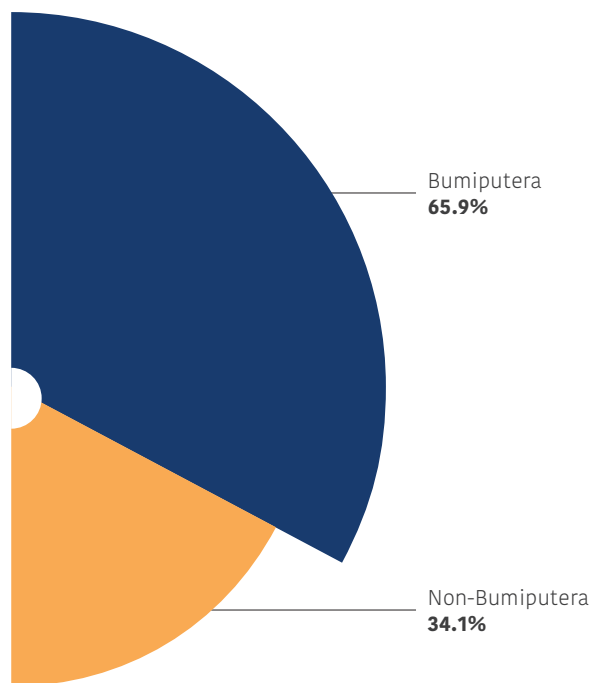
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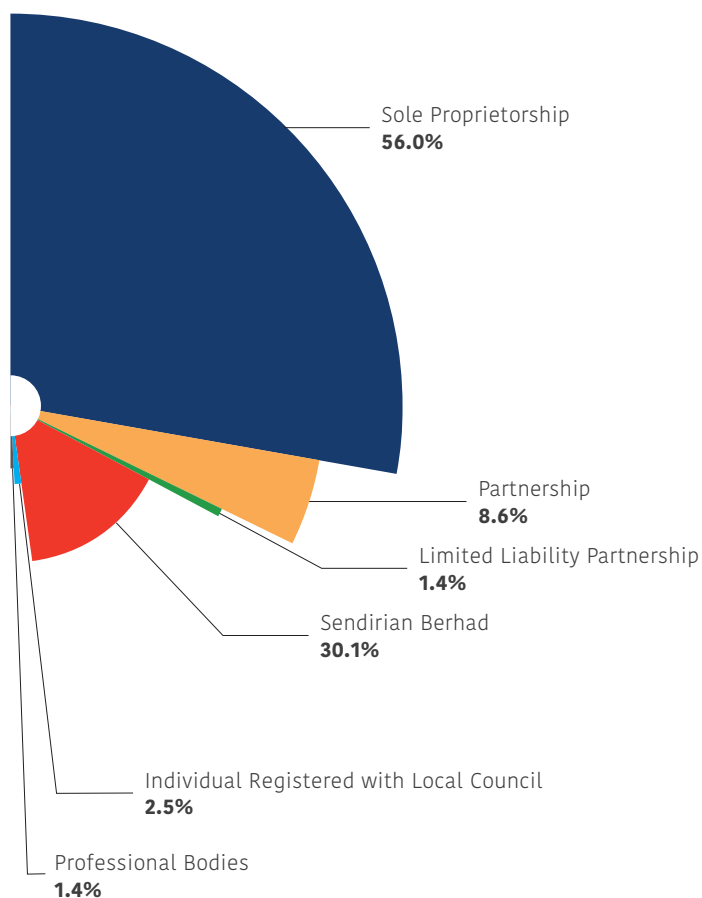
YEARS IN OPERATION



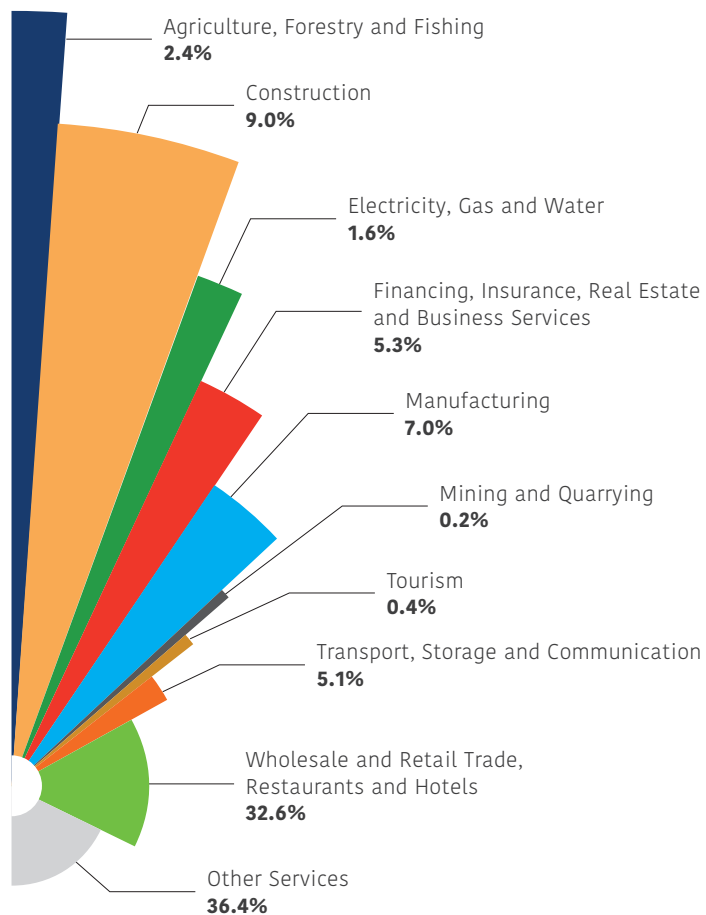
BUMI STATUS



BUSINESS CONSTITUTION



BUSINESS SECTOR





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OPERATIONS

LOAN MONITORING & REHABILITATION

Analyses, proposes and implements efficient and effective monitoring and rehabilitation of CGC-approved financing and guarantee portfolios and ensures allocated provisions are within the set threshold.

2021 ACCOMPLISHMENTS

- Continued assistance to impacted MSMEs, including rescheduling and restructuring repayment and moratorium for both Guarantee and Direct Financing customers. In 2021, simplified bulk submissions from Financial Institutions were approved:
 - Guarantee cover: 18,565 accounts, valued at RM5.4 billion
 - Direct Financing Targeted Repayment Assistance (TRA): 327 accounts, valued at RM15.98 million
 - Financing Repayment Assistance (FRA): 135 accounts, valued at RM5.53 million.
- Implemented seamless online application process, PEMULIH Moratorium Repayment Assistance, for Direct Financing customers. Approved 2,518 accounts, valued at RM129.25 million.
- Improved efficiency and turnaround time for Contract Financing (TPUB-i). Processing of proceeds is within three (3) days, with the subscription to auto sweeping function under CGC's escrow account.
- Improved efficiency through Robotic Process Automation (RPA) for Direct Financing customers' payment posting process to within the same day turnaround time, with headcount reduction.

BILLING MANAGEMENT

Manages overall billing and collection for both Portfolio Guarantee (PG) and Non-Portfolio Guarantee (Non-PG) schemes, as well as Refund of Guarantee Fee (Non-PG only). Issues Post-Approval Letter, Letter of Guarantee (LG), Termination/Reinstatement of Guarantee Cover and Interest/Profit Reimbursement.

2021 ACCOMPLISHMENTS

- Increased collection of guarantee fee (GF) for PG schemes i.e. RM198.8 million (RM161.8 million in 2020), a 23% increase due to TRRF schemes launched to support MSMEs affected by COVID-19.

SUBROGATION & RECOVERY

Maximises recovery and collection from Full Risk, Shared Risk and Financing Recalled Accounts.

2021 ACCOMPLISHMENTS

- Exceeded recovery targets set for Shared Risk and Full Risk schemes, based on intensified recovery efforts including rigorous follow-ups on repayment/settlement proposals, consistent monitoring of repayment schedules and regular meetings with Financial Institutions.
- Maintained achievement under ISO 9001:2015 Quality Management Framework, with a threshold turnaround time of 95% for all Quality Objectives within the department.
- Improved efficiency, reducing errors in payment confirmation for processing of legal fees, after the Robotic Process Automation (RPA) initial phase was implemented. Upon full completion of RPA on legal fees processing, turnaround time and headcount will be reduced.
- Provided continuous customised assistance to customers in revising, reviewing and rescheduling pandemic-affected MSMEs' repayment/settlement plans.
- Provided moratorium and rescheduling assistance to customers via AKPK/SERAP. A total of 18 accounts (16 accounts, at RM3.73 million of outstanding balance under Shared Risk and two (2) accounts at RM0.36 million of outstanding balance under Full Risk) were approved with moratorium plus rescheduling of payments.
- Put legal action on hold for those under AKPK/SERAP, with minimum payment accepted to allow breathing space for customers to sustain their businesses.



OPERATIONS

CLAIMS

Processes and pays claims on defaulted loans lodged by Financial Institutions (FIs) in accordance with claims procedures and policies within five (5) working days.

2021 ACCOMPLISHMENTS

- Maintained achievement under ISO 9001:2015 Quality Management System framework, of which threshold turnaround time was 95% for all Quality Objectives in the department.



INFORMATION TECHNOLOGY

Manages and develops CGC's overall IT environment by maintaining robustness and security, as well as enabling a digital platform to meet business requirements and outcomes.

2021 ACCOMPLISHMENTS

- Improved remote work environment during lockdowns with enhanced security and further usage of collaboration solutions accessible from mobile devices.
- Provided digital origination platform for the Government's Targeted Relief and Recovery Facility (TRRF).
- Enabled cloud and microservices platform for more rapid development and deployment of 5SP digital initiatives.



CREDIT

Protects CGC's interests, through evaluation and recommendations, in approving MSMEs' financing and guarantee applications. Ensures compliance with policies by enhancing credit processes, procedures, guidelines, and systems aiming to achieve excellent customer experience by improving approval rates, process efficiency and turnaround time. Further provides continuous credit coaching, training and advice to all in the credit ecosystem to improve credit underwriting skills and the asset quality of the Corporation.

2021 ACCOMPLISHMENTS

- Improved CGC's asset quality via comprehensive credit assessment and credit advisory across the credit ecosystem from business to disbursement to monitoring functions.
- Implemented CGC's new Financing Origination System – GFOS2 on 10 January 2021, enhancing CGC's automated approval process.
- Initiated re-engineering of Credit Guidelines to reflect CGC's key product lines, namely retail, commercial and guarantee, to enhance operational efficiency and customers' experiences.
- Refined TPUB-i processes and overall credit evaluation continuously, i.e. Assisted Lane to hand-hold branches as evident by nil NPF since 2018.
- Established a special unit under Shared Risk to perform new and more comprehensive credit review approaches for tranches under PG/WG portfolio i.e. Independent Review and PG/WG Underwriting Review.
- Created strategies for the division to become a one-stop centre of excellence for CGC's credit family via continuous sharing of credit knowledge.
- Reorganised the division's structure to Credit Evaluation and Credit Innovation, focusing on a new approach to credit assessment in line with CGC's digital transformation.

JEEVANAND
SUBRAMANIAM

Bukit Mertajam,
Pulau Pinang

Manufacturing

JP JIWA MAJU ENTERPRISE



“ The trust CGC placed in us boosted our performance level to what we have become today, reaching more than 80% improvement in our yearly turnover. ”

Managing Business

Ever since he was young Jeevanand Subramaniam believed that owning a business would allow a person to grow without limitations. He established his start-up in 2019, manufacturing detergent. He chose to manufacture as it would enable him to create things from scratch. In meeting customers' needs with fast-moving consumer products, he envisioned a higher profit margin compared to being in a trading business.

However, within four months of operating the pandemic struck, and his business was affected badly. They lost almost 90% of their customers who were mainly in the hotel and restaurant businesses. Initially, also as a start-up, they had already encountered funding and

branding issues. “It is also difficult for new companies to seek financial assistance as we lack credible experience,” he explained his difficulties.

CGC's Commitment

He received CGC's BizMula-i assistance in 2020, and with the guidance provided, Jeevanand was convinced to venture into the retail market with a variety of products. They diversified into medical and cosmetic manufacturing, such as hand sanitisers, which supported his business' growth during the pandemic. He is grateful, “The trust CGC placed in us boosted our performance level to what we have become today, reaching more than 80% improvement in our yearly turnover.”

As an active CGC Developmental Programme™ participant, he attended courses on branding, online marketing and photography. His products are also available on Lazada and Shopee, and he participated in the Johor International Indian Expo 2021. “CGC not only provided us with financial assistance but they guided us on managing the fund and developing our skills, with training, marketing and target markets.

Pandemic Principle

“Think out of the box, as CGC recommended that we diversify our business according to demand. We began to target end-users instead of B2B customers.”



OLIVER SPENCER
ANAK UNDI

Miri,
Sarawak

Supplying Safety
Equipment

OSA RESOURCES



“ This year could be even more challenging, as lots of projects are beginning. But, with the last CGC BizMula-i facility, my sales increased from RM470,000 to RM1.5 million. ”

Managing Business

With experience in a similar enterprise, Oliver Spencer Anak Undi set up his own business, supplying safety equipment for mainly oil and gas companies, over two years ago. He reflects on the seriousness of his business: “Full body harnesses and rope access equipment are expensive, and people’s lives depend on them.” Clients use them both on land and at sea. “So we can’t afford any mishaps.”

Capital is critical and managing cash flow is tough, Oliver affirms, especially when project values are large but payment takes too long. During the pandemic, numerous projects had to be put on hold. Staff - comprising 20 workers, including eight permanent staff members - had to be paid, on top of new projects requiring large upfront investment. “When our business dropped, it was difficult to release staff; everyone has a family. Even with a cash backup for about seven months, we found it hard to survive.”

CGC’s Commitment

Despite the thrills and spills of running a business, Oliver enjoys facing the many challenges thrown his way, “*Susah suka, sendiri tahu.*” He has been cheated along the way, too. “But I find that, when others do that to me, my *rezeki* gets better. He adds: “I have just been awarded new clients, a new long-term telecommunications project.”

His first credit facility in 2020 helped support his growing business volume. As a direct result, the company grew. The second BizMula-i in 2022 played a part in business picking up this year. “This year could be even more challenging, as lots of projects are beginning. But, with the last CGC BizMula-i facility, my sales increased from RM470,000 to

RM1.5 million.” His ambition is to be the top safety equipment supplier in North Sarawak, covering the Bintulu and Miri markets.

Pandemic Principle

“Patience and savings, which we should try never to dip into. Never give up. There is always a way.”





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OUR PEOPLE

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Human Capital (HC)

If we did not know it well enough before, we most certainly do now. In a year like 2021, it was our people, our most valued asset, who were at the forefront. Our people endured the waves of change while holding the fort to meet unrelenting demands.

“

There is no way, without our dedicated staff, that CGC could have achieved all that it did in 2021. ”

Rahim Raduan

Chief Corporate Officer

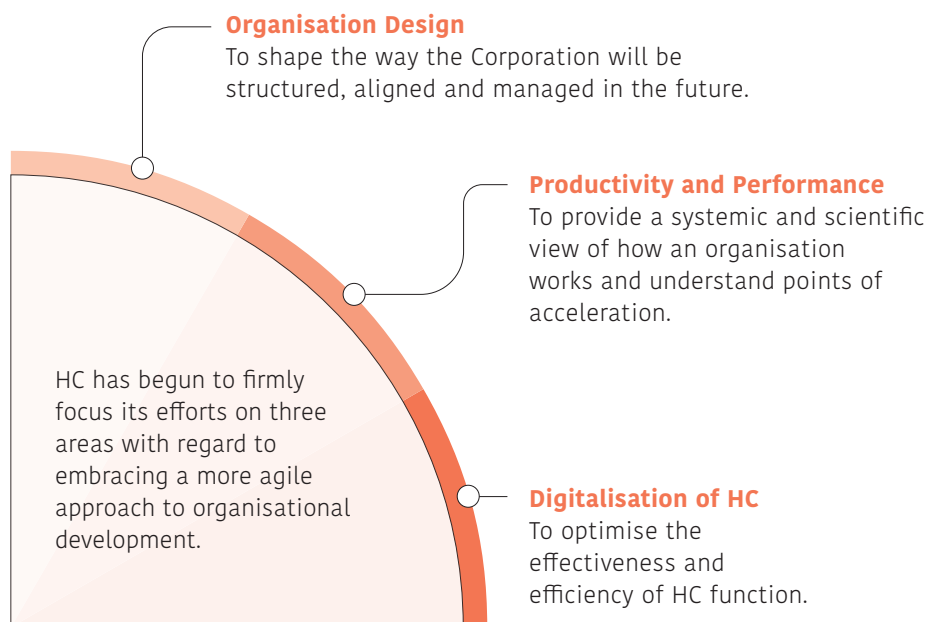
This year the ratio for customer outreach number per staff has further improved, as did their productivity. This is despite the number of staff serving MSMEs in 2021 was similar to the number of staff in 2020.

Bound by our mandate while challenged by a crisis triggered by a pandemic, our people extended their performance to ensure that our countercyclical measures were effectively implemented. To facilitate this further, we accelerated our digital transformation efforts, enabling our people to contribute efficiently while working remotely for most of the year.

An employee engagement survey, achieving 99% participation in five days, offered a good insight, reveals Rahim. “CGC now has to re-evaluate our value structure in order to strike the right balance between being more agile and maintaining good governance, and this requires a shift in mindset.”

“Despite these challenges, our staff have done well to complete and deliver multiple projects and initiatives even when beset by unavoidable delays,” adds Rahim. He praises CGC staff who made the year a success despite being constrained by limited resources.





HC Transformation

As part of CGC's digital journey, we have migrated to a world-class on cloud HR solution that has more than 6,800 customers and 125 million users across the globe. Our new HRMS, known as SMART People, will make our human resource management processes more automated and empower our people to take control of HR-related tasks. This single unified HR platform is also accessible by staff via mobile applications.

Organisational Learning

As CGC employees are the Corporation's most valued asset, we are committed to helping our employees learn and upskill, to remain competitive with the changing landscape and to prepare for the future.

While we encouraged more people to take advantage of the digital-related programmes on offer, 2021 was a year that overwhelmed us with work commitments. However, we applied the 70-20-10 model for learning and development, where 70% of knowledge is gained from on-the-job experiences, 20% from coaching and mentoring and 10% from formal training. For example, the experience of our digital transformational journey and the migration of the HR management system has enriched our staff with new skills that they never knew they could develop.

In 2021, We continued with our digital programmes, from webinars and short courses to full-scale training programmes. CGC maintained some essential and Professional Certification programmes in classroom mode, when permitted, strictly adhering to Government's SOPs and guidelines.

Webinars and Short Courses

Many webinar series were organised Corporation-wide, encompassing various topics such as Self-management, Wellness, Stress Management, Tips on Work From Home, Online Marketing, Presentation Skills, Career Growth, English Communication, Technology and Innovation, as well as on Environmental, Social and Governance (ESG), to name a few. These synchronous online courses have enabled simultaneous and direct interaction between speakers and participants. They also effectively helped employees acquire new knowledge and skills that can instantly supplement or complement their main field of work.

Digital Readiness

To remain competitive and future-ready, transformational change needs to happen in technology and processes, and in people's mentality. Hence, the journey began with the development and implementation of the Digital Readiness Structured Learning Pathway, followed by a Digital Readiness Assessment (DRA). Having conducted two DRAs, CGC is on the right track to enhancing digital awareness among its staff.

Compliance e-Learning

Four Regulatory and Compliance e-Learning courses were successfully launched and completed in 2021. The e-Learning content included Anti-Money Laundering Act 2.0 (AMLA), Anti-Bribery and Corruption Awareness (ABC), Operational Risk Management (ORM) and IT Risk and Cybersecurity Awareness. CGC aspires to create higher awareness and understanding, as well as to show organisational commitment to strengthening Corporate Governance.

Leadership (Mandatory and Elective) e-Learning

CGC is proud to collaborate with two renowned e-Learning providers, namely Video Arts (UK) and Skilla (Italy). Demand for strong leadership skills in the new technology landscape has led CGC to launch the online Leadership Development Pathway on iTHiNK, our e-Learning platform, which incorporates the eight CGC Core Competencies, with a total of over 100 modules.

Professional Certification Programme for Designated Job Families

CGC has been a strong advocate of professional standards vis-à-vis applied practices, development of competencies and adherence to ethics.

The Professional Credit Certification Programme, launched in 2019, continues to form a solid foundation for staff in the Credit Job Family. In 2021, staff enrolled in various professional certification programmes which include



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Certified Credit Executive, Business Credit Professional, Association of Chartered Certified Accountants (ACCA), Lean Six Sigma (Greenbelt), CQI and IRCA Certified ISO 9001:2015 Lead Auditor Training and Certified Data Analyst.

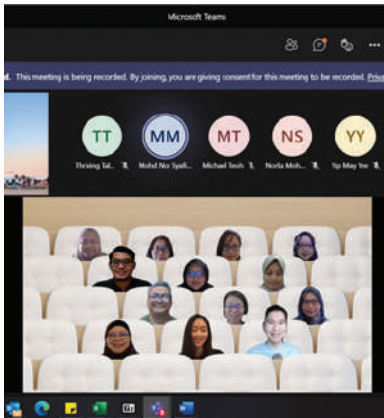
Knowledge Spillover

In building a learning organisation, knowledge sharing is essential in stimulating cultural change and innovation. Over 30 Knowledge Sharing sessions were organised by CGC employees for internal stakeholders across departments. This initiative improved CGC's business processes, supported employee growth and development, spurred organisational agility and, in turn, enhanced employee presentation skills and public speaking.

Collaboration and Learning Partners

CGC continued enrolling in professional programmes from the Institute of Chartered Accountants in England and Wales (ICAEW), Association of Chartered Certified Accountants (ACCA), Chartered Institute of Management Accountants (CIMA), Malaysian Institute of Management (MIM) and Asian Institute of Chartered Bankers (AICB).

Staff Engagements



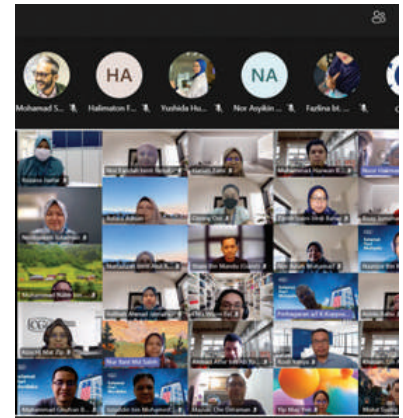
16 - 24 June 2021 Contract Financing Practical Workshop (Commodity Murabahah)

Three batches of staff attended the workshop in June 2021. This programme was held to improve Contract Financing knowledge among the departments involved, apart from serving as a good learning platform for sharing experiences and exchanging ideas. This resulted in closing the currently identified competency gap and helped solve current operational issues. This was imperative to improve staff competency and efficiency in their day-to-day work practices.



29 July 2021 Talk on Environmental, Social and Governance (ESG)

CGC organised an ESG session, in which a presentation was delivered by PricewaterhouseCoopers (PwC) Malaysia. The session was attended by over 200 employees including the Management. The session focused on current ESG issues, challenges and repercussions to Malaysian businesses as well as the economy.



14 - 15 October 2021 Awareness Talk on Section 17A MACC Act 2009

The awareness talk on corporate liability provision, enforced on 1 June 2020 under Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act, was organised for all CGC staff. The talk provided awareness and a better understanding on corruption risks. It included the ability to better manage risks that could crop up during daily business operations and to uphold CGC's commitment to zero tolerance of corrupt practices.

Talent Development

In line with the UN SDGs, Quality Education (SDG4), Decent Work and Economic Growth (SDG 8), and Reduced Inequalities (SDG 10), CGC offers recent graduates the opportunity to put their education into practice, developing their leadership skills and offering them a competitive advantage in pursuing a permanent position. The internship programme and the Financial Sector Talent Enrichment Programme (FSTEP) provide industry work experience that includes new skills and professional interaction. These programmes also integrate conceptual knowledge and train new graduates to develop essential soft skills. These skills include time management, organisation, adaptability, problem-solving and teamwork.

INTERNSHIP PROGRAMME

Future-proofing the generations to come, CGC provides on-the-job training to recent university graduates. The Corporation ensures this annual practice offers young adults useful skills, enhances their capabilities and prepares them for the careers they will build. In the various divisions within CGC where they were placed, these interns had the opportunity to build on their relevant education. Moreover, CGC gave them equal opportunities and ensured meaningful work to help meet MSMEs' needs, wherever their next jobs take them.



**Nurhaslinda
Helmi**

Bachelor of Finance, Management and Science University

12 November 2020 - 7 May 2021 • Documentation & Disbursement



“Of my many new experiences at CGC, my best was learning how to communicate and develop new ideas, great for my career development. The staff in my department also helped and taught me how to carry out my tasks smoothly. Even though we worked from home, which I loved, they were still able to monitor and guide me. They were all very friendly and never let me feel like I was left out.”

Current position:

Protégé Junior Accountant at KJ Engineering Sdn Bhd until June 2022. Currently seeking career opportunities



**Aqilah
Shafrazin**

Bachelor of Business Management, University of Selangor

20 April 2021 - 30 July 2021 • Human Capital & Administration



“Honestly, if my friends or juniors ask me where I did my internship, I will proudly tell them about CGC. And encourage them to apply here, too. Overall, it was an excellent experience in terms of working environment, facilities provided and allowance. The most significant skill I learned here is communicating with peers and bosses. The bosses at CGC are very friendly, so I was comfortable asking them about whatever I had missed out on or did not understand. Now, I am so much more comfortable when talking to people. My Microsoft Office skills improved, as I had to do a lot of memos in Word and tasks in Excel.”

Current position:

Admin Assistant, Evo Business Consulting



**Mohd
Najmee
Mohd Najib**

Bachelor of Computer Science (Cloud Computing), INTI International University and Bachelor of Science (Cloud Computing), Coventry University

24 May 2021-13 September 2021 • IT Application



“For me, it was a good exposure to the fintech software development scene. The most significant challenge I had to overcome during my internship was trying to understand the software architecture of the project I was assigned to. This was to later develop the high-level diagrams for documentation. I also learned to use React, as prior to that I did not have much experience with front-end development. My current job is totally different from my internship experience. However, some of the business processes feel similar enough that it helps to acclimatise quickly.”

Current position:

Junior Cloud Engineer, Standard Chartered Bank



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**Muhammad
Adib Zainol**

Bachelor of Computer Science (Hons),
Universiti Teknologi MARA

4 October 2021 - 18 February 2022 • IT Governance & Security



“A new area I discovered is IT security procedures, as I learned that this department handles ID management and security maintenance, as well as all that is related to the company’s data security. My communication skills improved and I can document information better than before. Other than that, the experience of working with a team was an important skill I learned. The best thing about working in CGC was the work environment, as the staff were always ready to help whenever necessary. I just think that preparing a simple training plan for interns or new staff will go a long way for the company’s benefit.”

Current position:

Seeking career opportunities



**Nur Izzah
Zakaria**

Bachelor of Economics, Universiti Malaya

18 October 2021 – 23 January 2022 • Strategic Planning



“With zero experience in working culture and in the industry, it was the Strategic Planning department manager and executives who taught me how to overcome the many challenges I faced. I became proactive in asking about everything I found difficult. Here, I also learned a lot about researching in preparing business documents and slide templates that could be easily understood when presenting. Indirectly, this also taught me about the department’s teamwork. In the future, the skills I picked up here in areas such as communication, research, teamwork, presentation, critical thinking, and many more, will be of great help.”

Current position:

Personel MySTEP, Department of Statistics Malaysia



**Wan Nur
Suraya Wan
Jasmi**

Bachelor of International Business, Management and
Science University

13 October 2021 – 9 April 2022 • SME Advisory & Marketing



“At CGC, I was given the opportunity to apply the skills and knowledge I gathered in communication skills, marketing and customer service classes in a professional work environment. I assisted in handling the Review pillar in the CGC Developmental Programme™. Every month, I helped manage the monthly Introductory Briefing sessions inviting MSMEs to learn about the programme, and to scale up their business. I also called potential customers to be onboarded onto our partner platforms such as foodpanda, Grab and Shopee. What I liked best about working at CGC is my team! Although we could not meet, we grew closer hanging out online and playing virtual games.”

Current position:

Seeking career opportunities

FINANCIAL SECTOR TALENT ENRICHMENT PROGRAMME (FSTEP)

As one of many strategies from Bank Negara Malaysia's (BNM) to strengthen development in the financial services sector, the FSTEP was established in 2007. Managed by the Asian Banking School (ABS) in collaboration with BNM, the intensive graduate training programme equips talent with the right skills and knowledge to transition into the financial services industry. This industry-driven initiative, with the participation of banks and insurance companies in Malaysia, offers fresh graduates 3-months of comprehensive theoretical training, followed by a 9-month on-the-job training stint with participating financial institutions. Eight young talents participated in this programme at CGC in 2021.



Muhammad Farhan Jusoh

Bachelor of Science in Psychology, University of Melbourne

14 September 2020 - 30 June 2021 • Risk Management

"CGC is unique in its own regard. Therefore, to be a permanent staff member knowing that we are assisting our nation's MSMEs is an honour. While FSTEP prepared me with fundamental knowledge of the financial industry, working here there is still more knowledge to gain to excel in my role and tasks. The most significant lessons I learned here are how to be adaptive, proactive and to be open to learning new things. In my current role as a risk analyst, I see that managing the risk of our portfolios and the Corporation is important in sustaining the help and assistance that we provide for our MSMEs."

Current position:

Risk Analyst with CGC since 1 July 2021



Siti Najihah Mohammad Shuib

Bachelor of Mathematical Sciences (Hons), International Islamic University Malaysia

14 September 2020 - 13 September 2021 • Strategic Data Analytics

"Great team members gave me the opportunity to expand my skills, learn and gain exposure throughout my attachment. They encouraged and guided me to complete my tasks perfectly, and the skills I have learned will help propel my success. Throughout my FSTEP, I connected with people from various financial institutions and learned from trainers and speakers who have in-depth knowledge and experience in the industry. In handling projects, I developed my project management and teamwork skills. The important skills I've acquired at CGC are problem-solving, collaboration and empathy. These are essential to work through challenges, capitalise on diverse perspectives in a team and interact empathetically."

Current position:

Business Intelligence Analyst with CGC since 1 October 2021



Nur Hazeera Abdul Haris

Master of Statistics, Universiti Kebangsaan Malaysia

14 September 2020 - 13 September 2021 • Strategic Planning

"Advice from an FSTEP trainer that I continue to apply in CGC is that it is important to 'pause' and observe the surroundings, listen and pay attention to my team mates. This will reflect on decision-making actions, ensuring that understanding, compassion and empathy are important values in a corporate environment. Every day I learn something new in this very friendly and collaborative working environment. Our brainstorming sessions, summoning all the creativity each person is capable of, make me feel engaged and valued. Although working in the headquarters does not require me to work directly with MSMEs, I help identify MSMEs' current states, root causes and assist higher-ups with new or alternative initiatives to assist MSMEs to access financing."

Current position:

Strategic Research Executive with CGC Strategic Planning since 14 September 2021



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Mohd Asraf Ariff Mohd Zaida

Bachelor of Information Systems (Hons.) Intelligent Systems Engineering,
Universiti Teknologi MARA

18 October 2021 - 17 October 2022 • IT Application

“I’m currently assigned to a support team in IT Application where I need to liaise with CGC users to help solve their problems. I used to be socially awkward and rarely talked to people, but now am learning how to liaise professionally when interacting with colleagues. In our department, it’s so satisfying to observe the teamwork where they inspire and help each other. I had to push myself here to learn related back-end stuff when we were developing a system, as I’m not very skilled in this area. So I had to rely on my colleagues to teach me. FSTEP trainers shaped me to be a better leader.”

Current position:

Developer and Support, FSTEP Trainee with CGC



Mohamad Ilham Syameer Nor Azaham

Bachelor of Information Systems (Hons.) Intelligent Systems,
Universiti Teknologi MARA

18 October 2021 - 17 October 2022 • Digital Transformation Office

“I made a lot of friends from various backgrounds and degrees throughout the programme, sharing knowledge and thoughts from different points of view. Other than the fact that it is interesting to study something different from my major, this fantastic programme challenges you to step outside of your comfort zone. My colleagues, whom I finally met face-to-face in April, are my best experience in CGC. I have learned a lot of new things in coding as it is my main task. Although mine are still simple coding tasks, I feel happy when I do them well. For me, it is the baby steps that make you improve as a person and the proper way to develop your skills.”

Current position:

Front-end Developer, FSTEP Trainee with CGC



Varanitharan Ananthan

Bachelor of Computer Science (Software Engineering) (Hons),
University of Selangor

18 October 2021 - 17 October 2022 • Digital Transformation Office

“For fresh graduates, the FSTEP is a great experience before entering the banking and finance industry. We are taught about the working environment experiences before our practical training. The supervision of fresh trainees in CGC is very good because they teach us about the many new IT technologies in the industry. My best experience is I’m always learning something new! A challenge I had to overcome is learning new programming languages that my university doesn’t teach, such as Spring Boot, Spring MVC, Angular, React and Typescript. The most important skills I’m acquiring are programming languages, testing codes and also knowing the structure of codes and how they are built.”

Current position:

Back-end Developer, FSTEP Trainee with CGC

DATO' MOHD PISHAL
ABDUL RAUB

Bangi,
Selangor

Manufacturing
and Supplying
Furniture

MERANTI MARSHAL



“ With CGC’s assistance, we have become one of Malaysia’s biggest Bumiputera furniture manufacturers. ”

Managing Business

Meranti Marshal is a manufacturer and supplier of wood-and-metal-based furniture as part of the Konsep Panel Perbendaharaan Kerajaan. The company has been operating for more than 30 years, largely supplying their products to government ministries, departments and agencies.

During the pandemic, in diversifying their business Meranti Marshal ventured into furniture rental, supplying custom-made furniture to university hostels. However, this undertaking requires huge capital, while return on investment can take up to five years, the duration of the lease period. Nevertheless, renting furniture is becoming increasingly popular among universities. The market is also growing rapidly, said to be worth RM30 million in just a few years.

Since university, Dato’ Pishal had planned to run a business. “My Accounting and MBA degrees helped me a lot in decision-making and my business endeavours.” Calculated risks, he asserts, are one of the most important considerations for business survival. That’s why he likes facing challenges in doing business. “And to succeed in the end is the greatest pleasure.”

CGC’s Commitment

CGC’s TPUB-i financing was initially enabled in 2005. Since then, Meranti Marshal has accessed various other available means of business financing.

When venturing into furniture rental projects with universities, the company offers the most competitive rates available. After their first project, Meranti Marshal began to make their name in other Institut Pengajian Tinggi Awam (IPTA) universities. “So far we are able to collect RM500,000 per month just from our furniture rental sector, excluding our other sectors,” stated Dato’ Pishal.

Dato’ Pishal did not expect CGC’s Chairman Dato’ Mohammed Hussein and PCEO Datuk Mohd Zamree Mohd Ishak to drop by and visit his company. He and his team enthusiastically took them on a tour to proudly display how the company has grown. “With CGC’s assistance, we have become one of Malaysia’s biggest Bumiputera furniture manufacturers.”

Pandemic Principle

“We should not only focus on one particular sector. Diversifying into areas such as furniture rental by Private Financing Incentive (PFI) helped us cover our overheads when other sectors were inactive or gloomy.”





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2021 ACHIEVEMENTS

In 2021, imSME received the award of Most Innovative SME Financing Platform from the UK-based financial publication The Global Economics. This signifies recognition of the best market players in their particular business realm.

Launched in February 2018 as Malaysia's 1st SME financing/loan referral platform, and now in its fourth year, the platform has shown promising growth, even during the COVID-19 pandemic. Since Malaysia's first Movement Control Order (MCO) in 2020, daily visitors increased on average by up to 2,100.

As an alternative channel for MSMEs to source financing products, imSME is poised for stronger growth in line with one of the five strategic thrusts of BNM's Financial Sector Blueprint 2022-2026 - to advance financial sector digitalisation.

Fast access, real-time information, hassle-free searches, one-stop centre and the variety of products are what the platform offers. It is all part of CGC's continuous improvement to give MSMEs financing options that fit their business needs. To further drive the platform's efficiency through automation and process changes, imSME Rebuild commenced development in 2021. This is intended to support the digitalised direct financing process and provide customers with faster application turnaround.



Total Visitors
2.24
million



Total Registered MSMEs
52,186



Total MSMEs Referred to
Capacity-Building Agencies
42

Total Approvals



Applications
4,731



Value
RM488
million

Performance as of 31 December 2021

Participating Financial Institutions (PFIs)

26



P2P Partners

10



ECF Partners

3



Grant Provider Partner

1



Capacity-Building Agencies

3



Other Financiers

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CGC Developmental Programme™

Introduced in 2016, the CGC Developmental Programme™ has played a key role in Malaysian MSMEs' stellar development, going beyond mere guarantees and financing. This comprehensive programme for MSMEs provides advisory and assistance on gaining financing, especially for those with no collaterals. The CGC Developmental Programme™ assists MSMEs to acquire new markets for their products and services locally, internationally and via e-commerce. It had reached 49,594 MSMEs nationwide, as of December 2021.

The programme begins with the Financial Advisory (FA Team), in supporting unsuccessful applications via the imSME platform and through the MyKNP portal. Continuing the programme, to help achieve better business sustainability and expansion, the

Market Access Advisory (MAA) equips MSMEs with appropriate knowledge and skills. This is targeted at both local and international market expansion via online and offline channels. The MAA has a two-pronged approach: through its advisory workshops and access to new markets:

1. ADVISORY WORKSHOPS

These are knowledge-sharing sessions by industry experts on latest trends and information for MSMEs. However, they go the extra mile with customised, relevant coaching sessions ranging from product packaging to conducting sales pitches. These sessions help our MSMEs fill the gaps in ensuring they have the necessary qualifications and certifications, and meet the criteria to smoothly transition into new markets.



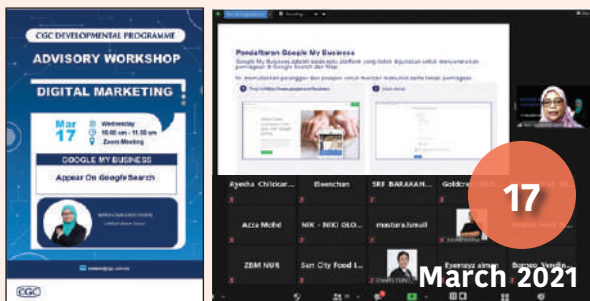
A Digital Marketing



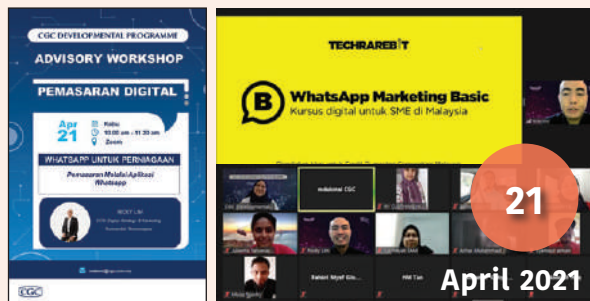
Facebook for Business
Dr. Muhamad Hariz Muhamad Adnan
Founder, Auto Soft



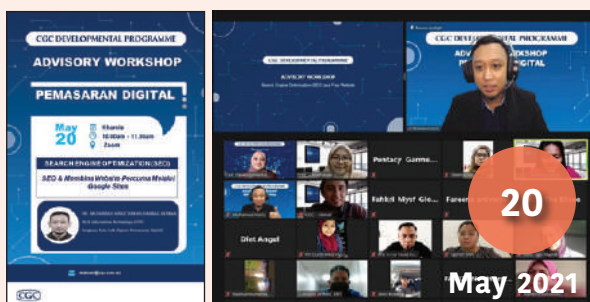
Instagram for Business
Kamarul Bahareen Kamaruddin
Director, KB Beyond Creative



Google My Business
Wan Fatmawati Yahya
 Director, Certified Master Trainer



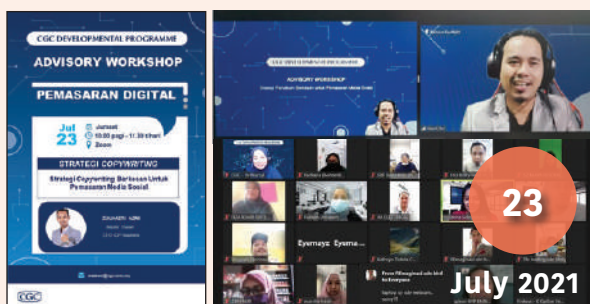
WhatsApp for Business
Nicky Lim
 COO Digital Strategy & Marketing,
 Techrebit Technologies



Search Engine Optimisation (SEO)
Dr. Muhamad Hariz Muhamad Adnan
 Founder, Auto Soft



TikTok for Business
Kamarul Bahareen Kamaruddin
 Director, KB Beyond Creative



Copywriting Strategy
Zulhazri Azmi
 CEO, IQP Solutions



Customer Persona
Iskandar Danial
 Founder, Bazaar Rakyat



Facebook for Business
Nicky Lim
 COO Digital Strategy & Marketing,
 Techrebit Technologies



Social Media Marketing
Prof. Madya Sr. Dr. Anie Tawil
 Principal Advisor, UKM, UNIPEQ



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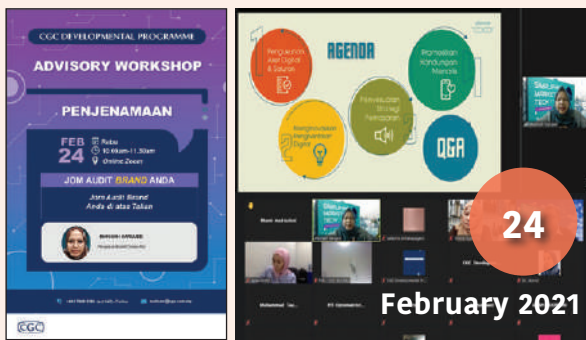


Marketing via Google
Wan Fatmawati Yahya
Director, Certified Master Trainer



Copywriting Strategy
Zulhazri Azmi
CEO, IQP Solutions

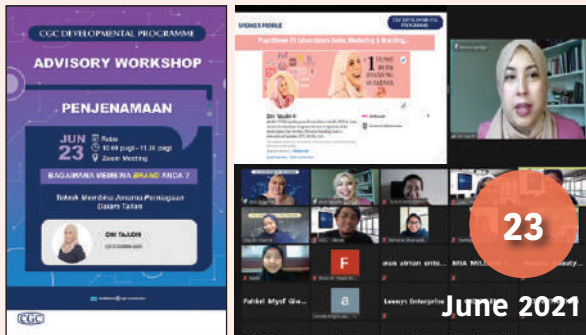
B Branding



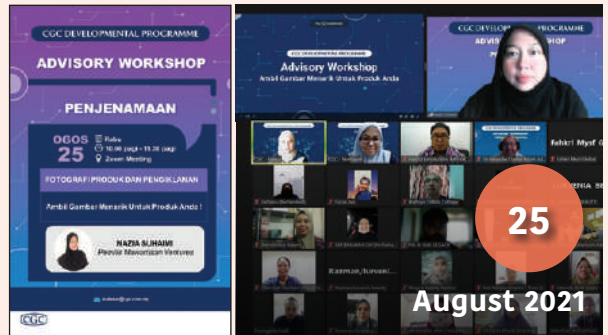
Let's Audit Your Brand
Manisah Sarujee
Founder, Brand Geeks Inc



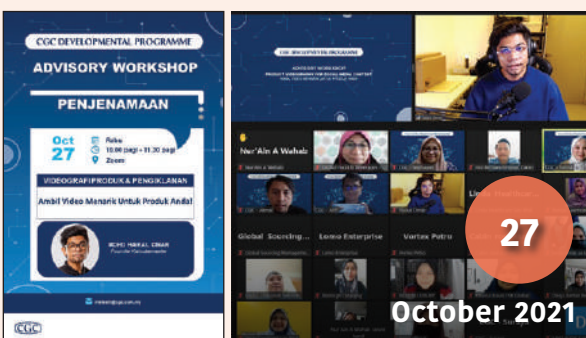
How to Brand Your Business
Nina Sharil Khan
Chief Unicorn Officer, PopCon



How to Build Your Brand
Dini Tajudin
CEO, Diniflix.com



Product Photography and Advertising
Nazia Suhaimi
Founder, Mawartisan Ventures



Advertising & Product Videography
Mohd Haikal Omar
Founder, Kalcubemaster



Branding for Business
Dini Tajudin
CEO, Diniflix.com

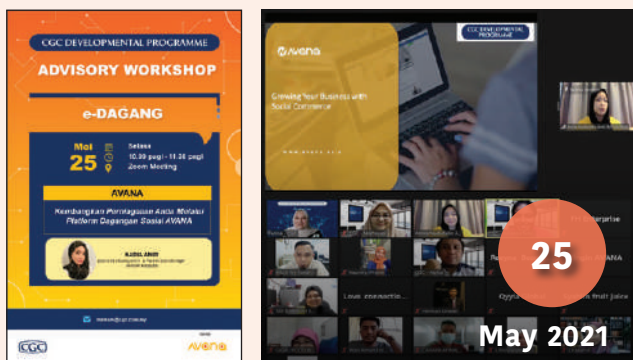
C e-Commerce



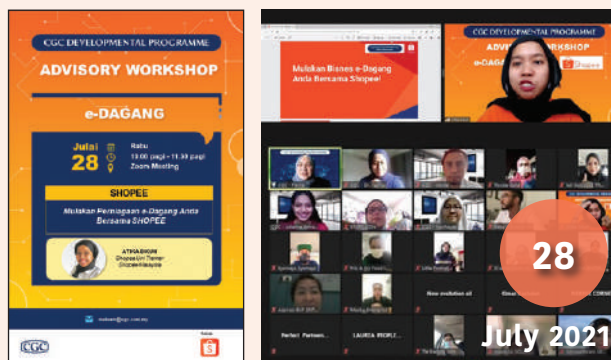
Perform Business on Maybank's 'Sama-Sama Lokal'
Amira Zainudin
 Maybank QRPay Acquisition,
 Sama-sama Lokal Account Manager, Maybank



Start Your E-Commerce Business with Shopee
Fazidin Zainal Abidin
 Business Development Associate, Shopee



Grow Your Business Through AVANA Social Commerce Platforms
Nadia Amir
 Business Development & Partnership Manager, AVANA Malaysia



Start Your E-Commerce Business with Shopee
Atika Sikun
 Shopee Uni Trainer, Shopee Malaysia



Live Social Media Can Generate More Sales
Nur Azre Abdul Aziz
 Partnership Manager, Shoplevel Malaysia



E-Commerce, Your Business Solutions!
Fatin Farhana Mazlan
 Assistant Vice President,
 Strategic Initiative Department, HRD Corp



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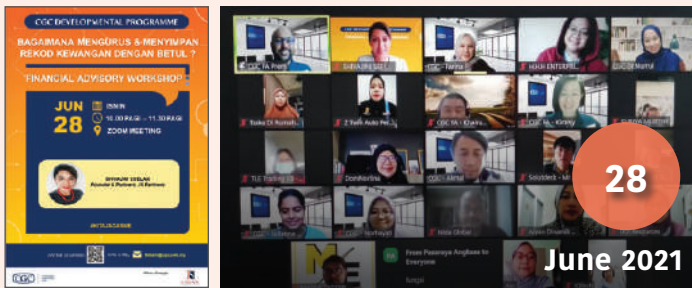
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D Financial Literacy



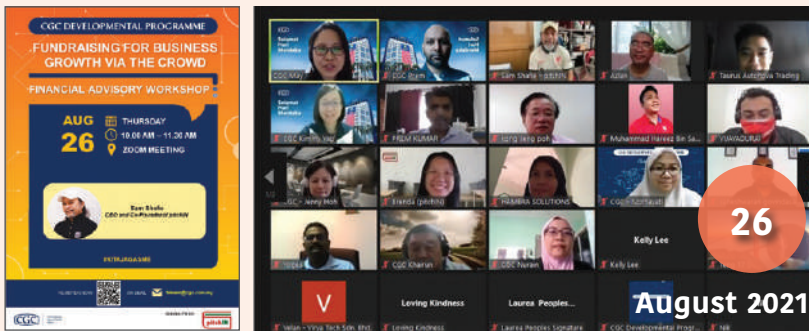
How to Manage Your Finances?

Mansor Ali Head of Department Channel Management Department
Sayed Muizzuddin Sayed Ruslan SME Debt Management
Sabrina Sabri Business Development and Marketing Section
 Agensi Kaunseling & Pengurusan Kredit (AKPK)



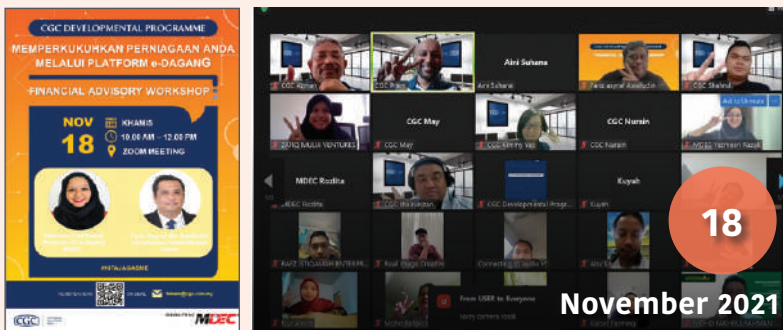
How to Properly Manage and Keep Financial Records?

Shivajini Seelan
 Founder & Partner, JS Partners



Fundraising for Business Growth via the Crowd

Sam Shafie
 CEO & Co-Founder of pitchIN



Strengthen Your Business Through e-Commerce Platforms

Yazmeen Abd Razak Pengurus GO e-Dagang, Multimedia Development Corporation (MDEC)
Fariz Asyraf Bin Awalludin e-Usahawan Certified Trainer

2. MARKET ACCESS ADVISORY

Advisory workshops and access to new markets are an integral component of the CGC Developmental Programme™. They enable MSMEs to extend and expand their businesses to new markets locally, internationally, and digitally through various channels such as hypermarkets, pharmacies and online platforms.

In FY2021, despite Movement Control Orders limiting personal interaction, Market Access Advisory initiatives had a favourable year of online activities and product placements on e-Commerce platforms.

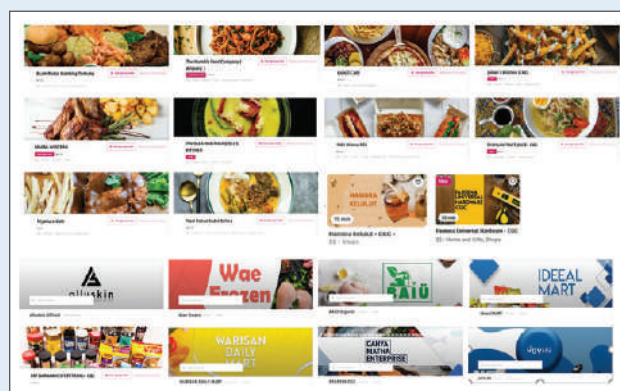


A total of 60 MSMEs were initiated into the CGC Developmental Programme™ under its four pillars:



Access to new markets with CGC's strategic partners

A foodpanda



Business opportunity with foodpanda
Ahmad Redza Abdul Rahim
Business Development Manager, foodpanda Malaysia

May 2021
Twenty (20) MSMEs' products were onboarded onto the foodpanda platform



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B Grab

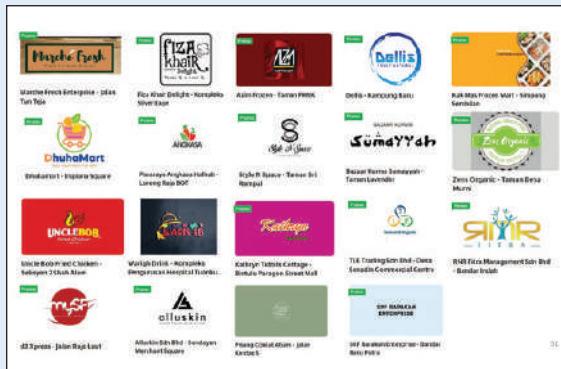


29

June 2021

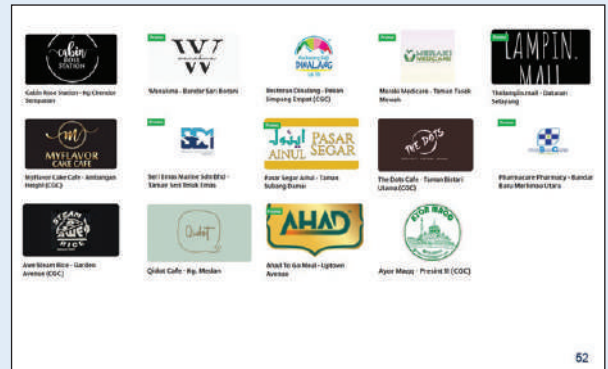
Business opportunity
with Grab

Amir Mu'qharir Anuar
Merchant Sales Specialist,
GrabFood Malaysia



September 2021

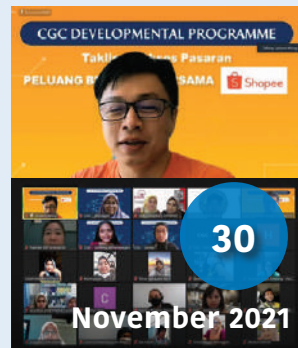
Nineteen (19) MSMEs' products onboarded
onto Grab platform



November 2021

Fourteen (14) MSMEs' products onboarded
onto Grab platform

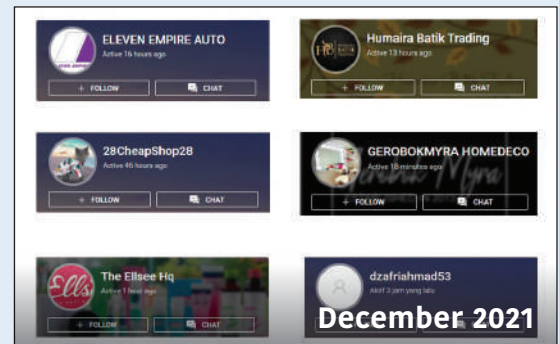
C Shopee



November 2021

Business opportunity
with Shopee

Jackson Wong
Inbound Sales, Shopee Malaysia



December 2021

A few of the seven (7) MSMEs' products onboarded onto
the Shopee platform

LIM ZHING ZHOU

Ayer Tawar,
Perak

Aquaculture
Farming

MARYSON AND SONS ENTERPRISE

“CGC’s service is very good. Unlike other institutions they follow up and they also want to learn about my business and help me to grow it.”

Managing Business

In a small town like Ayer Tawar, there wasn’t much in terms of job prospects. So, Lim Zhing Zhou and his cousin looked out for a business they could do together. “We decided on shrimp farming as it was quite profitable, although it was quite challenging and we burned a lot of money in the beginning,” rues Lim. Since they were starting from zero, they focussed on learning everything on their own, all they needed to know about shrimps, ponds and aquaculture farming.

Newspaper reports in 2021 state that the demand for Malaysia’s marine shrimp aquaculture accounts for 24.8 % of Malaysia’s aquaculture production, and the local marine shrimp production aquaculture market is projected to expand at a compound annual growth rate of 11.9%, from RM1.13 billion in 2020 to RM1.99 billion in 2025.

Eight years on, Lim feels it’s a good business to be in and the pandemic didn’t really affect his business. He sells his shrimps to a middle man about twice a week, harvesting about 1 - 2 tons

each week. “Yes, in the beginning I did eat my prawns every day but then I couldn’t, too *geli* already.”

CGC’s Commitment

Lim applied and obtained BizMula-i financing in 2019 because he wanted to expand his business, to purchase more stock and pallets as well as increase his number of ponds from seven.

With the financing, he doubled his ponds and attended many of the CGC Developmental Programme™ briefings on marketing and branding. He simply wanted to learn new things, as the middle man sells his produce to the Selayang wholesale market or exports to Singapore and other countries.

“CGC’s service is very good. Unlike other institutions they follow up and they also want to learn about my business and help me to grow it.” Lim was granted the moratorium in 2020 and the PEMULIH moratorium in 2021. He found both very helpful to tide him over.

Pandemic Principle

“Need to keep the cash flow strong, don’t rush to expand too much. If your cash flow gets tight, and something goes wrong, you *kantoi*.”



HALIMAH MAT DESA

Ayer Keroh,
Melaka

Retail

AHAS CLASSIC EMPIRE



“Without CGC, it’s very hard for businesses like ours to grow. Not only is their service excellent, but they help develop newbies to expand their businesses.”

Managing Business

In this family of engineers who love beautiful clothes, fabrics and fashion are mainstays of their business. Halimah Mat Desa and her children started a small enterprise in 2016, selling various types of *baju kurung* and ready-made clothes for women.

However, as the children involved in her business get married, they move on to run their own clothing companies. Establishing a private limited business in 2020, the following year Halimah created K-Blossom, a new brand aimed at providing best-quality clothing for Muslimah. “More to modest, traditional yet modern, *baju kurung*, blouses and long skirts,” Halimah explains her brand’s aesthetic.

“This business is competitive,” Halimah states. So, last July, she was readying for the 2022 Hari Raya season. “To develop our collections, we prepare four to six months in advance, from choosing fabrics to conducting photoshoots.” She planned to produce 10,000 ensembles and needed to swiftly get in the queue for bulk-sewing tailors. But no bank would give her a loan, so she turned to CGC.



CGC’s Commitment

“Without CGC, it’s very hard for businesses like ours to grow. Not only is their service excellent, but they help develop newbies to expand their businesses.” As soon as she received BizWanita-i financing, Halimah immediately ordered fabrics from a contact she had made on a 2019 visit to Guangzhou.

Halimah needed increased stock due to accelerated online shopping demand. She also envisaged that, after the pandemic’s savagery, people would be ready to mark festivities with lots of new clothes. By end-March 2022, 7,000 outfits

were on sale, with the remainder ready in two weeks.

With strong online presence and active social media, Halimah runs her business with around 10 staff. They have a boutique and warehouse in Melaka, with plans to expand to either Bangi or Shah Alam in Selangor in 2023.

Pandemic Principle

“Forward-planning with enough capital can help us prepare, especially with positive festive purchasing trends. It’s the peak time for us to boost our sales.”

MARKETING INITIATIVES

1. Online Marketing Events

A series of marketing events were held virtually to complement the CGC branches' efforts in aiding MSME financing. Branch representatives and industry experts were on hand during the session to discuss and answer questions on the topics.

Financial Management Talk

20 April 2021

2pm – 4pm

A financial management talk was held about access to MSME financing and the advisory ecosystem in the Malaysian economy. Topics included a CCRIS Walkthrough and Debt Management Programme (DMP) for individuals and MSMEs, as well as input on the Small Debt Resolution Scheme and Micro Enterprise Helpdesk.

Minggu PKS with SME Corp Malaysia

26 June 2021 - 4 July 2021



CGC participated in SME Corp Malaysia's Minggu PKS, in the various interesting virtual activities as well as a Pocket Talk webinar.

SSM National Conference 2021

24 August 2021



CGC participated as one of the e-exhibitors for the event, titled Governing Under New Normal.

2. Booths and E-booth Participation

Collaborating with partners on marketing events such as setting up in-person booths and e-booths offer opportunities to network and share CGC initiatives with a wider audience.

The Star Outstanding Business Awards (SOBA)

17 March 2021



CGC's booth and KL branch representatives at the event that recognises exceptional achievements of the nation's best MSMEs.

Business Digitalisation: Thriving and Surviving in a Pandemic Era

22 July 2021

2pm – 4pm

In the Business Digitalisation: Thriving and Surviving in a Pandemic Era session, participants heard about various available channels for MSMEs to access financing. Other themes included Digitising Customer Experience, Drive Sales with Digital Marketing, and Shifting Your Offline Customers to Online – How and When?

17th Malaysia International Halal Showcase (MIHAS)

9 September – 31 December 2021



CGC was one of the e-exhibitors at The World's Largest Halal Trade Show.



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Business Strategies Today: The Challenges of Women Entrepreneurs

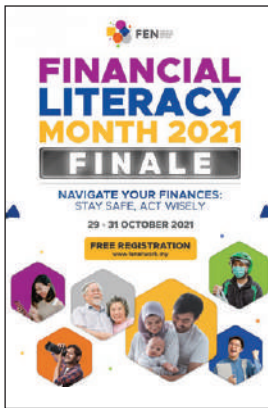
21 October 2021

10am – 12pm

USAHANITA held the half-day Business Strategies Today: The Challenges of Women Entrepreneurs event for women entrepreneurs. Among the sessions were The Role of the Malaysian Chambers of Entrepreneurs Business Development (MCED), Financing for MSMEs by CGC and Today's Business Strategies.

Financial Literacy Month 2021 FINALE

29 – 31 October 2021



CGC was an e-exhibitor at this 3-day virtual event that highlighted key consumer issues.

Star Outstanding Business Award (SOBA) 2021 Prestige Night

29 October 2021



CGC's booth at the SOBA 2021 Prestige Night event, where alumni gathered for the inaugural networking event with like-minded entrepreneurs to explore business opportunities.

Sunway University Webinar

26 November 2021

CGC Vice President, SME Advisory & Marketing, Jenny Hoh was a panel speaker at the webinar on the Culture of Health for Business.

CGC was involved in a series of activities in a MeetMe programme held in conjunction with SMIDEX 2021.

CGC's Chief Business Officer, Leong Weng Choong, shared his insights on transforming MSMEs.

3. Media Marketing Campaigns/Advertising

Media Marketing campaigns/advertising is a marketing initiative to increase awareness of the benefits of CGC Developmental Programme™ for MSMEs. Digital platforms aim to reach a wider audience, increasing potential leads for CGC's direct financing drive.

<https://www.rotikaya.com/ingin-berjaya-seperti-pengusaha-alluskin/>



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Harian Metro

To reach a wider audience and potential leads for CGC direct financing and increase participation for CGC Developmental Programme™.

12 November 2021

PROGRAM PEMBANGUNAN CGG TAWAR KHIDMAT NASIHAT KEWANGAN DAN PEMASARAN



<https://www.hmetro.com.my/bisnes/2021/11/776568/program-pembangunan-cgc-tawar-khidmat-nasihat-kewangan-dan-pemasaran>



Utusan Borneo

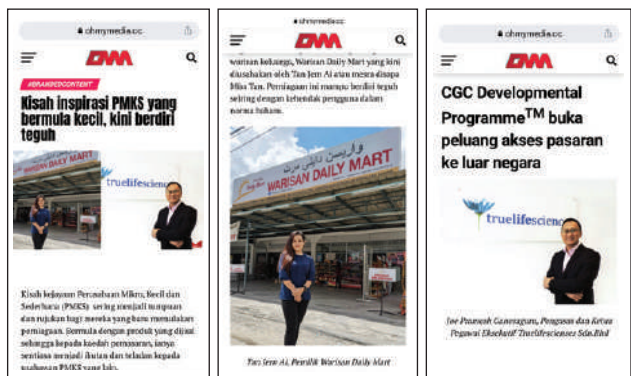
To connect to a concentrated audience of local MSMEs in East Malaysia (Sabah/Sarawak) promoting CGC Developmental Programme™.

12 November 2021

CGC DEVELOPMENTAL PROGRAMME™ BANTU MAJUKAN PERNIAGAAN SAYA



<https://www.utusanborneo.com.my/2021/12/14/cgc-developmental-programmetm-bantu-pmks-melalui-nasihat-akses-pembiayaan-dan-nasihat>



Ohmymedia

Targeting local MSMEs to create awareness of the benefits of CGC Developmental Programme™. Sharing knowledge and testimonials via advertorials/digitalorials on social media platforms such as Facebook, Instagram, online media, and entertainment portal.

14 December 2021

CGC DEVELOPMENTAL PROGRAMME™ BUKA PELUANG AKSES PASARAN KE LUAR NEGARA



<https://ohmymedia.cc/kisah-inspirasi-pmks-yang-bermula-kecil-kini-berdiri-teguh/>

CORPORATE PARTNERSHIPS

Long-lasting strategic partnerships develop based on mutual trust and shared responsibility for achieving the vision of uplifting MSMEs. With similar goals, partnerships involving complementary capabilities help micro, small and medium businesses gain access to new channels and markets. In offering MSMEs opportunities to enhance their potential, CGC builds partnerships that help communities and the country to grow.

7 January 2021



Kementerian Belia dan Sukan (KBS) Malaysia

The collaboration between CGC and KBS provides access to TPUB-i financing for Bumiputera contractors awarded ministry contracts. Other direct financing products were also made available to about 2,000 sports operators nationwide. CGC representatives took the opportunity to meet the newly-appointed KBS Secretary-General YB Datuk M. Noor Azman Taib.

21 January 2021

Telekom Malaysia Berhad (TM)

CGC and TM's collaboration facilitates financial assistance to TM's new contract structure known as Certified Network Contractor (CNC) and Certified Broadband Contractor (CBC) with an MoU signed for the PERINTIS Programme.

9 February 2021

Lazada Malaysia

Meeting with Afiq Redzuan, VP Government Affairs of Lazada Malaysia, to establish collaborative initiatives between CGC and Lazada Malaysia to onboard existing CGC customers onto the Lazada platform. This was to encourage more MSMEs to adapt to digitalisation, reach out to more customers and increase sales.

18 February 2021



TERAJU

CGC met with Tuan Megat Mohd Yatim, Senior Director, TERAJU, and Rafaiq Bakri, Director of Entrepreneur Development, to initiate a collaboration between CGC and TERAJU to make available TPUB-i financing to eligible Bumiputera contractors awarded East Coast Rail Link (ECRL) contracts. Majlis Kemakmuran Bumiputera, Prime Minister's Office (PMO), holds TERAJU accountable and monitors it to ensure full Bumiputera-contractor participation in the ECRL project. CGC, as TERAJU's financing partner, signed an MoU with them.



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BRANCH EVENTS

**Usahawan START UP
Child Care Center**

SPEAKER:

**NOOR AZZAM BIN
YAAZIZUL GHAFAR**
Pengarah, SMECORP Pulau Pinang

**MICHAEL LIM
THEAM WAI**
Senior Executive of SME CGC

5 JAN 2021 3 PM

IPOH

Taj International College

**5
JANUARY
2021** | **Usahawan Startup
Childcare Centre**

The briefing was organised by SME Corp and Taj International College with participation from childcare centre operators. The Ipoh Branch members attended the event via Zoom and Taj International College's Facebook Live.

**WEBINAR
FINANCIAL AID FOR SME**

15th JANUARY 2021 (FRIDAY)
03:00PM - 04:30PM

AN INITIATIVE BY:

KUALA LUMPUR

**15
JANUARY
2021** | **Financial Aid
for SMES**

The Kuala Lumpur Branch participated in a Zoom webinar organised by Malaysian Gifts & Premium Association. Other participants included CIMB and Syarikat Jaminan Pembiayaan Perniagaan Bhd (SJPP).

AGENDA

2000 SESSION ON BNM'S TARGETED RELIEF & RECOVERY FACILITY (TRRF) FOR SME, CGC'S FINANCING PRODUCTS FOR STARTUPS & WOMAN ENTREPRENEURS

KUALA LUMPUR

**6
JANUARY
2021** | **CGC's Financing Products
for Startups and Women
Entrepreneurs**

The Kuala Lumpur Branch participated in a Zoom session on BNM's Targeted Relief & Recovery Facility (TRRF) for SMEs, CGC's Financing Products for Startups and Women Entrepreneurs. It was organised by the Kuala Lumpur & Selangor Indian Chamber of Commerce & Industry (KLSICCI).



**25
JANUARY
2021** | **Chit-Chat Session**

The Miri Branch office organised an informal chit-chat with business owners at Wireless Walk. This was after a previous briefing at the CGC Miri Branch office was cancelled due to pandemic restrictions. It was a way to go to the ground and meet business owners and understand their work to cater to their needs.



7 FEBRUARY 2021 | **Minggu PKS**

CGC East Coast Branches - Kota Bharu, Kuala Terengganu and Kuantan - participated in Minggu PKS – Sesi Webinar Bersama CGC during Minggu PKS. The panel speaker was Kuala Terengganu Branch Manager, assisted by the Kota Bharu and Kuantan Branch Managers.



24 FEBRUARY 2021 | **Dewan Perniagaan Melayu Malaysia (DPMMNS) Negeri Sembilan Briefing**

The Seremban Branch Manager met Khalil Bin Mohd Damir, DPMMNS Deputy State Chairman, and Mohd Kassim Ghazali, Vice President of DPMMNS, to brief them on CGC’s products and services for the benefit of newly-registered DPMMNS members.



BATU PAHAT

3 MARCH 2021 | **Taklimat Keusahawanan**

At the quarterly Taklimat Keusahawanan, potential customers were informed of CGC’s wide range of products and services. Attendees had the opportunity to discuss with the Branch’s Sales, Marketing, Processing (SMP) Officer their next line of action. This included submitting relevant documents to process financing applications immediately.

Memperluas produk & perkhidmatan CGC untuk menyokong PKS di luar dan untuk mengatasi jurang pasaran.

JAMINAN	PEMBIAYAAN LANGSUNG	PERKHIDMATAN LAIN
<ul style="list-style-type: none"> Portfolio Guarantee / Jaminan Portfolio Wholesale Guarantee / Jaminan Borong BizMaju, BizSME, BizJamin-i, BizJamin Bumi-i, BizJamin-i NRCC, BizJamin-i SRF, Flexi Guarantee Scheme-i Govt. Backed Schemes, Green Technology Financing Scheme-i, Franchise Financing Scheme 	<ul style="list-style-type: none"> BizMula-i (Perniagaan permulaan) BizWanita-i (Usahawan wanita) *TPUB-i (Usahawan Bumiputera yang telah diperuntukkan projek / kontrak) BizBina-i (Pelanggan pembiayaan sedia ada terjejas akibat pandemik COVID-19) 	<ul style="list-style-type: none"> Platform Rujukan Pembiayaan / Pinjaman PKS Malaysia pertama CGC DEVELOPMENTAL PROGRAMME™ <ul style="list-style-type: none"> • Khidmat Nasihat Akses Kewangan • Khidmat Nasihat Akses Pasaran MyKNP (Membantu Nasihat Mengenal Permodalan Pembiayaan PKS)

4 MARCH 2021 | **CGC Product Briefing to AAS Secretary**

CGC Kuala Lumpur Branch organised a briefing on CGC’s products and services to clients of AAS Secretary, who later shared the information with their management.



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KUALA LUMPUR

17
MARCH
2021

SOBA 2020

The Kuala Lumpur Branch participated in the Star Outstanding Business Awards 2020 (SOBA 2020), held at One World Hotel, Petaling Jaya.



KOTA KINABALU AND SANDAKAN

17
MARCH
2021

Taklimat Pembiayaan
TPUB-i for PERKOBF

CGC Kota Kinabalu and Sandakan collaborated to organise a TPUB-i financing briefing to Persatuan Kontraktor Bumiputera Kelas F (PERKOBF) members. This enabled participants to better understand CGC's contract financing for contractors.



MELAKA

17
MARCH
2021

Taklimat Keusahawanan
for DPMM Melaka

The Melaka Branch organised a Taklimat Keusahawanan, attended by members of Dewan Perniagaan Melayu Malaysia (DPMM) Negeri Melaka, at their office in Semabok.



KUANTAN

18
MARCH
2021

Taklimat Keusahawanan
for PKMM

CGC Kuantan Branch organised a TPUB-i 2.0 briefing for Persatuan Kontraktor Melayu Malaysia (PKMM) Negeri Pahang members, held at Wisma Kontraktor Melayu Malaysia, Kuantan.

20 MARCH 2021 | **TARUC Briefing**

Miri Branch representatives were invited by Tunku Abdul Rahman University College (TARUC) to talk about CGC’s products and services via Google Meet, as part of their students’ course.

22 MARCH 2021 | **Taklimat Pembiayaan TPUB-i**

Potential CGC customers who are contractors seeking financing for future projects attended CGC Seremban’s briefing to learn about TPUB-i.

23 MARCH 2021 | **Dialog Usahawan**

CGC Kuala Terengganu participated in a virtual Dialog Usahawan organised by Yayasan Pembangunan Usahawan Negeri Terengganu & Urusetia Pembangunan Usahawan Terengganu (PEUTER).

25 MARCH 2021 | **Repayment Assistance Briefing**

This event focused on aiding CGC customers who have faced difficulties in managing their repayments due to the pandemic’s adverse impact. The customers heard about ways they could manage their repayment via restructuring of their accounts.

10 JUNE 2021 | **Targeted Repayment Assistance Briefing**

A briefing on Targeted Repayment Assistance was jointly organised by CGC’s East Coast Branches for existing CGC customers. Apart from that, Agensi Kaunseling & Pengurusan Kredit (AKPK) was invited to participate as one of the session speakers.

23 JUNE 2021 | **Akses Pembiayaan PKS**

SME Corp extended an invitation to CGC’s East Coast Branches to participate in a briefing for Hub Usahawan Belia Malaysia members. Our Kuantan Branch Manager represented CGC.



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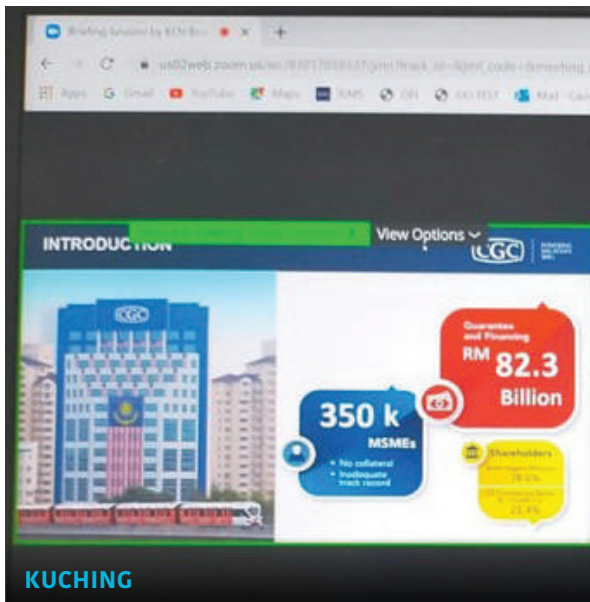
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28
JUNE
2021 | **Unlock Your Business Potential
with E-Commerce Webinar**



In the session aired live on SME Corp's Facebook, CGC Johor Bahru was invited to be a panellist for SME Corp's Minggu PKS Kebangsaan 2021.

29
JULY
2021 | **Briefing Session**



CGC's Kuching Branch organised a briefing for potential customers via Zoom. The session provided a platform for potential leads, to enquire about CGC's products and services.

1
JULY
2021 | **SME Corp's Minggu
PKS 2021**



CGC Kota Kinabalu participated as a panellist in the webinar organised by SME Corp during Minggu PKS 2021. The virtual event was broadcast via SME Corp's Facebook Live.

29
JULY
2021 | **Pocket Talk
Keusahawanan 3.0**



CGC Kuala Terengganu participated in a pocket talk organised by Terengganu Digital 1303 (TD 1303). TD 1303 is a tech hub incorporated in 2018, focussing on startups as part of the Terengganu State Government's digital initiative in moving towards Industry 4.0.

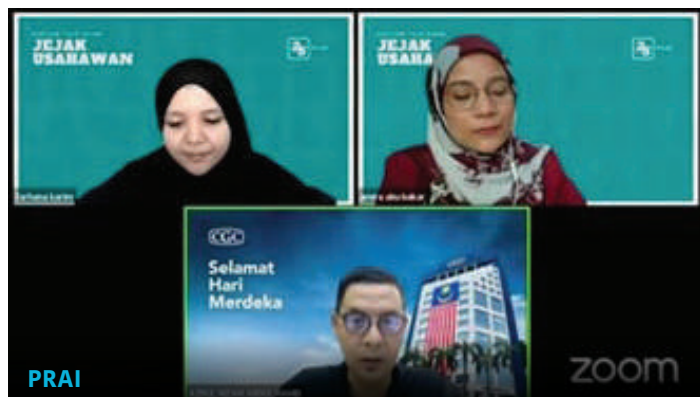


KUCHING

9 AUGUST 2021

Taklimat Keusahawanan for PKMM

Taklimat Keusahawanan, organised by CGC Kuching for members of Persatuan Kontraktor Melayu Malaysia Negeri Sarawak, centred on disseminating TPUB-i 2.0 information to potential customers.



PRAI

28 AUGUST 2021

Program Jejak Usahawan

The Prai Branch participated in Program Jejak Usahawan, organised by one of CGC's panel solicitors, Ezri Law Co. It aimed to reach MSMEs requiring financing for business growth.



KUALA TERENGGANU

9 SEPTEMBER 2021

Taklimat Keusahawanan with PERDASAMA Terengganu

CGC Kuala Terengganu jointly organised Taklimat Keusahawanan with PERDASAMA Terengganu, to inform PERDASAMA members of CGC's various products and services.

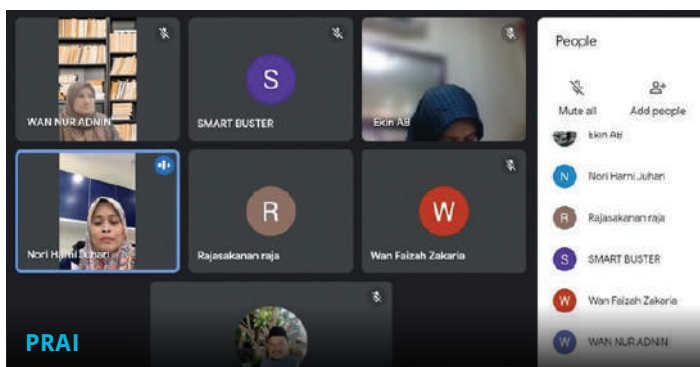


SEREMBAN

27 SEPTEMBER 2021

Briefing

The Seremban Branch organised a briefing for potential customers from Negeri Sembilan. The event, conducted via Zoom, allowed for 2-way interaction and helped potential customers better understand CGC's products and services.



PRAI

27 SEPTEMBER 2021

Repayment Assistance Briefing

Prai Branch took the initiative to explain financing restructuring and repayment virtually to their existing customers. The Assistant Branch Manager led the session, assisted by the Asset Management staff of CGC Prai Branch.



KUANTAN

29 SEPTEMBER 2021

Taklimat Keusahawanan with DPMM and SME Corp

CGC Kuantan, with Dewan Perniagaan Melayu Malaysia Negeri Pahang and SME Corp, co-organised a briefing for members of the two organisations.



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KOTA BHARU

19
NOVEMBER
2021

Meeting with PERDASAMA

Leong Weng Choong, Chief Business Officer and Nilmmasri Ja'afar, Senior Vice President, Bumiputera Development & Sales Management, visited CGC's Kota Bharu Branch. During their visit, they and the Branch Manager met Hishamuddin Zakaria, President, PERDASAMA Kelantan, and Kota Bharu MSMEs to discuss CGC's products and services.



Main Branch

23-26
DECEMBER
2021

Festival Usahawan Wanita
Bangkit Bersama 'RISE
Together' 2021

CGC's Main Branch participated in the 'RISE Together' Festival, contributing as a speaker and as an exhibitor. The event, held at Quill City Mall, Kuala Lumpur, was organised by the Ministry of Women, Family and Community Development and eight Women NGOs, and celebrated by women entrepreneurs throughout Malaysia.



PRAI

1
DECEMBER
2021

Taklimat Keusahawan with
PERDASAMA

CGC Prai Branch and PERDASAMA Penang co-organised a Taklimat Keusahawan at Hotel Seri Malaysia, Pulau Pinang. A total of 40 PERDASAMA members attended the session.



24
DECEMBER
2021

Taklimat Pembiayaan

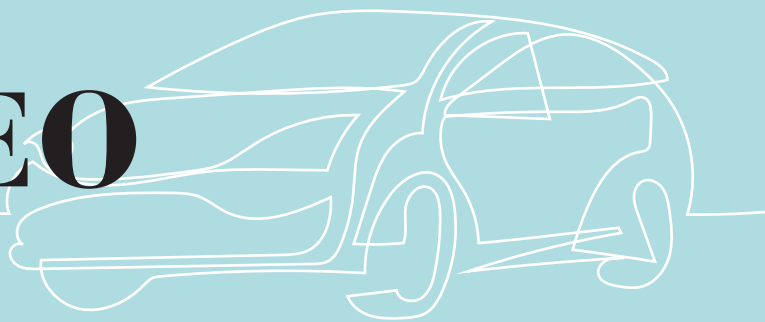
CGC Kuantan Branch was invited to participate in a virtual event organised by Persatuan Tunas Usahawan Pahang (PATUH), attended by 25 of its members.

JORDAN WAYNE
FELIX

Kota Kinabalu,
Sabah

Workshop

PRO BORNEO AUTO



“ After receiving the BizMula-i financing in 2020, I was able to move my workshop into a proper, more conducive environment, pay my rent and staff salaries on time, upgrade my tools and ensure spare parts were stocked. ”

Managing Business

Jordan Wayne Felix was 21 when he decided to start his own business. He had been an employee in his father's automotive business for two years. "While I learned about business slowly but surely from my father, I am a very independent person," he explains. "I don't like to be controlled." He has always had a love for cars and enjoys making them run as smoothly as possible. He felt he was ready to build his own business. "As I preferred to be my own boss and manage my own time. I can decide on everything."

Jordan set up his own Pro Borneo Auto workshop from home at the end of 2018. Among the services the company offers are car service, general service and engine overhaul, as well as diagnostic computer engine system and car air conditioning. He was hoping to expand his business, which required additional working capital. "We faced many difficulties in our business: workers' salaries, shop rent, capital turnover and payments to spare part suppliers."

CGC's Commitment

During the pandemic, his auto business - like all other businesses - was affected. Pro Borneo Auto shut down during the lockdowns. "No customers meant no income. Yet all expenses such as rent, salaries and debts had to be paid. That really affected our finances."

Soon, though, despite the continuing pandemic, his business results improved. "After receiving the BizMula-i financing in 2020, I was able to move my workshop into a proper, more conducive environment, pay my rent and staff salaries on time, upgrade my tools and ensure spare parts were stocked."

In offering financial advisory, CGC also ensured the importance of having proper documents, to warrant that all necessary paperwork and documents are up-to-date and well filed. He recalls: "CGC staff were very professional, giving me good advice and all the assistance I needed."

Pandemic Principle

"The best lesson I learned during the pandemic is that, for any business, we must have savings as a backup."





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Media

Throughout a challenging 2021, CGC adeptly garnered coverage of more than 500 media news items via television, radio channels, newspapers and online publications. The items highlighted CGC's continuous commitment to the development and recovery of MSMEs still reeling from the impact of the COVID-19 pandemic.

CGC also increased its presence to create awareness on social media with over 41,000 followers on Facebook and 2,900 followers on Instagram. We also increased our brand awareness through various corporate sponsorships and as the main sponsor for The Star Outstanding Business Awards (SOBA). In successfully capitalising on CGC's 'Keeping Dreams Alive' social media campaign, that featured 20 CGC customers' testimonials, the postings gathered 3.7 million in unique reach and 16.24 million impressions.

Although the amount of media engagement was limited, much headway was made in the discussions to further partner each other in our commitment to collaborate on MSME branding initiatives.

19 February 2021

Wanita Oh Wanita, Bernama

Mohamed Azman Mohamed Taufik, Senior Vice President, Business Development & Products, Mohana Arumugam, Vice President, Corporate Communications and Zariati Azrina Dato' Zainal Azmi, Assistant Vice President, GLCs/Government Agencies, met with representatives from Bernama's Wanita Oh Wanita programme to discuss joint women-focussed collaboration.

1 April 2021

The Star Media Group

Rahim Raduan, Chief Corporate Officer, and Leong Weng Choong, Chief Business Officer, engaged with members of The Star Media Group to discuss the SOBA 2021 event that was to be held virtually on 25 June 2021.

21 July 2021

MStar

CGC's Corporate Communications Department representatives held a discussion with MStar to ideate future projects.

30 July 2021

SOBA Lab – SOS Save our SMEs



Rahim Raduan, Chief Corporate Officer, was invited as one of the speakers for SOBA Lab titled 'SOS: Save our SMEs'. He spoke on how CGC has opened various avenues to assist MSMEs affected by the COVID-19 pandemic. The other speakers at the Lab were Maxis' Kevin Lee, PKT Logistics' Kuan Eu Jin and RHB Bank's Dev Raaj.

23 September 2021

SOBA Lab – Opportunities Amidst the Pandemic



As one of the speakers at the Soba Lab 'Opportunities Amidst the Pandemic', Jenny Hoh, Vice President, SME Advisory and Marketing Services, spoke about how CGC's services aided ailing MSMEs. Among them were assisting startups, Market Advisory services and helping MSMEs explore new markets. The COVID-19 pandemic, she said, was the catalyst for MSMEs to digitalise. Other speakers included Dooran Dooran's Acid Yong and Maxis' Kevin Lee.

14 October 2021

SOBA Lab – Kelangsungan Kehidupan & Perniagaan



Mohamed Azman Mohamed Taufik, Senior Vice President, Business Development & Products spoke at the SOBA Lab, 'Kelangsungan Kehidupan & Perniagaan'. He spoke about CGC's participation in the Targeted Recovery and Relief Facility (TRRF) and the moratorium provision for affected MSME customers. In addition, he covered CGC's advisory services and webinars. He was joined by Maxis' Hirman Mohamad Soh, Dewan Perniagaan Melayu Malaysia's Amirhamzah Karim and Robopreneur Sdn Bhd's Dr. Hanafiah Yussof.



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COLLABORATION WITH INDUSTRY PARTNERS

To achieve a common purpose in serving the underserved MSMEs, CGC's cooperation with industry partners over the years has proven to be productive.

In expanding the network of all industry partners, MSMEs are able to broaden their own professional circles and scope to share knowledge and acumen, and build common interests. At events and conferences, learning from each other and working together to ensure fresh ideas, sharing of resources and finding new ways to work together, especially in these times.

17 March 2021

SOBA 2020 Gala Night



CGC sponsored, for the seventh time, the 11th edition of SOBA Awards. The Gala Night was held at One World Hotel, recognising the achievements of local non-listed firms.

The SOBA 2020 Gala Night was graced by the Minister of International Trade and Industry, Datuk Seri Azmin Ali. In attendance from CGC were Datuk Zamree Mohd Ishak, President/Chief Executive Officer, Rahim Raduan, Chief Corporate Officer and K. Perbagaran, Chief Risk Officer.

20 April 2021

8th Malaysia Financial Planning Council (MFPC) e-Conference on Shariah Wealth Management and Financial Planning

8th MFPC e-Conference on Shariah Wealth Management & Financial Planning
MALAYSIA: A HUB FOR SHARIAH FINTECH
20th APRIL 2021 | <https://www.mfpc.org.my> | 9.00am - 1.00pm

Supporting Partners: Aman, VKA, AUM, eTIQA, Kenanga, etc.

Moderator: En Sani Ayob, Chairman, MFPC Shariah, Financial Planning and Development Committee

Invited Panelist: Prof Dr. Younes Soualhi, Senior Researcher, International Shariah Research Academy for Islamic Finance (ISRA)

Invited Panelist: Assoc. Prof. Dr. Ahcene Lahsasna, Chief Executive Officer, SALIHIN Shariah Advisory Sdn Bhd, MFPC Chairman Examination Board

Invited Panelist: Mr. Rahim Raduan, Chief Corporate Officer, Credit Guarantee Corporation Malaysia Berhad

MFPC Round Table
Topic: Islamic Fintech in Malaysia

Date: Tuesday, 20th April 2021 | Time: 11:45:00 AM
Duration: 75 minutes | Language: English

Rahim Raduan, Chief Corporate Officer, was one of the panellists for the 8th Malaysia Financial Planning Council (MFPC) e-Conference on Shariah Wealth Management and Financial Planning.

In the roundtable discussion, he shared topics such as Malaysia's MSME landscape, CGC's products and services, CGC's Islamic Financing schemes and imSME.

Other invited panellists were Shariah Research Academy for Islamic Finance Senior Researcher, Prof Dr Younes Soualhi and SALIHIN Shariah Advisory Sdn Bhd's Chief Executive Officer, Dr Ahcene Lahsasna.

25 June 2021

SOBA 2021 Virtual Launch



SOBA 2021, co-sponsored by CGC, was once again launched virtually with a keynote address on Malaysia's Market Outlook 2021 by Mohd Mustafa Abdul Aziz, CEO of MATRADE. In championing the growth and development of the country's businesses, SOBA marked its 12th year in 'Honouring the Best in Malaysian Business.' SOBA's objective is to recognise the role and contributions of outstanding non-listed Malaysian businesses and to celebrate and highlight their achievements. Datuk Zamree Mohd Ishak, President/Chief Executive Officer attended the event.

29 October 2021

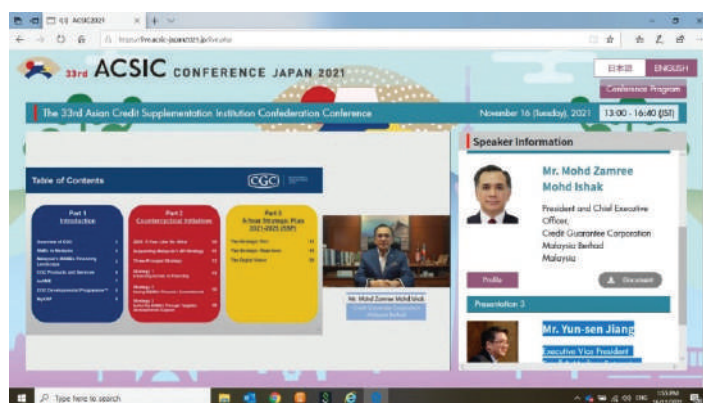
SOBA Prestige Night



Leong Weng Choong, Chief Business Officer, attended the networking event held at Sime Darby Auto Connexion in Petaling Jaya. Leong shared how businesses can safeguard themselves against rising challenges, together with representatives from RHB Bank, Maxis and PKT Logistics.

16 November 2021

The Asian Credit Supplementation Institution Confederation (ACSIC) Conference 2021



Datuk Zamree Mohd Ishak, President/Chief Executive Officer, represented CGC at the 33rd ACSIC Conference held virtually in Japan. In his presentation, he covered topics such as CGC's products and services, supporting Malaysia's recovery strategies and CGC's 5-Year Strategic Plan 2021-2025.



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Corporate Social Responsibility (CSR)

At CGC we are committed to the UN Sustainable Development Goals (SDGs), specifically supporting 11 of the 17 goals. All our Corporate Social Responsibility (CSR) activities align with SDGs to help achieve a better, more sustainable future for all.

In line with the SDG framework is the Financial Sector Blueprint 2022-2026, with a vision for a 'Prosperous, Inclusive and Sustainable Malaysia.' In listening, learning more and being mindful of the social aspects of civil society, our CSR activities support the long-term impact of sustainability on our local communities and the environment.

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9 February 2021

Celebrating Chinese New Year with Yayasan Sunbeams Home



CGC sponsored a Chinese New Year Reunion Dinner for 130 residents and staff of Yayasan Sunbeams Home in Ampang, Kuala Lumpur. Established in 1995, the shelter is home to 101 displaced, abandoned or abused orphans aged from two to 18. CGC distributed Ang pow packets and daily necessities to the Home.

12 March 2021

Contribution to Pertubuhan Pembangunan Orang Buta Malaysia (PPOBM)



Sixty visually impaired B40 individuals/families of PPOBM in Klang Valley were presented with food packages. The NGO, established in 2003, creates equal opportunities and encourages participation of visually-impaired people in society. To empower their members, PPOBM provides education, training and job placements. It also organises forums and dialogues to lobby for policies and laws.

24 April 2021

Majlis Berbuka Puasa with the Association of Development Finance Institutions Malaysia (ADFIM)

CGC sponsored food, beverages and gifts for 70 orphans hosted by ADFIM at its Majlis Berbuka Puasa during Ramadan.



17 April – 8 May 2021

Ramadan collaboration with MediCOM Malaysia



CGC supported MediCOM Malaysia’s Misi Kesihatan & Program Bakul Amal Ihya’ Ramadan 144H Project. We provided iftar meals, hampers and free medical check-up clinics to 495 orang asli in Perak and Kelantan. MediCOM Malaysia, founded by a group of Malaysian medical and charity activists, is passionate about the health and welfare of all individuals who need special attention.

4 June 2021

Kaamatan with the Sabah Society for the Blind (SSB)



CGC donated to SSB, the only training and rehabilitation centre for the blind in Sabah. This was to help set up a mini farm to generate forfeited income due to Movement Control Orders (MCOs) and a mini library for children in their day care. Every year since 1970, SSB has trained and reintegrated into the workforce 20-25 visually impaired individuals. Often from Sabah’s rural interior, plagued by poor public health services, these recruits receive free accommodation, food and training/rehabilitation services at the NGO’s Centre.

7 – 8 August 2021



Hari Raya Haji celebration with Persatuan Pendidikan Anak-anak Yatim Lipis (PPAYL)

Food packs were distributed to 40 families and children in need at PPAYL in Kuala Lipis, Pahang. We also supported the rental of the premises for six months.

Established in 2002, the NGO is a safe space for widows and orphans, and strives to provide education to the orphans.

21 August – 3 September 2021

Food aid for Free Food Society (FFS)



CGC distributed food aid for 50 needy families in villages in Padang Terap, Baling and Sik, Kedah. Established in March 2021, FFS organises projects nationwide to provide food aid to families, individuals and the underserved, irrespective of race and religion. In the challenging COVID-19 times, they also organise projects for underserved communities who have lost their livelihoods.



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22 August 2021

Relief aid for IKHLAS Com Travel Sdn Bhd



CGC supported IKHLAS, formerly Travel360, a Muslim-friendly business under AirAsia Digital, in its Emergency Enhanced Movement Control Order (EMCO) Relief Campaign. This was an online-based donation initiative to assist by donating essential items and ready meals to over 10,000 EMCO-affected families and 7,000 individuals in Selangor and Kuala Lumpur.

1 - 30 September 2021



Free meals for the needy with Dapur Kausar

In collaboration with Dapur Kausar, a soup kitchen that provides free meals to the needy and aid to the homeless, CGC donated 2,600 meals to those badly affected by the COVID-19 pandemic in Seremban, Negeri Sembilan.

3 September 2021



CSR with Johor Empowerment of Intellectual Women Association (JEIWA)

CGC donated essential food items to 50 Johor Bahru families - urban poor, single mothers, domestic violence survivors, and women with disabilities impacted by the COVID-19 pandemic. JEIWA, helmed by CGC BizWanita-i customer Nor Fadilah M. Nizar, is an NGO of professionals and career women focusing on helping domestic violence victims start anew.

25 September – 26 October 2021

Food Baskets with PurpleLily Malaysia



Working with PurpleLily, CGC sponsored 180 food baskets for pandemic-affected families in Kuching and Samarahan, Sarawak. The NGO is committed to inspiring and empowering women by providing financial literacy and life skills training, especially to financially-challenged community members.

5 October 2021

Hari Pahlawan with Persatuan Kebajikan Bekas Anggota Skuad 69 Polis Diraja Malaysia



Food packs and medical items were donated to more than 20 families of police retirees in Selangor and Kuala Lumpur. Persatuan Kebajikan Bekas Anggota Skuad 69 Polis Diraja Malaysia is an NGO that provides welfare assistance to its members and retirees, including dependents.



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14 October 2021



World Vision Day with Tun Hussein Onn National Eye Hospital (THONEH)

CGC sponsored 10 cataract removal surgeries for B40 senior citizens at THONEH. In addition, free offsite eye screening was provided for the poor in Selangor.

CGC has been working with THONEH for two consecutive years, ensuring the marginalised receive adequate eye-related healthcare services.

1 November 2021

Food Baskets with Semboyan Malaysia (SM)

Ninety needy pandemic-affected families in Kuala Lumpur received food baskets donated by CGC. SM, an NGO that safeguards consumer rights, provides legal advice to fraud and exploitation victims. It established Persatuan Pengguna Semboyan Kasih in May 2021 to provide free food baskets to KL's underserved community.



7 November 2021

Food packs with Islamic Charity Society Penang (ICS)



CGC contributed 100 food packs to poor Pulau Pinang families who lost their income due to COVID-19. ICS aids Penang's underserved communities, mainly single mothers, orphans, special needs people, chronic disease patients and victims of natural disasters. It also facilitates systematic, effective welfare programmes to assist all communities, regardless of background, religion and race.

7 - 14 November 2021

Relief efforts with Pertubuhan Komuniti Harap (HARAP) Kuantan



2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
10 REDUCED INEQUALITIES

CGC contributed food packs and medical item vouchers to distribute to 50 families in Kuantan, Pahang affected by the COVID-19 pandemic. HARAP organises social programmes that impact, transform, educate and empower the marginalised, the sick and young people to enhance their well-being.

30 November 2021

Donation to Kelab Ibu Tunggal Sentuhan Kasih (KITSK)



2 ZERO HUNGER
10 REDUCED INEQUALITIES

In support of the KITSK Bantuan Khas Keluarga Ibu Tunggal Asnaf Pasca COVID-19 programme, CGC donated food packs and children's basic items to 20 economically-challenged families affected by the COVID-19 outbreak in the Klang Valley. KITSK champions the poor and less fortunate single mothers by improving their living standards and integrating them into all levels of society.

23 November - 21 December 2021

Food packets with Malaysia Relief Agency (MRA) to support its COVID-19 Emergency Relief Fund 3.0



2 ZERO HUNGER
10 REDUCED INEQUALITIES

CGC donated towards the purchase of food packets to benefit 1,000 Klang Valley B40 families adversely affected by the pandemic. MRA is a humanitarian organisation that assists local and overseas victims of natural disasters or armed conflicts. It works with, among others, the National Security Council, the Health Ministry and the Social Welfare Department to roll out numerous humanitarian-related projects.

23 December 2021

Deepavali with The Lost Food Project (TLFP)



2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
10 REDUCED INEQUALITIES

Supporting TLFP, CGC sponsored 100 RM100 care packs for the Tamil Community Kajang and Pusat Bantuan Sentul, in conjunction with Deepavali. The NGO redistributes unsold good-quality food to the poor to avoid wastage and reduce carbon emissions. It aims to eliminate hunger in Malaysia, while striving to be Malaysia's leading food bank. TLFP provides an average of 33,000 meals per week to residents of low-cost flats (PPR) and to charities.



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30 December 2021

Supporting Malaysian Relief Agency's (MRA) Flood Relief Project



CGC donated towards food packs and necessities for victims of Malaysia's flash floods on 18 and 19 December 2021. The humanitarian organisation MRA assists victims of natural disasters and armed conflicts, both locally and abroad, collaborating with, among others, the National Security Council, Ministry of Health, Royal Malaysia Police and the Social Welfare Department to carry out numerous humanitarian-related projects.

December 2021 to February 2022

Contribution to Mercy Malaysia's COVID-19 Full Movement Control Order (FMCO) Preparedness and Response Fund



CGC donated food packs to 500 underserved families affected by the COVID-19 pandemic in five states - Penang, Kedah, Melaka, Terengganu and Sarawak. Mercy Malaysia is a full-fledged humanitarian organisation providing humanitarian services, from emergency response to rehabilitation and recovery, mitigation and prevention, as well as disaster preparedness.

December 2021 - February 2022

Supporting UNICEF Malaysia's Emergency COVID-19 Fund



CGC procured essential medical supplies and equipment to help Klang Valley hospitals cope with the high number of COVID-19 patients. UNICEF Malaysia engages with the Malaysian Government, civil society, and the private sector in their community development initiatives.

23 December 2021

Supporting MERCY's Flood Relief Fund



CGC purchased ready meals, hand sanitisers and face masks for victims affected by Malaysia's devastating flash floods in December 2021.

25 December 2021

Christmas with Shepherd's Care Foundation



CGC provided Christmas meals, groceries and medical supplies for 80 residents of the Shepherd's Care Foundation. Founded in 1993, the Foundation aims to ensure a caring, loving environment for its children to grow.

February 2022

Laptops for MySkills Foundation



CGC sponsored 50 laptops for teenagers and children living on the MySkills Foundation Campus in Kalumpang, Selangor, for their online classes. MySkills Foundation engages with B40 secondary-school and dropout students and equips them with knowledge and market-relevant technical skills, enabling future employment.

January 2022

Back-to-School 2022 with Yayasan Pendidikan Pelajar Melayu (YPPM)



A total of 40 Galaxy Tab A tablets were donated to poor rural children of Perak and Melaka. This was to enable their online study, as part of YPPM's Program Peranti Kasih. The NGO promotes education and has been organising Back-to-School programmes since 2012, providing uniforms and stationery to needy B40 students.

9 March 2022

Adopting a Tree with Taman Tugu Foundation



The tree and bench adoption in perpetuity in Taman Tugu, a forest reservation public park in the heart of Kuala Lumpur, signifies CGC's efforts in preserving the environment, in conjunction with our 50th Anniversary in 2022. The Taman Tugu Project is a not-for-profit CSR initiative led by Khazanah Nasional, supported by various public-sector agencies and civil society organisations.

RUHIL AMAL RAZALI
and NOOR FAEIZAH
TUMARI

Kangar,
Perlis

Retail

PIONEER PREMIER



“CGC teaches businesses like us to not be afraid of getting financing, unlike other banks.”

Managing Business

The husband-and-wife team of Ruhil Amal Razali and Noor Faeizah Tumari moved to Perlis when Ruhil was posted there as a lecturer in 2012. Noor Faezah, who had to quit her job to join him, began a small business from home selling *kain pasang*. Five years later, Ruhil joined his wife to build the business together.

A year later, they attended a programme by entrepreneur, investor and business growth mentor Dr Azizan Osman, who is their current mentor. They followed his guidance and their business began to grow very fast. Nevertheless, their ByReefa clothing line was still in its infancy and needing capital to increase production.

They also found that, once they had mastered the art of marketing, they could not fulfil orders as their stock kept depleting. “We knew how to sell and how to get the customer, but without enough stock or capital, we could not grow further.”

CGC's Commitment

The couple's first financing, BizMula-i in 2019, helped them establish themselves in the market as an affordable Muslimah clothing line. Their products are available via online platforms such as IG, FB, Shopee, and Lazada, as well as at their outlets in Perlis. Indeed, they only market online. Ruhil believes that the most important thing in marketing



is to let as many people as possible see what they offer. “Whether they buy or not, that is another factor.”

Once they knew how to navigate their way through obtaining financing, they sourced more from AmBank and Maybank in 2020. In 2021, they obtained another BizMula-i. “CGC teaches businesses like us to not be afraid of getting financing, unlike other banks.”

Last year the company made around RM28 million. Ruhil is looking at doubling that figure this year and then doubling it again the following year. “We have our eye on reaching RM100 million.”

Pandemic Principle

“In every problem, there is an opportunity. This pandemic has sifted out people who give up easily. The resilient ones who survive this will go further.”

PALANI MUNIANDY

Cyberjaya,
Selangor

Contract Cleaning
Services

AJS MAJU SERVICES



“ In 2021, with imSME, I was contacted by Bank Islam within two weeks and received the Bank Islam Biz G.R.O.W disbursement within two months. ”

Managing Business

Although his job as an aircraft engineer brought Palani Muniandy lots of perks and fun-filled moments, it lacked fulfilment. “I knew I had something more to offer, to channel my interest, passion and my dying thirst for success.” He needed a platform where he could excel, proving to himself that he could do more.

Cleaning services is the only business that is always needed, he thought, as he set up AJS Maju Services with a partner. They began commercial and residential contract cleaning services in 2014.

Yet it was a challenge to roll the capital. “Almost 75% of what we charge clients goes to staff salaries. By the time we receive our 30-day term payments from our clients, we would have had to pay our staff two months in salary.” Furthermore, the company has 100 workers now, having started out with just two.

CGC's Commitment

It was a Facebook pop-up ad that directed Palani to the imSME site. He had tried to obtain loans from many banks before that, after being impacted by the pandemic in 2020. “In 2021, with imSME, I was contacted by Bank Islam within two weeks and received the Bank Islam Biz G.R.O.W disbursement within two months.”



Palani used the funds as working capital to pay staff salaries, to sustain instead of developing the business as he had planned. With the MoU signed by the governments of both Malaysia and Indonesia, he hopes his workers who were held back in the last two years will be on their way over soon. These workers will help him expand his residential cleaning services beyond Cyberjaya. He also hopes to push ahead with his super app booking platform that he expects to transform AJS Maju Services.

Pandemic Principle

“Especially when I thought that this industry would not be affected by anything, it proved me wrong. In any industry, there's always a hidden enemy behind us - for which we must always be prepared.”

KHARTIGESU
SUBRAMANIAM

Kulim,
Kedah

Logistics
Services

PAN PANTHER LOGISTICS



“ Once I received the BizMula-i in 2021 and a BizBina-i in 2022, I managed to expand my business and increase the number of trailers I purchased in the last two years. ”

Managing Business

After six years of experience in logistics, Khartigesu Subramaniam set up his own company, Pan Panther Logistics, in 2018. The transportation company services clients such as Nippon Express and Alumac Industries, among others.

“This is a good business to be in, but the capital required is very high,” Khartigesu affirms. He needs to ensure that he has enough cash, RM70,000 - 80,000 a month, on rotation. For work done, it takes 90

days for Pan Panther Logistics to receive payment. Yet they spend RM1,500 to 2,000 in cash on fuel and toll charges daily.

During the pandemic, the business kept going but the MCOs in 2020 debilitated the company’s cash flow. At the same time, Khartigesu still needed to develop his business. While they were able to operate throughout most of the crisis, total lockdowns, when borders closed, meant they could not function.

CGC’s Commitment

So, the first BizMula-i helped tide the company over. “Once I received the BizMula-i in 2021 and a BizBina-i in 2022, I managed to expand my business and increase the number of trailers I purchased in the last two years.” Currently, Pan Panther Logistics owns three trailers and one lorry, and employs four staff members including him, and four drivers for his trucks. With improved facilities and additional trailers, the business progressed, enabling him to secure more logistics contracts.

Karthigesu reflects: “While CGC’s service is very good and the staff really helpful, I wish the disbursement of the funds could be a little faster.” In addition, although he logged in to a few CGC Developmental Programme™ webinars, he found them unrelated to his field of work. “For someone who has been in the business for a while and gone through challenges, they were just general knowledge to me.”

Pandemic Principle

“Actually, I have no real lesson. But for the first time in years, during a total lockdown, I got the opportunity to enjoy a holiday for a whole month. I ate well, slept well and rested well.”





CORPORATE ENGAGEMENTS

To explore mutually beneficial partnerships, CGC's corporate engagement activities and events go a long way towards creating a community for MSMEs to thrive.

To achieve common goals, collaborative partnerships ensure that access to knowledge, networks and financing allow for a long-term association. Staying ahead of the curve in seeking constant engagement to meet our customers' evolving needs, CGC takes full advantage of opportunities to meet, exchange ideas and find ways of assisting each other.

24 March 2021

Persatuan Pedagang dan Pengusaha Melayu Malaysia (PERDASAMA)

A meeting took place between CGC and PERDASAMA representatives Datuk Hj. Mohd Fauzi, President, Datuk Hj Junaidi, Secretary General, and Mohd Azamanizam, Vice President. Among matters discussed were the availability of the CGC Developmental Programme™, as well as financing opportunities to all PERDASAMA members, nationwide.

31 March 2021



Meeting the newly-appointed Secretary-General of Ministry of Works (KKRM)

CGC's Bumi Team led by YB Dato' Syed Moheeb (Director/Chairman BBDC) paid a courtesy visit to the newly-appointed KKRM Secretary-General (KSU), YB Dato' Dr Syed Omar Sharifuddin bin Syed Ikhsan, to record CGC's appreciation of PWD (JKR) for being CGC's top Contract Awarder (CA) and to seek continuing support from the State PWD (JKR) in all 16 CGC branches. YB Dato' Dr Syed Omar shared updated information about PWD and MOW contracts and projects for CGC to assist in TPUB-i financing.

7 April 2021



Syarikat Perumahan Nasional Berhad (SPNB)

Among matters discussed with SPNB were the inclusion of SPNB as one of the CAs under TPUB-i FTP. Rizal Hamzah, Head Rumah Mesra Rakyat (RMR) SPNB, disclosed much regarding RMR projects worth RM200 million, funded annually by the Government via the Ministry of Housing and Local Government (KPKT).



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13 April 2021

Malaysia Rail Link (MRL), China Communication & Construction Company (CCCC) and TERAJU

CGC, together with TERAJU, had a meeting with MRL and CCCC to understand the entire project's structure and to discuss the Date of Agreement (DoA) with CCCC for the ECRL project. CCCC is the ECRL project manager and is also in charge of procurement and payment.

29 September 2021

Sarawak Energy Berhad (SEB)

CGC and SEB discussed potential collaboration, with the key objective to assist SEB Bumiputera contractors to access financing in order to complete SEB projects.

7 October 2021

TH Properties Services Sdn Bhd (THP)

GGD and Nilammasri Ja'afar, Head, Bumiputera Development & Sales Management, discussed with Zahrul Azuan Dejeli, Head of Operations and Special Projects, UDA, the viability of promoting the TPUB-i scheme to their contractors as well sharing leads of contractors who have secured THP contracts.

10 November 2021

edotco Group Sdn Bhd (edotco)

GGD together with Nilammasri Ja'afar, Head, Bumiputera Development & Sales Management, met Aida Ahmad Daud, Director of Finance, edotco, to explore collaboration to assist edotco Bumiputera contractors to access financing for edotco projects.

8 September 2021

Meeting the President of Persatuan Rakan Niaga Strategik Malaysia (PERNISMA)

CGC's GLCs & Government Agencies Department (GGD), together with Mohamed Azman Mohamed Taufik, Senior Vice President, Business Development & Products, met PERNISMA President Tn Hj Daud Mohd Sharif, to brief him on TPUB-i FTP (TNB) features. PERNISMA is agreeable to introducing their State Presidents to CGC's Branch Managers, as well as assisting in providing leads of contractors who received contracts from TNB.

1 October 2021

UDA Holdings Berhad (UDA)

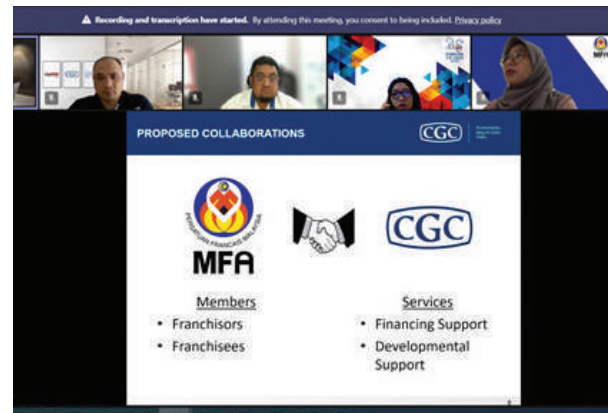
GGD together with Nilammasri Ja'afar, Head, Bumiputera Development & Sales Management, met Noor Azmi Salleh, Chief Operating Officer, UDA, to discuss potential collaboration between the parties. The main objective of the collaboration is to assist Bumiputera contractors under UDA to have access to financing in order to complete UDA projects.

21 October 2021

Karnival Kerjaya Belia 2021

Zariati Azrina Dato' Zainal Azmi, Assistant Vice President, GGD, was invited as a panellist for Karnival Kerjaya Belia 2021 - Dimensi Dana & Kemudahan, jointly organised by Kementerian Sumber Manusia and Kementerian Belia dan Sukan.

10 November 2021



Malaysian Franchise Association (MFA)

GGD together with Nilammasri Ja'afar, Head, Bumiputera Development & Sales Management, met Wan Muhammad Zainal, Deputy General Manager, MFA, to discuss potential collaboration to assist Bumiputera franchisors/franchisees to access financing via BizMula-i/BizWanita-i.

18 November 2021



DA Dayaurus Sdn Bhd (UDSB)

To assist Bumiputera UDSB contractors to access financing in order to complete UDSB projects, CGC discussed potential collaboration with Nur Azrin Abd Aziz, Head of Finance, UDA.

2 - 4 December 2021



Hari Penjaja dan Peniaga Kecil Peringkat Kebangsaan (HPPK) 2021

CGC was an exhibitor at HPPK's 2021 event, organised by the Ministry of Entrepreneur Development and Cooperatives (MEDAC) and attended by small entrepreneurs from all over Malaysia.

23 - 26 December 2021



Festival Usahawan Wanita Bangkit Bersama 'RISE Together' 2021

CGC participated in the 'RISE Together' Festival, contributing as a speaker and exhibitor. The event, held at Quill City Mall, Kuala Lumpur, was organised by the Ministry of Women, Family and Community Development and eight Women NGOs, and celebrated by women entrepreneurs throughout Malaysia.



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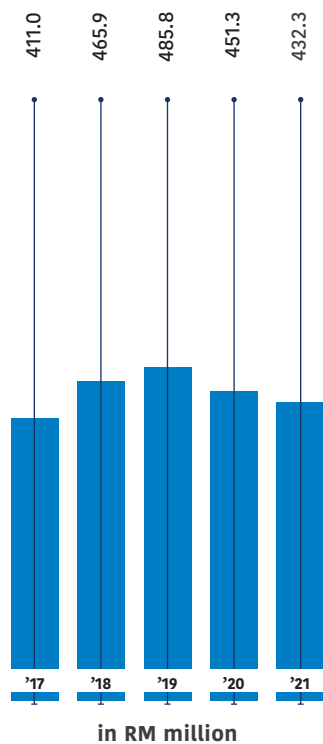
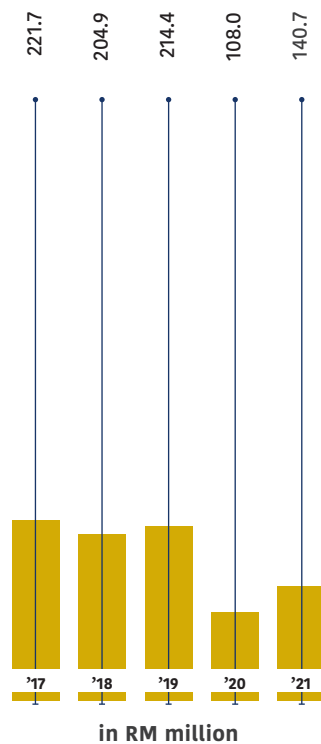
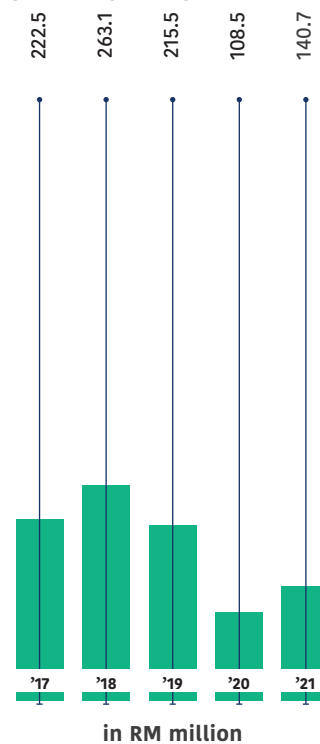
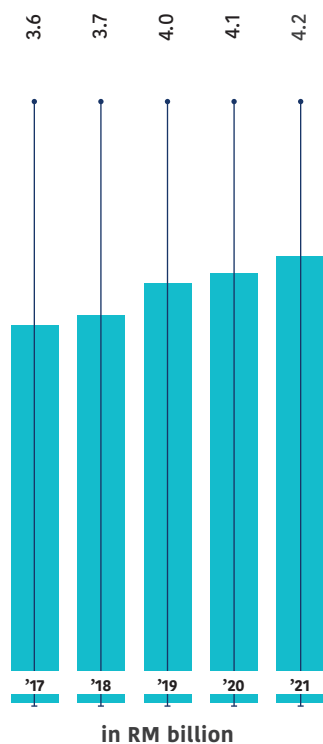
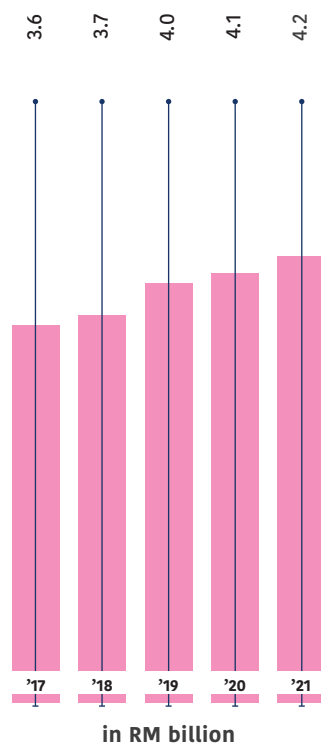
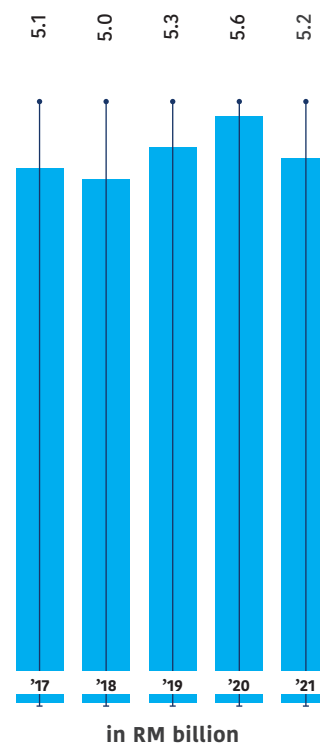
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5 - YEAR FINANCIAL SUMMARY AND HIGHLIGHTS

	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000
ECONOMIC ENTITY					
Total Income	411,018	465,872	485,806	451,296	432,337
Profit Before Taxation	221,658	204,926	214,399	108,016	140,713
Net Profit for the Financial Year	222,008	262,540	215,339	108,541	140,713
Profit Attributable to Shareholders	222,497	263,095	215,451	108,541	140,713
Shareholders' Equity	3,611,818	3,711,288	3,993,960	4,145,740	4,200,968
Total Equity	3,613,789	3,712,704	3,995,264	4,145,740	4,200,968
Total Assets	5,091,909	5,023,319	5,344,053	5,612,552	5,194,324

TOTAL INCOME**PROFIT BEFORE TAXATION****PROFIT ATTRIBUTABLE TO SHAREHOLDERS****SHAREHOLDERS' EQUITY****TOTAL EQUITY****TOTAL ASSETS**



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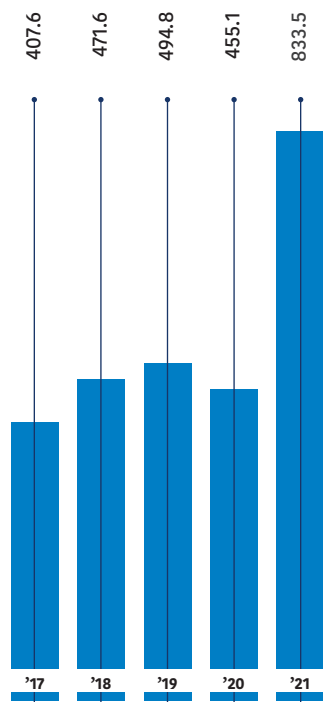
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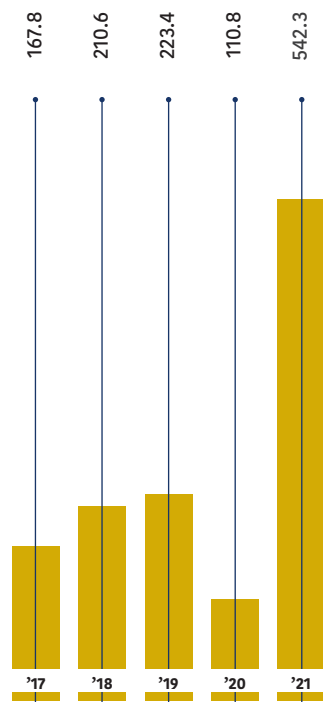
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5-YEAR FINANCIAL SUMMARY AND HIGHLIGHTS

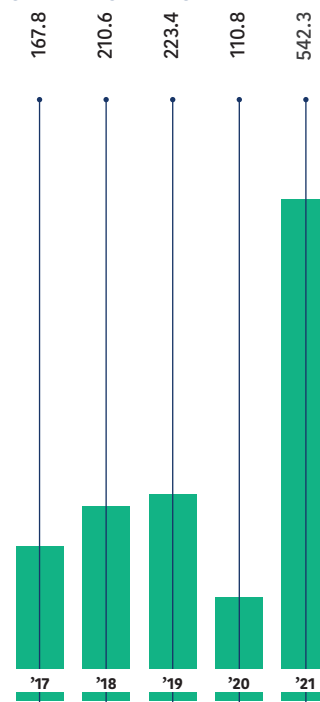
	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000
COMPANY					
Total Income	407,626	471,572	494,756	455,106	833,487
Profit Before Taxation	167,849	210,636	223,358	110,761	542,306
Net Profit for the Financial Year	167,849	210,636	223,358	110,761	542,306
Profit Attributable to Shareholders	167,849	210,636	223,358	110,761	542,306
Total Equity	3,266,715	3,311,293	3,589,510	3,743,510	4,200,331
Total Assets	4,742,429	4,620,019	4,935,604	5,210,322	5,193,687

TOTAL INCOME

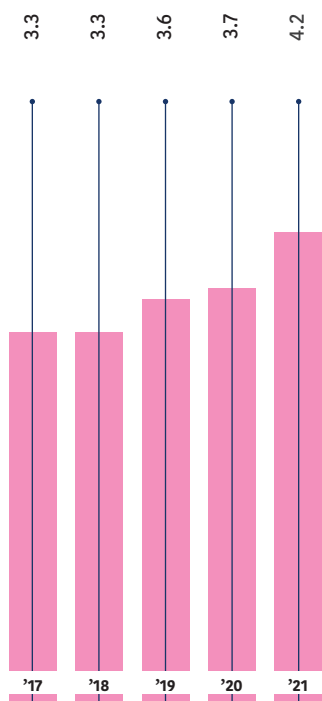
in RM million

PROFIT BEFORE TAXATION

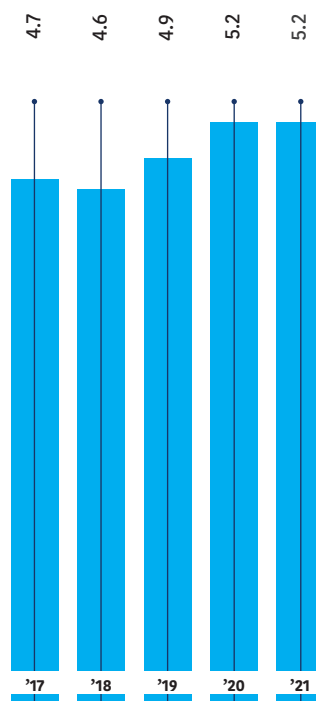
in RM million

PROFIT ATTRIBUTABLE TO SHAREHOLDERS

in RM million

TOTAL EQUITY

in RM billion

TOTAL ASSETS

in RM billion

SHANMUGANATHAN
SITHIRAVELU

Rawang,
Selangor

Supplying cleaning
products

VGC CHEMICAL ENTERPRISE

“CGC’s financing options allowed me to diversify, and build my business step by step with new product ideas. I have a lot of new projects coming in, and I never let go of any opportunity, however small or big.”

Managing Business

Enthusiastic, driven and motivated may describe Shanmuganathan Sithiravelu best. After working with his uncle in the elder’s chemical cleaning supplies business for four years, Shanmuganathan ventured out on his own in 2019. “I had my own plans and strategies that I wanted to try out to make my business a success,” he explains.

He had also spent almost two years studying everything about making cleaning products. Sacrificing family visits and fun activities, he focussed on honing his skills before beginning to experiment with formulations. “I am almost a one-man show, with an on-off part-timer. I’m the director. I’m the lorry driver. I’m the salesman. I’m the everything, with a very busy schedule and no time to stop.”

The pandemic affected his business in that his profits dropped because of the 80% rise in chemical costs. Also, he could not get his plans off the ground concurrently, lacking capital.

CGC’s Commitment

Shanmuganathan’s business mantra is, “We have to invest first.” He used his first BizMula-i financing, in 2019 as working capital to start his business. As he gained customers’ confidence through quality products, excellent service and customer care, his stable of clients grew with word-of-mouth recommendations.



Ready to level up his business, he applied for BizBina-i financing in 2022. “I wanted to be a supplier of everything that a cleaning company requires.” These include bulk-buying, along with cleaning supplies, garbage bags, tissues and soon-to-be-available cleaning tools. However, he had to shrink his plan, as the approved amount fell short. Nevertheless, “CGC’s financing options allowed me to diversify, and build my business step by step with new product

ideas. I have a lot of new projects coming in, and I never let go of any opportunity, no matter big or small.”

Pandemic Principle

“Savings are most crucial. Whatever I saved to expand the business disappeared during the pandemic when I had to support many family members.”

FLASIUS CHIN

Kota Kinabalu,
Sabah

Retail auto
spare parts and
electrical goods

CAPITAL AUTO ELECTRICAL PARTS

“ I used the BizMula-i financing in 2019 as working capital and invested in a second branch in another district with a partner. ”

Managing Business

After gaining experience in a similar business for 30 months, Flasius Chin decided to start a shop on his own in 2019. Because he wanted to try his hand at running his first business, he started Capital Auto Electrical Parts, selling parts for vehicles, aircraft and boats.

He grew his business with regular customers by ensuring that he always had enough parts in his store. “Whatever they ask for, we must have the stock. My service includes fast delivery and looking for an item for my client until I find it for them,” claims Chin. This method also ensures that he stays ahead in this very competitive business. Due to the state’s geography and terrain, Sabah businesses

such as Chin’s are many and competition is stiff. He also keeps his customers informed by posting available parts on the company’s Facebook page.

However, seven months later the pandemic struck and he found running the business quite demanding. During the lockdowns, he had to shut down. Later on, he could only see customers through appointments. When he fully reopened his store, he and his single employee had to work even harder and for longer hours and more days.

CGC’s Commitment

Chin took a decisive step: “I used the BizMula-i financing in 2019 as working capital and invested in a second branch

in another district with a partner.” With the funds, he also increased his stock, a critical part of his business as customers’ needs are often urgent.

While business has improved recently, it has not yet reverted to pre-pandemic levels. But Chin is hopeful for the future. Eventually, he would like to upgrade his enterprise into a full-fledged Sendirian Berhad.

Pandemic Principle

“Try not to have too many financial commitments. We can’t be overburdened in case another crisis comes.”





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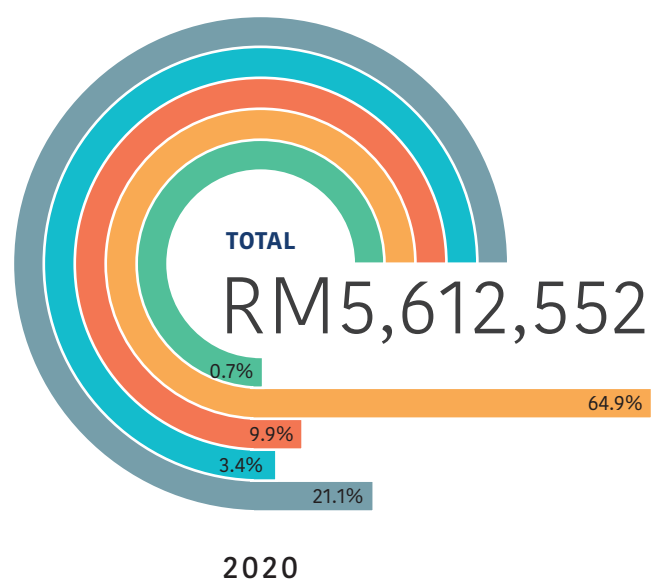
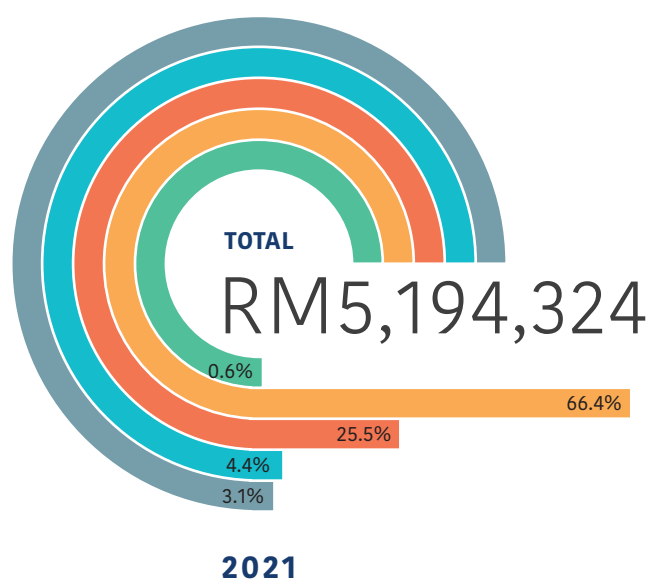
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SIMPLIFIED STATEMENTS OF FINANCIAL POSITION

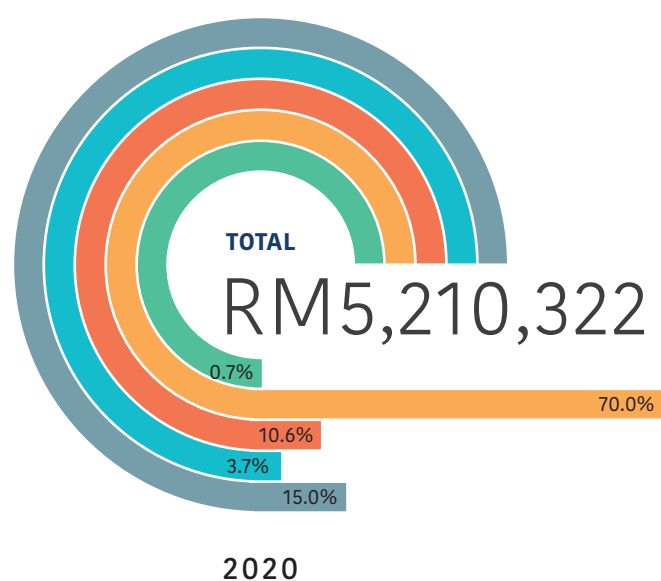
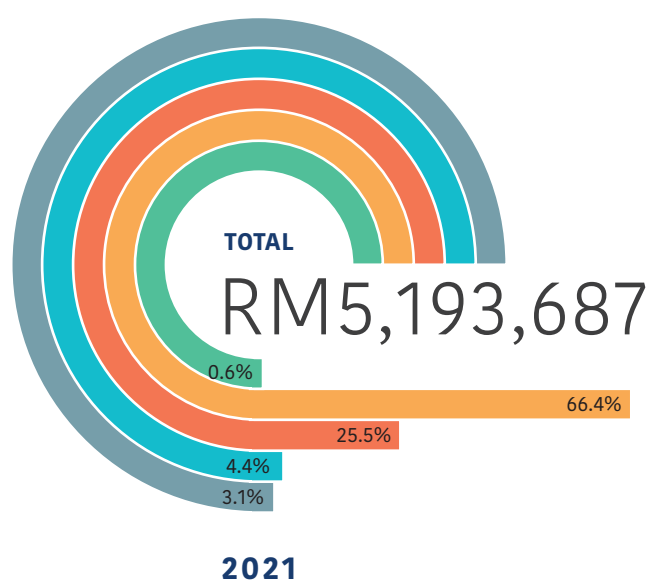
	2021		2020	
	RM'000	%	RM'000	%
ECONOMIC ENTITY				
Property, Plant & Equipment and Intangible Assets	30,972	0.6%	37,300	0.7%
Financial Investments	3,446,621	66.4%	3,645,153	64.9%
Term Deposits	1,324,279	25.5%	553,564	9.9%
Financing, Loans and Advances	230,530	4.4%	193,449	3.4%
Others	161,922	3.1%	1,183,086	21.1%
Total	5,194,324	100%	5,612,552	100%

	2021		2020	
	RM'000	%	RM'000	%
COMPANY				
Property, Plant & Equipment and Intangible Assets	30,972	0.6%	37,300	0.7%
Financial Investments	3,446,621	66.4%	3,645,153	70.0%
Term Deposits	1,324,279	25.5%	553,564	10.6%
Financing, Loans and Advances	230,530	4.4%	193,449	3.7%
Others	161,285	3.1%	780,856	15.0%
Total	5,193,687	100%	5,210,322	100%

ECONOMIC ENTITY (RM'000)



COMPANY (RM'000)



● Property, Plant & Equipment and Intangible Assets

● Financial Investments

● Term Deposits

● Financing, Loans and Advances

● Others



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In 2021, CGC managed a total of 22 guarantee/financing schemes; sixteen (16) of which fall under the Guarantee Schemes category, five (5) under the Direct Financing Schemes category, and one (1) under the Government-backed Scheme category, Portfolio Guarantee Scheme and Wholesale Guarantee Scheme.

GUARANTEE SCHEMES

Portfolio Guarantee Scheme

Wholesale Guarantee Scheme

- BizMaju
- BizSME
- BizJamin
- BizJamin-i
- BizJamin Bumi
- BizJamin Bumi-i
- BizJamin NRCC
- BizJamin-i NRCC
- BizJamin HTF-NIA
- BizJamin-i HTF-NIA
- BizJamin TRRF
- BizJamin-i TRRF
- Flexi Guarantee Scheme (SME-All Economic Sectors)
- Flexi Guarantee Scheme-i (SME-All Economic Sectors)

Government-backed Scheme

- Franchise Financing Scheme

DIRECT FINANCING SCHEMES

- Tabung Projek Usahawan Bumiputera-i (TPUB-i)
- BizMula-i
- BizWanita-i
- BizBina-i
- BizMikro-i

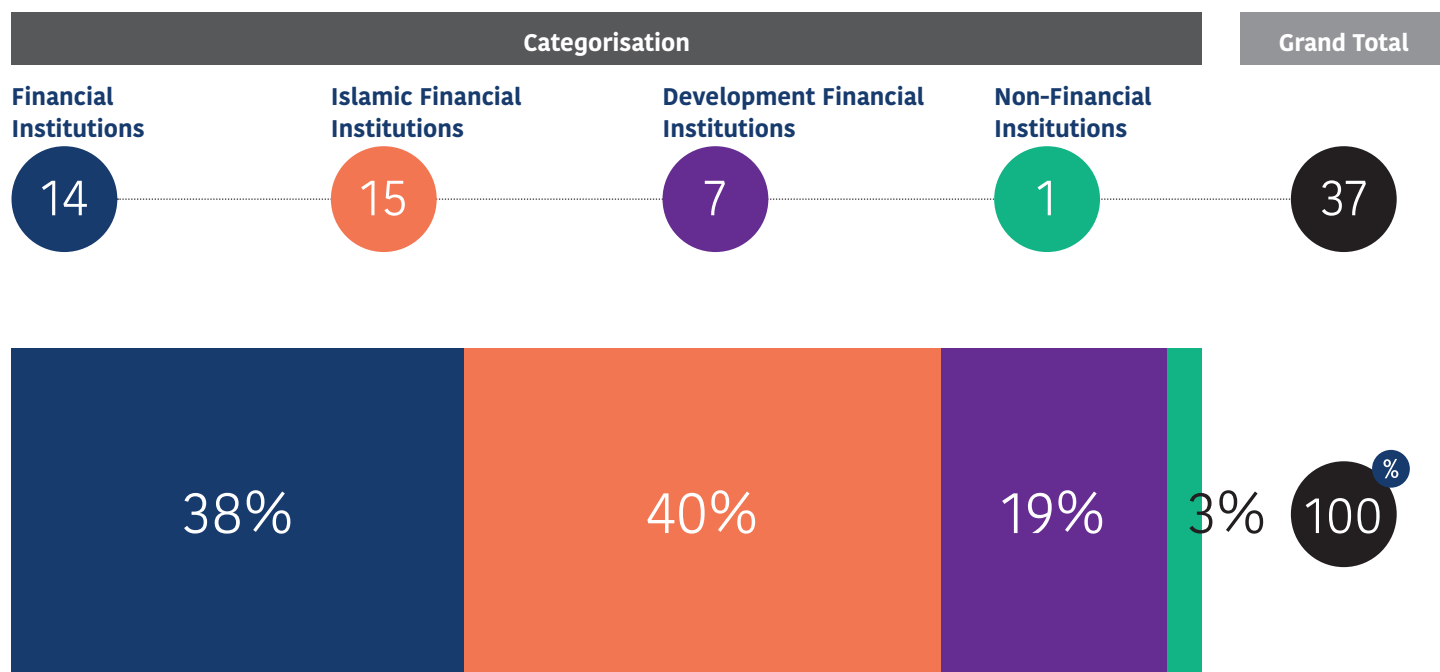
BEYOND GUARANTEE

imSME

CGC DEVELOPMENTAL PROGRAMME™

- Financial Access Advisory
- Market Access Advisory

MyKNP@CGC



Distribution of Guarantees & Financing

Sector	MSMEs (No. of Accounts)	RM million	% MSMEs (% No. of Accounts)
Wholesale & Retail, Trade, Restaurants & Hotels	32,885	10,267.10	56.7%
Manufacturing	5,419	2,522.64	9.3%
Financing, Insurance, Real Estate & Business Services	7,459	2,510.05	12.9%
Electricity, Gas & Water	497	1,782.92	0.9%
Transport, Storage & Communication	3,683	1,292.04	6.4%
Community, Social & Personal Services	4,488	1,133.64	7.7%
Construction	2,709	1,093.78	4.7%
Agriculture, Hunting, Forestry & Fishing	774	263.20	1.3%
Mining & Quarrying	60	34.05	0.1%
Grand Total	57,974	20,899.42	100.0%

Top 3 States	MSMEs (No. of Accounts)	RM million	% MSMEs (% No. of Accounts)
Selangor	13,143	5,672.59	22.7%
Wilayah Persekutuan Kuala Lumpur	10,449	5,152.47	18.0%
Johor	6,932	2,505.95	12.0%
Others	27,450	7,568.41	47.3%
Grand Total	57,974	20,899.42	100.0%

Financing/Loan Range	MSMEs (No. of Accounts)	RM million	% MSMEs (% No. of Accounts)
100,000 & below	16,244	945.77	28.0%
100,001 - 500,000	33,113	10,447.83	57.1%
500,001 - 1,000,000	7,686	6,424.76	13.3%
1,000,000 - 2,000,000	709	1,050.23	1.2%
2,000,001 & above	222	2,030.84	0.4%
Grand Total	57,974	20,899.42	100.0%



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BOARD OF DIRECTORS



DATO' MOHAMMED HUSSEIN

FCB

Independent Non-Executive Director (Chairman)

Age **72**

Date Appointed to the Board

1 May 2020

Membership of Board Committee(s)

- Chairman of Board Nomination and Remuneration Committee (BNRC)

Qualification(s)

- Fellow Chartered Banker of Chartered Banker Institute and Asian Institute of Chartered Bankers
- Advanced Management Programme (AMP 163) - Harvard Business School - Boston, USA
- Bachelor of Commerce (Accounting) - University of Newcastle, Australia

Tenure of Directorship

2 years 2 months
(as at 49th AGM - 21 June 2022)

Meeting Attendance

(9/9)

During his 31-year tenure with Malayan Banking Berhad (Maybank) Group, Dato' Mohammed Hussein held various senior management positions including Head of Corporate Banking, Head of Commercial Banking, Head of Malaysian Operations, Managing Director of Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Berhad) and Executive Director (Business Group). He retired from Maybank Group on 30 January 2008 as Deputy President/Executive Director/Chief Financial Officer. He was then appointed as Advisor of Maybank from April 2008 to September 2008.

Dato' Mohammed Hussein is currently Independent Non-Executive Chairman of Gamuda Berhad, Hap Seng Plantations Holdings Berhad and Syarikat Takaful Malaysia Keluarga Berhad. He is also an Independent Non-Executive Director at Bank of America Malaysia Berhad. In addition, he is Chairman of the Corporate Debt Restructuring Committee (CDRC), sponsored by Bank Negara Malaysia (BNM) to facilitate the resolution and restructuring of major corporate debts.

He was previously Chairman of Danajamin Nasional Berhad from 2013 to 2018 and Quill Capita Management Sdn Bhd from 2008 to 2015. He also served as Director on the Board of Tasek Corporation Berhad, CapitaLand Malls Malaysia Berhad and Hap Seng Consolidated Berhad.

Declaration:

- Dato' Mohammed Hussein does not have any conflict of interest or any family relationship with any Director and/or major shareholder of CGC.
- Dato' Mohammed Hussein has not been charged and/or convicted for any offence.



ADNAN ZAYLANI MOHAMAD ZAHID

Non-Independent Non-Executive Director

Age 51 

Date Appointed to the Board

18 October 2018
Resigned: 19 April 2022

Tenure of Directorship

3 years 6 months

Membership of Board Committee(s)

- Member of Board Nomination and Remuneration Committee (BNRC)
- Member of Board imSME Committee (BimSMEC)

Meeting Attendance

(9/9)

Qualification(s)

- Master in Public Policy, Blavatnik School of Government - University of Oxford, UK
- Master of Science in Global Market Economics - London School of Economics and Political Science, UK
- Bachelor of Science in Economics - London School of Economics and Political Science, UK

Adnan Zaylani is currently an Assistant Governor of BNM. He is a member of BNM's Management Committee, Financial Stability Committee and Reserve Management Committee, responsible for Islamic Banking and Takaful, Financial Development and Innovation, Insurance Development and Development Finance and Inclusion.

Apart from CGC, he also represents BNM on the Board of Kumpulan Wang Persaraan (KWAP) and International Centre for Education in Islamic Finance (INCEIF). He is currently the Chairman of the Executive Committee of INCEIF and member of the Board Executive Committee of International Islamic Liquidity Management Corporation (IILM).

Due to the change in Adnan Zaylani's portfolio as Assistant Governor of BNM, he resigned as Director of CGC on 19 April 2022.

Declaration:

- Adnan Zaylani was a nominee of BNM, the major shareholder of CGC.
- Adnan Zaylani does not have any conflict of interest or any family relationship with any Director.
- Adnan Zaylani has not been charged and/or convicted for any offence.



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DATUK DAVID CHUA KOK TEE

Independent Non-Executive Director

Age 75 

Date Appointed to the Board

15 February 2013
Retired: 14 February 2022

Tenure of Directorship

9 years

Membership of Board Committee(s)

- Chairman of Board Risk Management Committee (BRMC)

Meeting Attendance

(9/9)

Qualification(s)

- Honorary Doctor of Business Degree (Ph.D. Hon)
– University of Malaya
- Bachelor of Arts (B.A. Hons)
– University of Malaya

Datuk David Chua has vast experience in both commercial and industrial sectors as he has devoted his entire career to the business sector. He is the Managing Director of DC&A Group of Companies, which is involved in housing and property development, with the current key focus on a popular beach resort destination on Pangkor Island, Malaysia.

Datuk David Chua is presently an Advisor of the Chinese Chamber of Commerce & Industry of Kuala Lumpur and Selangor (KLSCCCI).

In addition, he currently serves as a Member of the Anti-Corruption Advisory Board of the Malaysian Anti-Corruption Commission (MACC); Council Member of Majlis Keusahawanan Pengajian Tinggi Nasional (MKPTN), Ministry of Education; and Trustee of Administrative and Diplomatic Officers Alumni Association, Malaysia (Alumni PTD).

In the past, Datuk David Chua served actively in numerous key and senior positions in trade associations and chambers of commerce and industry, as well as government-appointed positions. Some of his key positions were: Director on the Board of University of Malaya from 2007 to 2015; Chairman of UM Holdings Sdn Bhd (commercial and investment wing, wholly owned by University of Malaya) from September 2009 to April 2015; and Board Member of UM Specialist Centre Sdn Bhd (UMSC) from 2009 to 2015. He served as a Member of the Small Debt Restructuring Committee (SDRC) of Bank Negara Malaysia (BNM) from 2004 to February 2021. He has been a Member of the Board of Directors of Malaysia-China Business Council (MCBC) since its inception in 2011.

Datuk David Chua was also a Member of the Consultation and Prevention Panel of the MACC and a Member of the Advisory Board of Dewan Bandaraya Kuala Lumpur. In 1990, he was appointed to the National Economic Consultative Council (MAPEN I) and, in 1999, was reappointed and served as Deputy Chairman for MAPEN II.

Datuk David Chua, who had been on the CGC Board since 15 February 2013, retired on 14 February 2022 after completion of his nine (9) years' service tenure as Director in CGC.

Declaration:

- Datuk David Chua does not have any conflict of interest or any family relationship with any Director and/or major shareholder of CGC.
- Datuk David Chua has not been charged and/or convicted for any offence.



DATO' HAJI SYED MOHEEB SYED KAMARULZAMAN

FCII, FCIIFP, Senior Associate CIP
Independent Non-Executive Director

Age 69 

Date Appointed to the Board

15 January 2014

Tenure of Directorship

8 years 5 months
(as at 49th AGM – 21 June 2022)

Membership of Board Committee(s)

- Member of Board Risk Management Committee (BRMC)
- Member of Board Investment Committee (BIC)
- Member of Board imSME Committee (BimSMEC)

Meeting Attendance

(9/9)

Qualification(s)

- Senior Associate CIP of Australian and New Zealand Institute of Insurance and Finance
- Fellow of Malaysian Insurance Institute (MII)
- Fellow of Chartered Institute of Islamic Finance

Dato' Haji Syed Moheeb's experience in the conventional insurance, reinsurance and takaful industry spans over 43 years, during which time he helmed several local and multinational direct insurance, reinsurance and takaful companies.

Dato' Haji Syed Moheeb now sits on the Board of Standard Chartered Saadiq Berhad (SCSB). He is also the Chairman of Board Nomination & Remuneration Committee, Chairman of Board Risk Management Committee and member of Board Audit Committee in SCSB. He is the past Chairman of the Malaysian Takaful Association and a Management Committee member of the General Insurance Association of Malaysia. He was also the Chief Executive Officer (CEO) of Malaysian Insurance Institute (MII), ASEAN Insurance Training & Research Institute, Takaful Ikhlas Bhd., Gerling Global Reinsurance Malaysia Bhd., and South East Asia Insurance Bhd.

Declaration:

- Dato' Haji Syed Moheeb does not have any conflict of interest or any family relationship with any Director and/or major shareholder of CGC.
- Dato' Haji Syed Moheeb has not been charged and/or convicted for any offence.



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TEOH KOK LIN

CFA

Independent Non-Executive Director

Age 59

Date Appointed to the Board

27 June 2014

Membership of Board Committee(s)

- Chairman of Board Investment Committee (BIC)

Qualification(s)

- Chartered Financial Analyst
- First Class Honours Double Degree in Electrical Engineering and Commerce (Finance) - University of Windsor, Canada
- Master of Science in Industrial Administration - Purdue University, USA

Tenure of Directorship

8 years
(as at 49th AGM – 21 June 2022)

Meeting Attendance

(9/9)

Teoh Kok Lin is the founder and Chief Investment Officer (CIO) of Singular Asset Management Sdn Bhd, a fund management company established in 2002, licensed by the Securities Commission of Malaysia. He is also the founder and CIO of Singular Asset Management (Singapore) Ltd, a registered fund manager with Monetary Authority of Singapore (MAS). He was appointed Secretary of the Malaysian Association of Asset Managers (MAAM) effective 2 September 2020.

He is a former president of Chartered Financial Analysts (CFA) Society Malaysia with over 35 years of experience in Banking, Credit and Investment with financial institutions such as Citicorp Citibank Malaysia, Barings Malaysia, HSBC Research Malaysia and UOB Kay Hian Singapore. He constantly travels across ASEAN and North Asia for research and company visits while managing funds for institutions and high net-worth clients.

He sits on the Board of Credit Bureau Malaysia (CBM), a CGC associate company. He has also served as Independent Non-Executive Director of Institute of Capital Market Research Malaysia (ICMR), an affiliate of the Securities Commission, since May 2021. He is currently a General Council Member of the National Chamber of Commerce and Industry of Malaysia. In addition, he is Chairman of the Environmental, Social and Governance (ESG) Committee and Advisor of the Digital Economy Committee of the Associated Chinese Chambers of Commerce and Industry of Malaysia.

Declaration:

- Teoh Kok Lin does not have any conflict of interest or any family relationship with any Director and/or major shareholder of CGC.
- Teoh Kok Lin has not been charged and/or convicted for any offence.



SURESH MENON

Independent Non-Executive Director

Age 65 

Date Appointed to the Board

17 July 2014

Membership of Board Committee(s)

- Member of Board Investment Committee (BIC)

Qualification(s)

- Master of Business Management – Asian Institute of Management, Philippines
- Bachelor of Technology, majoring in Chemical Engineering – University of Madras, India

Tenure of Directorship

7 years 11 months
(as at 49th AGM – 21 June 2022)

Meeting Attendance

(9/9)

Suresh Menon has over 40 years of experience, mainly in international financial and debt markets, with his expertise extending to credit analysis and best practices in corporate governance. Since 2010, he has been an Independent Capital Market Consultant where he provides consultancy and training to financial agencies, the World Bank and regulatory authorities in several countries. He was also involved in development projects with international bodies, namely Asian Development Bank (ADB) and APEC Business Advisory Council.

He played a crucial role in setting up RAM Holdings Berhad (formerly known as Rating Agency Malaysia Berhad) and facilitated numerous services to ensure RAM reached its pinnacle. After 18 years, he retired from RAM as an Executive Director in 2010. He was also a member of RAM's Rating Committee.

He was Non-Independent Non-Executive Director of Danajamin Nasional Berhad, an associate company of CGC. He was also Chairman of the Association of Credit Rating Agencies in Asia (ACRAA) Training Committee and a member of the Main Committee of the Malaysian Corporate Governance Index 2009, 2010 and 2011 for the Minority Shareholder Watchdog Group (MSWG). In addition, he is also a past Chairman of Credit Bureau Malaysia (CBM), a CGC associate company.

Declaration:

- Suresh Menon does not have any conflict of interest or any family relationship with any Director and/or major shareholder of CGC.
- Suresh Menon has not been charged and/or convicted for any offence.



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DATO' ONG ENG BIN

Independent Non-Executive Director

Age 59

Date Appointed to the Board

14 October 2014

Membership of Board Committee(s)

- Member of Board Audit Committee (BAC)
- Member of Board Nomination and Remuneration Committee (BNRC)

Qualification(s)

- Bachelor of Accounting & Finance - University of Manchester, UK

Tenure of Directorship

7 years 8 months
(as at 49th AGM - 21 June 2022)

Meeting Attendance

(9/9)

Dato' Ong Eng Bin started his career at OCBC Bank Malaysia Berhad (OCBC) in 1988 and was appointed Head of Corporate Banking in 2004 before being promoted to Head of Business Banking in 2012. He has been Chief Executive Officer (CEO) of OCBC since August 2014.

He is also a Council Member of Asian Institute of Chartered Bankers (AICB) and the Association of Banks in Malaysia (ABM), Director of Asian Banking School (ABS) and Chairman of PAC Lease Sdn Bhd.

Dato' Ong Eng Bin brings vast experience in corporate banking, covering corporate and commercial, emerging business and transaction banking.

Declaration:

- Dato' Ong Eng Bin does not have any conflict of interest or any family relationship with any Director and/or major shareholder of CGC.
- Dato' Ong Eng Bin has not been charged and/or convicted for any offence.



CHOONG TUCK OON

Independent Non-Executive Director

Age 64 

Date Appointed to the Board

20 January 2017

Tenure of Directorship

5 years 5 months
(as at 49th AGM – 21 June 2022)

Membership of Board Committee(s)

- Chairman of Board imSME Committee (BimSMEC)
- Member of Board Risk Management Committee (BRMC)

Meeting Attendance

(9/9)

Qualification(s)

- Master of Science in Computer Applications
- Asian Institute of Technology
- Executive Diploma in Directorship
- Singapore Management University
- Bachelor of Science (First Class) in Mathematics
- University of Malaya

Choong Tuck Oon began his career in Petronas where he held executive positions in various upstream and downstream functions for more than seven years. He served Accenture for 25 years and retired as Senior Partner of Financial Services in the Asia-Pacific.

Choong specialises in technology, strategy and transformation for banking and insurance industries. He has led many strategic initiatives involving more than 20 large domestic and global banks and insurers in Asia, including national payment projects in Malaysia and Singapore. He is also active in the ASEAN digital start up ecosystem, where his advice on digital and fintech programmes is much in demand.

He has also been active in NGO initiatives such as advising a consortium of international aid agencies on core systems for the launch of bank-of-banks microfinancing in Indonesia and advising a global wildlife/nature agency on a new growth strategy for 11 Asian countries.

Choong Tuck Oon is currently an Independent Non-Executive Director on Boards of FIDE Forum Malaysia and the Star Media Group Berhad. He was previously an Independent Non-Executive Director of NTUC Income Insurance Co-operative Ltd. Singapore, RHB Bank, RHB Islamic Bank, RHB Indochina Bank, RHB Indochina Securities and RHB Private Equity.

Declaration:

- Choong Tuck Oon does not have any conflict of interest or any family relationship with any Director and/or major shareholder of CGC.
- Choong Tuck Oon has not been charged and/or convicted for any offence.



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FAISAL ISMAIL

FCA

Independent Non-Executive Director

Age 59 

Date Appointed to the Board

1 December 2019

Membership of Board Committee(s)

- Chairman of Board Audit Committee (BAC)

Qualification(s)

- Fellow, Institute of Chartered Accountants in England & Wales
- Member, Malaysian Institute of Accountants

Tenure of Directorship

2 years 7 months
(as at 49th AGM – 21 June 2022)

Meeting Attendance

(9/9)

Faisal Ismail has over 30 years of experience with various responsibilities, including board, top management, M&A, corporate, finance, tax planning, consulting, transformation and human resources. He has vast experience in different industries, including hotels, property investment and development, healthcare, shipbuilding and repairs, banking, power, and education.

He has served as Independent Non-Executive Director of BNP Paribas Malaysia Berhad since October 2020. Previously, he was Non-Independent Non-Executive Director of Danajamin Nasional Berhad, Independent Non-Executive Director of J.P. Morgan Chase Bank Berhad, Executive Director of Landmarks Berhad, Executive Director of BinaFikir Sdn Bhd, Director of the Investment division of Khazanah Nasional Berhad, and Group Managing Director of Pantai Holdings Berhad.

Declaration:

- Faisal Ismail does not have any conflict of interest or any family relationship with any Director and/or major shareholder of CGC.
- Faisal Ismail has not been charged and/or convicted for any offence.



SALEHA M. RAMLY
Independent Non-Executive Director

Age 69 

Date Appointed to the Board

1 December 2019

Membership of Board Committee(s)

- Member of Board Audit Committee (BAC)

Qualification(s)

- Master of Laws (LL.M) - University of London, UK
- Bachelor of Laws (LLB) - University of Malaya

Tenure of Directorship

2 years 7 months
(as at 49th AGM - 21 June 2022)

Meeting Attendance

(9/9)

Saleha M. Ramly began her career as a lecturer in the Law Faculty of the University of Malaya, where she served for more than eight years. She then held various senior positions in legal and secretarial departments in government-linked and public-listed companies, namely Sime UEP Properties Berhad, its holding company Sime Darby Berhad and its other listed subsidiaries: Country Heights Holdings Berhad and Landmarks Berhad.

Upon her retirement in 2007, she continued to serve in similar positions in the University of Malaya, Perbadanan Insurans Deposit Malaysia, Scomi Group Berhad and ACR Capital Holdings Pte Ltd group of companies in Malaysia and Singapore until 2018. She is currently a member of the Institute of Corporate Directors Malaysia.

With over 30 years of vast experience in corporate legal and secretarial operations, Saleha M. Ramly has in-depth experience in crafting corporate governance policies and legal documents for companies and providing staff training on governance and legal matters. She was also involved in various corporate transactions and exercises, including acquisitions and disposals of assets, both domestic and cross-border; due diligence exercises and raising of capital. In addition, she has advised on human resource-based legal matters such as retrenchments, grievance procedures and industrial relations.

Declaration:

- Saleha M. Ramly does not have any conflict of interest or any family relationship with any Director and/or major shareholder of CGC.
- Saleha M. Ramly has not been charged and/or convicted for any offence.



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ANTHONY LIM CHOON ENG

FAIBF, CB

Independent Non-Executive Director

Age 64 

Date Appointed to the Board

1 April 2022

Membership of Board Committee(s)

- Chairman of Board Risk Management Committee (BRMC)

Qualification(s)

- Fellow of the Australian Institute of Banking and Finance
- Chartered Banker of the Asian Institute of Chartered Bankers
- Senior Leadership and Advanced Management Programs - Wharton School of Business, University of Pennsylvania, USA
- Senior Associate – Securities Institute of Australia
- Master of Applied Finance – Macquarie University, Australia

Tenure of Directorship

3 months
(as at 49th AGM – 21 June 2022)

Meeting Attendance

(N/A)

Anthony Lim Choon Eng has over 35 years of experience in the banking and finance industry, serving in key management positions covering treasury, business banking, investment banking and risk management.

He has been an Independent Director of Bank of America Malaysia Berhad since October 2021. Anthony is also a member of the Investment Panel for Kumpulan Wang Persaraan (KWAP). He was an Independent Director of Sumitomo Mitsui Banking Corporation Malaysia Berhad (SMBC) from 2011 to 2015 and later the Deputy Chief Executive Officer of the same bank from 2015 to 2020.

Anthony served in various senior management positions with the Maybank group of companies from 1995 to 2009. He later joined Implico GmbH, Germany and Malaysia as private equity investor and Director. Anthony has also worked in St. George Bank Limited and ANZ Bank Limited in Sydney, Australia.

Declaration:

- Anthony Lim Choon Eng does not have any conflict of interest or any family relationship with any Director and/or major shareholder of CGC.
- Anthony Lim Choon Eng has not been charged and/or convicted for any offence.



SUHAIMI ALI

Non-Independent Non-Executive Director

Age 47 

Date Appointed to the Board

28 April 2022

Membership of Board Committee(s)

- Member of Board Nomination & Remuneration Committee (BNRC)
- Member of Board imSME Committee (BimSMEC)

Qualification(s)

- Bachelor of Accounting - University of Notre Dame, USA.

Tenure of Directorship

2 months

(as at 49th AGM - 21 June 2022)

Meeting Attendance

(N/A)

Suhaimi Ali is currently an Assistant Governor of BNM, responsible for Financial Development and Innovation Department, Islamic Finance Department and Financial Inclusion Department. He has served BNM for 24 years in various areas which include financial sector development, regulation and supervision, strategic planning, market conduct, international negotiations and IT services, as well as in the Governor's Office.

Suhaimi Ali is a member of BNM's Management Committee, Risk Management Committee, Crisis Management Committee, Digital Technology Committee, Financial Development Committee, Financial Stability Committee, Joint Policy Committee and Reserve Management Committee. He is also a member of the Board of Trustees for International Centre for Leadership in Finance (ICLIF) Trust Fund.

Declaration:

- Suhaimi Ali is a nominee of BNM, the major shareholder of CGC.
- Suhaimi Ali does not have any conflict of interest or any family relationship with any Director.
- Suhaimi Ali has not been charged and/or convicted for any offence.

Gloryana Law and
Ricky Chai

Miri,
Sarawak

Welding and
Fabrication Work

JERMANS' WELDING & FABRICATION

“ I am waiting for CGC to approve my next facility, as I am ready to expand again. I want to open my third workshop in Bintulu. ”

Managing Business

Partners Ricky Chai and Gloryana Law have been in the welding and fabrication industry for more than five years. They worked together in Laos for three years before opening their own business in 2019. Their welding and fabrication work, specialising in laser cuts, includes working with stainless steel and metal to create items such as gates, awnings and safety grilles.

Chai has always been keen on business and enjoys the challenges that come with it. He does not see himself sitting in an office and drawing a fixed salary. With the intention of being first choice among locals, Chai ensures his marketing is high-value and tops his strong after-sales service with festive gifts during Hari Gawai and Hari Raya.

Of course, the pandemic did wreak havoc, especially among his sub-contractors, who have no income if they have no work. “I had to lend them money to support them so that they could feed themselves and their families,” reveals Chai. He admits it was a difficult two years, but the outlook is getting better.

CGC's Commitment

Chai applied for his first BizMula-i financing in 2021 to expand. With that he and Gloryana opened a second branch in Miri, catering to demand. “I



am waiting for CGC to approve my next facility, as I am ready to expand again. I want to open my third workshop in Bintulu.” Many customers clamour for their work there, but it is too difficult and costly to make and transport what they want from Miri. All is set up and ready, awaiting funding.

Continuing to create job opportunities in the local community, with each

workshop they open, they hire more people. Currently, the company employs 12 salaried staff and 30 sub-contractors.

Pandemic Principle

“I always invest a lot to ensure I have a few sources of income. Like the crayfish farm I started six months ago, and the farm and a car wash. All businesses with different partners.”

LIM POH LENG and
KHAIRUDIN YUSOFF

Cheras,
Kuala Lumpur

Processing and
Marketing Water
Filters

DELCOL INDUSTRIES

“ If we had not received CGC’s financing in 2020 we would have had to shut down by now. I am very thankful that CGC could see that we are worth saving. ”

Managing Business

“The potential is in the water,” stresses Delcol Industries co-founder, Khairudin Yusoff. The company promotes water dispensers and water filtration systems and has grown into one of Malaysia’s leading brands, specialising in water solutions. Together with co-founder Lim Poh Leng, his colleague of 10 years, Khairudin purchased the 26-year-old water solutions company in 2018 and rebranded it.

They take pride in their role, helping Malaysians stay healthy by supplying them with clean water, especially during the many water crisis incidences. The award-winning company, with a stellar client list, supplies water dispensers, water filters, reverse osmosis systems and various water treatment systems for households, corporate offices and industrial applications.

During the COVID-19 crisis, Delco Industries was set back when Work From Home measures became the norm and offices did not require water supplies. The commercial sector forms a large portion of their business, thus delivery was affected and business dropped by 30 - 40%. However, they did not want to lay off around 60 staff members, including those at their Sabah branch.

CGC’s Commitment

With a stressed cash flow, the CGC BizMula-i financing was a welcome relief, loosening the tightrope they were treading. Khairudin commented: “If we had not received CGC’s financing in 2020 we would have had to shut down by now. I am very thankful that CGC could see that we are worth saving.”

After receiving the assistance, they have saved costs and increased productivity, along with efficiency levels. “We continuously improve, stick to our core values and focus on what we specialise in, making new products better.”

After the last two years Khairudin is optimistic about the future, as he believes the water industry’s potential is huge, especially in ASEAN where conditions in certain countries are still unsatisfactory.

Pandemic Principle

“Helping businesses grow, making sure that Malaysians move ahead, continue to live and have work. Trusting in our future when we needed support.”



LUI SIAW MOI

Kuching,
Sarawak

Aluminium
Management
Installation
Service

ALUMMAKER ENTERPRISE

“ With the BizMula-i I received in 2019, I was able to purchase stock to cater to my business growth. My cash flow was also smooth and facilitated my operations without any hassle. ”

Managing Business

Lui Siaw Moi garnered 14 years of industry experience before venturing into her own business five years ago. In offering aluminium management and installation services, Alummaker Enterprise provides custom-made aluminium and glass work in Kuching.

The company specialises in making automatic swing doors and sliding doors, motorised roller shutters, performance casement windows, as well as sliding windows and doors. They also deal in all types of tempered glass, laminated glass, mirrors and showers,

along with curtain wall systems. On the company's Facebook page they share recent installations, showcasing new products such as double-glazed casement windows and powder-coated folding doors.

It is a profitable business, admits Lui, as the market always demands better and high-quality products and work. Although they were able to maintain their business during the pandemic, CGC's credit facility helped them to get through the tougher months.

CGC's Commitment

An existing CGC customer recommended CGC to Lui, who was finding it difficult to raise capital for Alummaker Enterprise, with it being a newly set-up company. Unfortunately, none of the other financial institutions deemed the company viable enough. "With the BizMula-i I received in 2019, I was able to purchase stock to cater to my business growth. My cash flow was also smooth and facilitated my operations without any hassle." It helped maintain her eight workers' salaries during the pandemic period, too.

She would like to strengthen her enterprise to cater to the current business demand, in addition to supplying and working all over Sarawak. Though some consider her to be breaking the gender barrier in a male-dominated industry, as far as Lui is concerned, "There is no difference between men and women." She declares: "Nowadays, women are even stronger and better."

Pandemic Principle

"The importance of SOPs, to ensure that all our workers are safe and test negative before coming into the workshop. We split our workforce into shifts as a way to take care of each other."



MANAGEMENT TEAM



DATUK MOHD ZAMREE MOHD ISHAK

President/Chief Executive Officer

Date Joined

1 January 2015

Qualification(s)

- Bachelor of Science in Business Administration, Saint Louis University, USA
- Master in Business Administration (Finance), University of Hull, UK
- Asian International Executive Programme, INSEAD
- Chartered Professional in Islamic Finance
- Global Leadership Development Programme, ICLIF
- Advanced Management Programme (AMP 191), Harvard Business School, USA

Experience

Over 32 years of experience in banking operations, corporate banking, consumer banking and Islamic finance. He has held the following key positions:

- Executive Assistant to the President/Chief Executive Officer, Malayan Banking Berhad (Maybank)
- Vice President, Consumer Banking, Maybank
- Executive Vice President, Corporate Banking, Maybank
- Chief Operations Officer, INCEIF – The Global University of Islamic Finance

Awards

- Outstanding CEO Award, Association of Development Financing Institutions in Asia and the Pacific (ADFIAP)
- Sustainability Leader of the Year, European Organisation for Sustainable Development, ADFIAP and the Association of African Development Finance Institutions in collaboration with the City of Karlsruhe, Germany



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RAHIM RADUAN

Chief Corporate Officer

Date Joined
2 May 2018

Qualification(s)

- Bachelor of Arts (Hons.) Accounting & Finance, University of East London, UK
- Member of Financial Planning Association of Malaysia (FPAM)
- Member of Malaysian Financial Planning Council (MFPC)
- CIMB-INSEAD Leadership Programme, INSEAD France
- Member of the Malaysian Institute of Accountants (MIA)
- Fellow of the Association of Chartered Certified Accountants (ACCA), UK

Experience

Over 22 years of experience in many sectors including investment and consumer banking, wealth management, fund management, automotive, infrastructure, and property development. He has held the following key positions:

- General Manager/Head of Group Finance Division, PROTON Holdings Berhad
- Chief Operating Officer, CIMB Wealth Advisors Berhad
- Chief Operating Officer, CIMB-Principal Asset Management Berhad (now known as Principal Asset Management Berhad)
- Managing Director/Head of Consumer Banking's Operations & Service Support, CIMB Bank Berhad
- Director in Group MD/CEO's Office, UEM Group Berhad



SHAZMEER MOKHTAR

Chief Financial Officer

Date Joined
2 May 2018

Qualification(s)

- Bachelor of Arts (Hons.) Accounting & Finance, London South Bank University, UK
- Edward S. Mason Fellow, Harvard Kennedy School, USA
- Master in Public Administration, Harvard University, USA
- Member of the Malaysian Institute of Accountants (MIA)
- Member of the Malaysian Institute of Certified Public Accountants (MICPA)
- Member of the Institute of Chartered Accountants England & Wales (ICAEW)
- Fellow of the Association of Chartered Certified Accountants (ACCA), UK
- Negotiation & Influencing Skills Programme, London Business School, UK
- Digital Disruption: Digital Transformation Strategies, Cambridge Judge Business School

Experience

Over 19 years of professional experiences in Central Banking (Supervision, Regulation, Investments and Corporate Strategy) and Commercial sector (Finance). He was instrumental in implementing several strategic initiatives to position Malaysia as an International Islamic Finance marketplace. This includes his involvement in the BNM-SC-World Bank technical working group which facilitated the issuance of the world's first Green Sukuk in 2017. He also led the origination and structuring of the world's first liquidity instruments based on mudharabah. He has held the following key positions:

- Deputy Director of BNM
- Board member of Aureous CGC Advisers Sdn Bhd

Award

Academic Excellence Award, BNM (2006)



**LEONG
WENG CHOONG**
Chief Business Officer

Date Joined
15 July 2015

Qualification(s)

- Bachelor of Commerce, University of Western Australia, Australia

Experience

Over 23 years of experience in credit and marketing, collection and recovery, operations, cash management, product development and SME Bancassurance. He has held the following key positions:

- Assistant Vice President and Head of Product, OCBC Bank (M) Berhad
- Vice President of Cash Management, OCBC Bank (M) Berhad
- General Manager of Retail SME, Hong Leong Bank Berhad



**YUSHIDA
HUSIN**
Chief Technology & Operations Officer

Date Joined
1 April 2016

Qualification(s)

- Bachelor of Science in Statistics, University of Illinois Urbana-Champaign, USA

Experience

More than 25 years of experience in Project Management, Corporate Planning, Process Improvement, Organisation and Methods, Corporate Services, and support functions. She has held the following key positions:

- Consultant, Accenture Malaysia
- Chief Corporate Services Officer, Takaful Ikhlas Berhad



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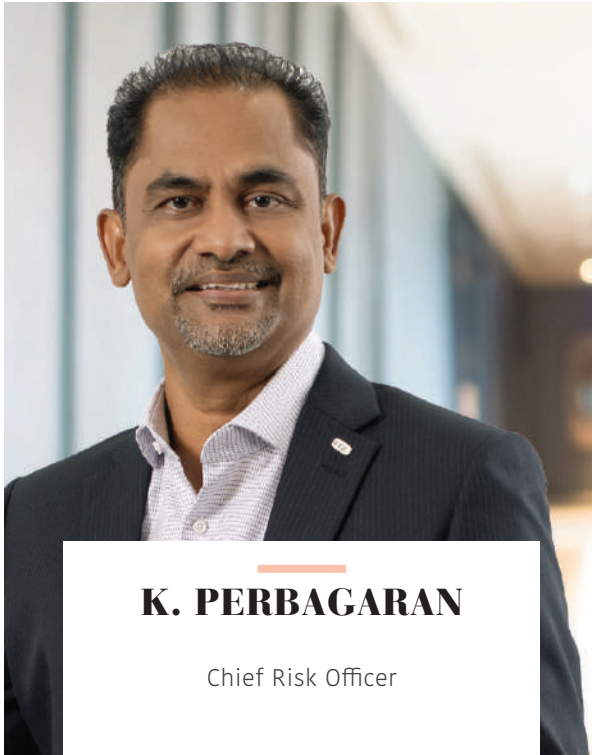
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K. PERBAGARAN

Chief Risk Officer

Date Joined

1 August 2005

Qualification(s)

- Bachelor of Accountancy (Hons.), Universiti Utara Malaysia (UUM)
- Master of Business Administration, Cardiff Metropolitan University, UK
- Chartered Banker, AICB/(CB), Chartered Banker Institute UK & Asian Institute of Chartered Bankers
- Certified Internal Auditor (CIA) from the Institute of Internal Auditors Malaysia
- Advanced Credit Enhancer (ACE) Certification, CGC – Institut Bank- Bank Malaysia (IBBM)
- Member, Institute of Internal Auditors Malaysia (IIAM)
- Member, Malaysian Institute of Accountants (MIA)

Experience

Over 23 years of experience in Audit & Risk Management. He has held the following key positions:

- Head of Branch Audit, Affin Bank Berhad
- Head of Internal Audit, CGC
- Senior Manager of Asset Management, CGC



ZARINA OSMAN

Chief Credit Officer

Date Joined

3 April 2017

Qualification(s)

- Bachelor of Accountancy (Hons.), University of Malaya
- Certified Credit Professional (CCP) from Institut Bank- Bank Malaysia (IBBM)
- Banking Credit Specialist from the Islamic Bank and Finance Institute Malaysia (IBFIM)
- Islamic Professional Credit Certification from IBFIM

Experience

Over 27 years of experience in business credit and credit management covering the entire Business Banking portfolio, including Investment, Treasury and Capital Markets, Corporate, Commercial, and Retail Business. She has held the following key positions:

- Pioneer member of RHB Islamic Bank Bhd team that established the first Islamic Window subsidiary in Malaysia
- Senior positions in Bank Muamalat Malaysia Bhd and RHB Islamic Bank Bhd
- Head of Credit Management, Kuwait Finance House Bhd



FAKRUL AZMI MOHAMAD

Chief Internal Auditor

Date Joined

2 October 2018

Qualification(s)

- BA (Accounting & Financial Management), University of Sheffield, UK
- Certified Internal Auditor (CIA) from the Institute of Internal Auditors Malaysia
- Certified Credit Professional (CCP) from Institut Bank-Bank Malaysia (IBBM)
- Chartered Global Management Accountant (CGMA) from the American Institute of Certified Public Accountants
- Associate Chartered Management Accountant (ACMA) from the Chartered Institute of Management Accountants, UK
- Member of the Certified Bank Auditor (CBA) Examination Committee

Experience

Over 23 years of internal audit experience in the financial services sector. He has held the following key positions:

- Chief Internal Auditor, Malaysia Debt Ventures Berhad
- Chief Internal Auditor, Malaysia Development Bank Berhad
- Chief Internal Auditor, Asian Finance Bank Berhad



DAENG HAFEZ ARAFAT ZUHUD

General Counsel
& Company Secretary

Date Joined

4 May 2015

Qualification(s)

- Bachelor of Laws (Hons.), International Islamic University Malaysia (IIUM), 1994
- Advocate and Solicitor of the High Court of Malaya. Admitted on 18 March 1995
- Licensed Company Secretary of Companies Commission of Malaysia since 1998

Experience

Has accumulated 27 years of experience in various sectors such as financial services, oil & gas, telecommunications, aerospace, and hotel & property development. He has held the following key positions:

- Manager, Legal & Corporate Services and Company Secretary of Aerospace Technology Systems Corp. Sdn Bhd
- Senior Manager, Legal & Company Secretarial/Joint Company Secretary, Lankhorst Bhd
- Senior Manager, Legal & Human Resources, Intraline Group of Companies
- Assistant Vice President, Group Corporate Secretarial, Maybank and Company Secretaries of Maybank Asset Management Group of Companies and Maybank (Cambodia) Plc



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SUM LENG KUANG

Advisor
Investment

Date Joined

1 September 2015

Qualification(s)

- Bachelor of Commerce (Finance), University of Canterbury, New Zealand
- Certified Financial Planner

Experience

Over 38 years of experience in fund management, particularly in areas of managing fixed income investment portfolios, credit evaluation, and credit risk management. She has held the following key positions:

- Senior Vice President, Head of Fixed Income Investment at Great Eastern Life Assurance (Malaysia) Berhad
- Acting CEO, Hong Leong Asset Management Berhad



MOHAMED AZMAN MOHAMED TAUFIK

Senior Vice President
Business Development & Products

Date Joined

4 February 2015

Qualification(s)

- Bachelor of Management Studies, University of Waikato, New Zealand

Experience

Over 32 years of experience in the banking and financial sectors, both in Malaysia and Indonesia. Has extensive experience in corporate banking, SME banking, and branch management. Held the following key positions:

- Senior Account Manager, Malayan Banking Berhad
- Associate Director, Danajamin Nasional Berhad
- Associate Director, The Bank of Nova Scotia Berhad



MOHD SUKERI ISMAIL

Senior Vice President
Operations

Date Joined

6 May 1996

Qualification(s)

- Diploma, Indiana University, USA
- Bachelor of Science in Business Administration (Finance), Creighton University, USA

Experience

Over 25 years of experience in Shared/Full Risk and Financing applications. He has held the following positions:

- Branch Executive, Hong Leong Finance Berhad
- Branch Manager, Hong Leong Finance Berhad
- Assistant Manager, Guarantee, CGC
- Manager, Credit Evaluation, CGC
- Senior Manager, Operations, CGC
- Senior Manager, Credit, CGC
- Assistant General Manager, Credit, CGC



NOR HAMIZWA MOHD NOR

Senior Vice President
Human Capital & Administration

Date Joined

18 November 2019

Qualification(s)

- Diploma, Indiana University, USA
- Bachelor in Business Administration (Human Resource Management), Universiti Teknologi MARA, Malaysia

Experience

Over 25 years of experience in general human capital and specialised human capital functions including talent management, learning & development, organisational design, and manpower planning. She has held the following key positions:

- Assistant General Manager, Talent & Specialist Management and Employee Behavioural Development, Telekom Malaysia Berhad
- Covering Senior General Manager, Human Resources, Malaysia Airport Holdings Berhad
- General Manager, HR Business Partners and IR & Engagement, UEM Edgenta Berhad



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WAI KO-CHI

Senior Vice President
Information Technology

Date Joined
15 June 2017

Qualification(s)

- Bachelor of Engineering (Hons. Mechanical), University of Malaya

Experience

Over 24 years of experience with various national and international organisations, covering global and regional projects. He has held the following positions:

- Analyst, Andersen Consulting/Accenture
- Architect, Shell IT/Hewlett Packard Malaysia
- Chief Engineer, DXC Technology/Hewlett Packard Enterprise



MOHD FAZLI BAHARUDDIN

Head
Digital & Transformation

Date Joined
18 January 2021

Qualification(s)

- Bachelor of Science in Business Administration, Ohio State University, Columbus, USA

Experience

Over 25 years of experience spearheading a wide spectrum of IT and business transformation, project management, and information management within the financial and insurance sector. Well-versed in product owner role, Agile methodology, project management, business process reengineering and streamlining, data warehouse management, reporting and analytics, as well as regulatory reporting coupled with overseeing rollout of productivity enhancement and cost-saving initiatives. He has held the following position:

- Director, Regional Strategy Execution & Transformation, Group Commercial Banking, CIMB Bank Malaysia



NILAMMASRI JA'AFAR

Head
Bumiputera Development & Sales Management

Date Joined

20 September 2021

Qualification(s)

- Advanced Diploma in Business Studies (Finance), UiTM
- Executive Development Programme, Wharton School, University of Pennsylvania
- Certified Professional Coach, Malaysian Institute of Management

Experience

Over 24 years of experience in banking and asset management with exposure to credit management, and recovery of both retail and corporate loans. She has held the following key positions:

- Pioneer team member of Pengurusan Danaharta Nasional Berhad and Prokhas Sdn Bhd
- Senior Vice President/Head, Business Banking, Bank Pembangunan Malaysia Berhad
- Senior Vice President/Head, Business Financing & Development, Bank Simpanan Nasional
- Axiata Digital Capital Sdn Bhd

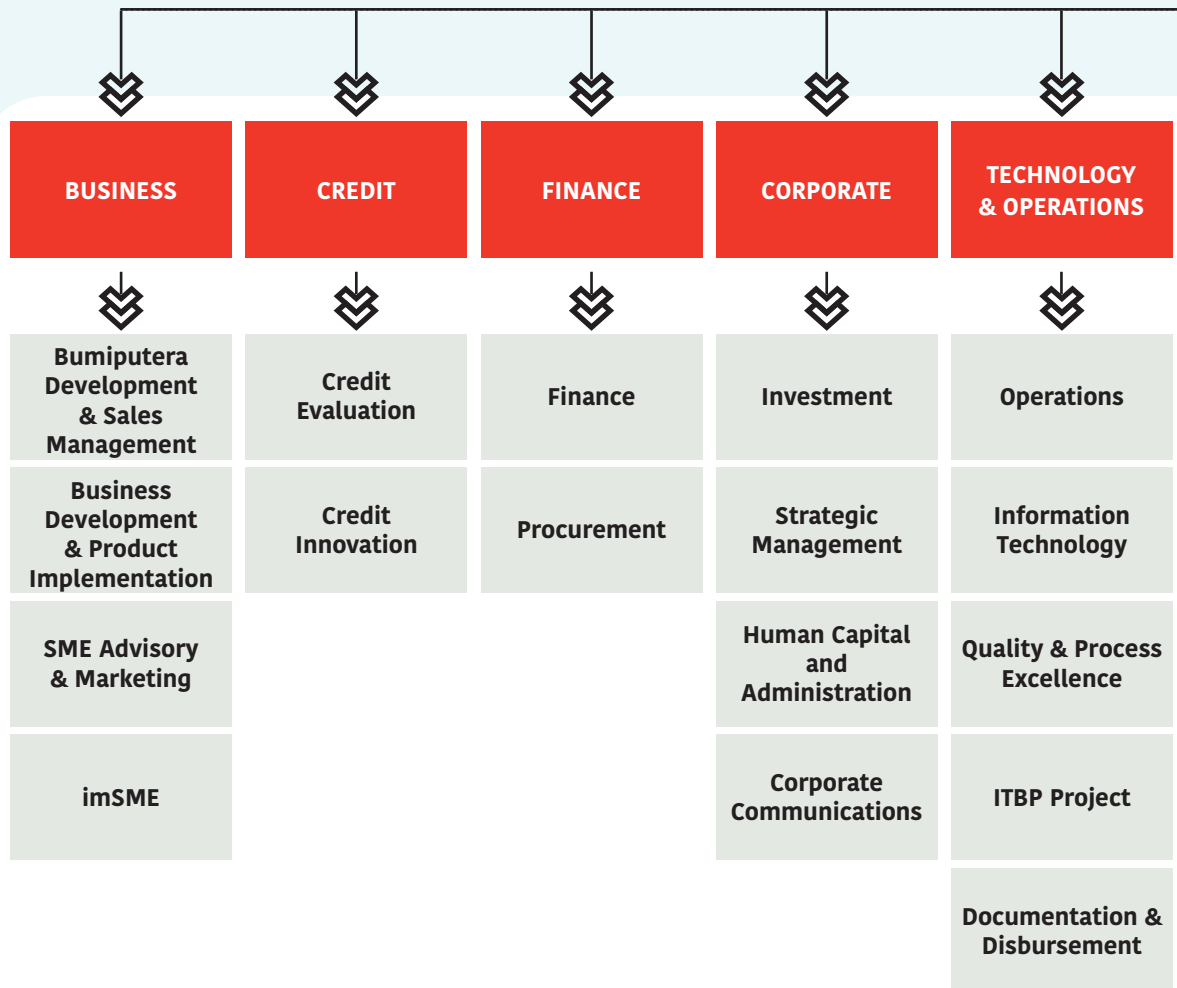


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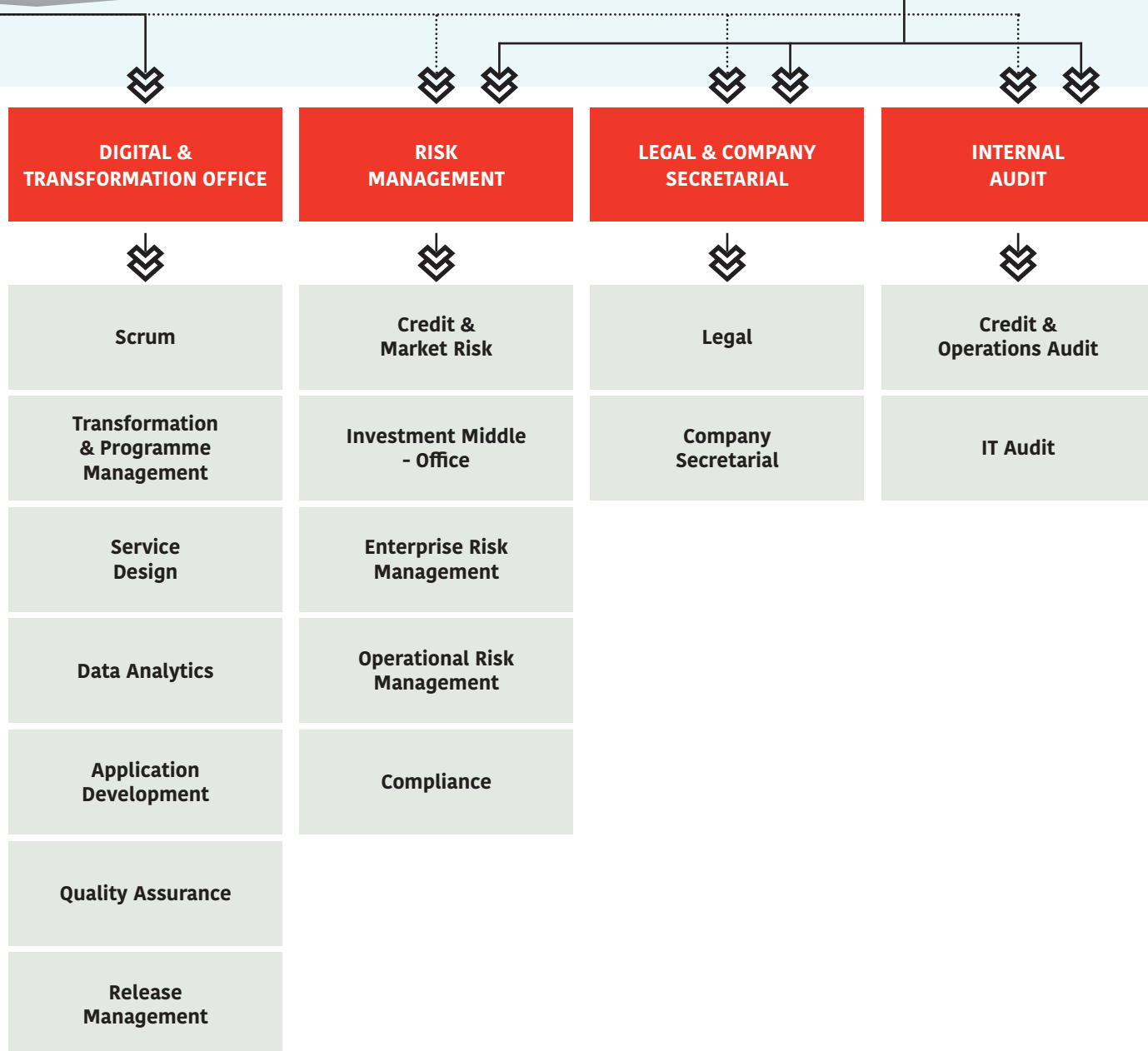
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CORPORATE GOVERNANCE OVERVIEW STATEMENT

The continuing aftermath of a devastating two-year health crisis ensured CGC's role as 'Partner for MSME Growth across Life Stages' required close attention.

CONGRUENCE. Meeting MSMEs' Needs, Enhancing Internal Capabilities,

CGC's 2021 Annual Report theme, aims to mould stronger, more resilient MSMEs in Malaysia.

Building on 2018's *Changing Lives*, 2019's *Fulfilling Ambitions* and 2020's *Keeping Dreams Alive*, CGC focused on strengthening its efforts in partnering our MSMEs to rebuild and reinvent their businesses. This was in line with the Government's 6R National Economic Recovery Strategy. Our internal capabilities were enhanced, furthermore, to create congruence with evolving stakeholder needs. This enhancement is intended to nurture an integrated MSME ecosystem, creating collaborative value.

The CGC Board upholds the principles of good corporate governance as fundamental to contributing to our valued stakeholders' long-term interests. CGC's Board, Management and people actively inculcate the principles and best practices of corporate governance. These are vital in maintaining integrity and professionalism throughout CGC.

As governance requirements continue to evolve in a challenging environment, the Board strives to ensure that CGC complies with the Companies Act 2016 and CGC's Constitution. Meanwhile, we must conform to best corporate governance practices in the following policy and guidelines:

- Policy on Corporate Governance issued by Bank Negara Malaysia (BNM CG Policy)
- Malaysian Code on Corporate Governance 2021 issued by Securities Commission Malaysia (the Code)

Further to the April 2021 issuance of the revised Code by Security Commission Malaysia, the Company Secretary conducted an analysis of CGC’s levels of Code adoption and alignment. This analysis was presented to the Board at its meeting in 2021.

The Board and Management will continue to ensure the principles and best practices of the Code are well understood and adopted. This will strengthen CGC’s governance system, processes, business conduct and ethics.

This Statement on Corporate Governance emphasises, and provides an overview of, CGC’s application of the Code’s three (3) key principles. These are:



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD ROLES AND RESPONSIBILITIES

The Board is accountable and responsible for the direction, performance and affairs of CGC. The Board is also dedicated to demonstrating good stewardship and acting in a professional manner. In addition, the Board upholds the core values of integrity and transparency with due regard to their fiduciary duties and responsibilities.

The Board is the principal decision-making body for all significant matters affecting CGC and is accountable to shareholders for creating and delivering sustainable value. These matters include deliberating and agreeing on CGC’s corporate strategy, key policies, long-term business objectives and risk appetite, as well as approving its annual budget and financial statements. The Board is also responsible for:

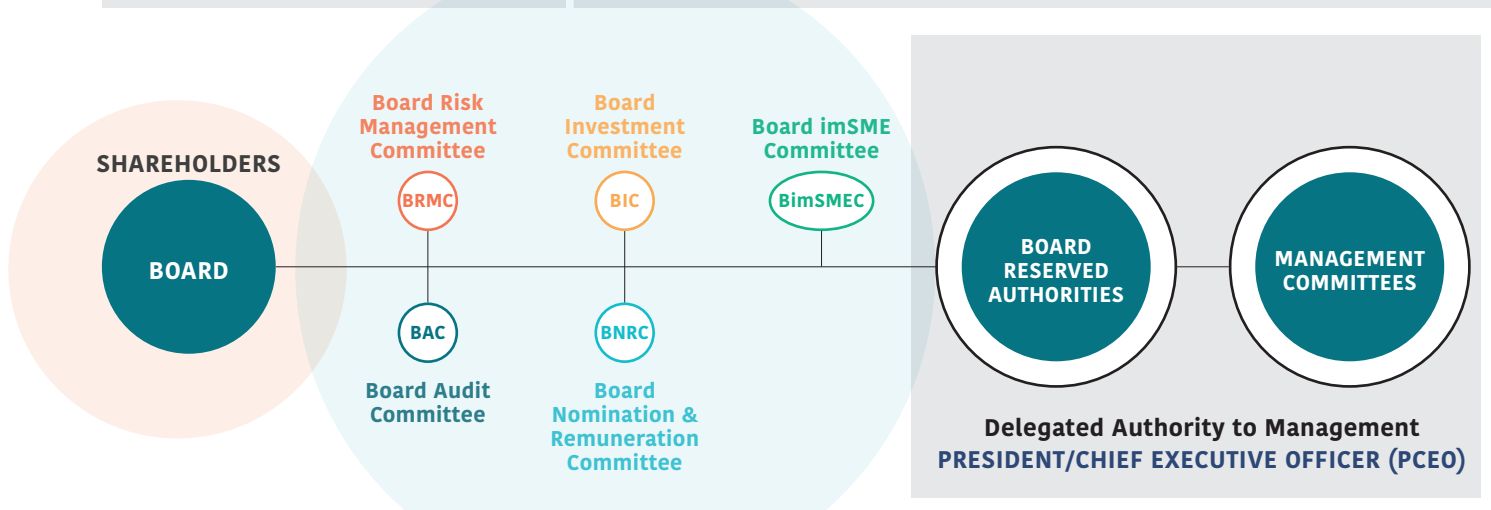
- championing the highest standards of corporate governance
- upholding a strong corporate performance management approach
- supporting CGC’s human capital development
- ensuring CGC has the necessary resources, processes, controls and culture established to deliver its strategy and promote long-term growth

The formal schedule for reserved matters specifically for the Board’s decision is detailed in the Board Charter.

The Board acknowledges the importance of distinct division of responsibility between the Chairman and the President/Chief Executive Officer (PCEO). The roles of Chairman and PCEO are clearly defined and exercised by separate individuals to ensure optimal balance, resulting in increased accountability and enhanced decision-making. The Chairman is responsible for leading and ensuring smooth functioning of the Board. Responsibility for CGC’s strategies, policy implementation and day-to-day business management is delegated to the PCEO. The Management Committees support the PCEO in this role.

II. BOARD GOVERNANCE FRAMEWORK

The Board Governance Framework (the Framework) was put in place to ensure orderly and effective discharge of the functions and responsibilities of the Board. Here the Board delegates specific roles and responsibilities to its five principal committees:



The Framework allows strategic alignment and efficient decision-making in CGC. It is supported by the Board Charter and Terms of Reference (TOR), which are available at CGC’s website, www.cgc.com.my.



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III. KEY RESPONSIBILITIES

Chairman

- Is responsible for the leadership and management of the Board and ensuring its overall effectiveness.
- Encourages all Directors to maximise their contributions to the Board by drawing on their skills, experience, knowledge and, where appropriate, independence.
- Promotes a culture of openness, challenge and debate, especially for complex and critical issues.
- Engages and consults with major shareholders and principal stakeholders.
- Leads the Board in establishing and monitoring good CG practices in CGC.
- Promotes constructive and respectful relationships among Directors and between the Board and Management.
- Sets the Board agenda and ensures that Directors receive complete and accurate information in a timely manner.

Non-Executive Director

- Contributes sound judgement and objectivity and provides constructive challenge to the Board's discussions and decision-making.
- Supports the Chairman and Senior Management by instilling appropriate culture and values in the boardroom and throughout CGC.
- Scrutinises performance of Management.

President/Chief Executive Officer

- Is responsible for CGC's executive leadership and day-to-day management of its business, within the authority delegated by the Board.
- Executes strategic direction of CGC as set out by the Board.
- Ensures that CGC's businesses are properly and efficiently managed with the executive team implementing the policies and strategies adopted by the Board and BOCs.
- Ensures that operational planning and control systems are in place, monitoring performance results against plans and, where necessary, taking remedial action.

Company Secretary

- The General Counsel & Company Secretary (GC&CS) is responsible for ensuring that the Board procedures and applicable rules are observed. The GC&CS, together with the Company Secretarial Section, is responsible for providing sound governance advice, full support and appropriate guidance and compliance to the Board, policies and procedures, rules and regulations as well as advocating the adoption of CG best practices.
- The GC&CS works closely with the Chairman, Chairs of the BOC and PCEO to set meeting agendas and ensure timely presentation of high-quality information to the Board. All Directors have power to propose items for discussion at Board meetings and regularly did so during the year.
- The GC&CS is also responsible for advising the Directors of their obligations and duties to disclose their interest in securities and disclosure of any conflict of interest in transactions involving CGC.

IV. ATTENDANCE AT BOARD MEETINGS

Throughout the year, nine (9) Board meetings were held to deliberate on and/or review a variety of significant matters that required the Board's guidance and approval. The dates of these meetings are pre-planned to enable the Directors to plan their schedule. Senior Management members also participated in these meetings to provide updates on specific developments or proposals. Their participation provided an additional opportunity for the Board to engage directly with the executive team. Furthermore, they spurred Management thinking on matters under discussion, particularly strategic investment reviews, product development, risk management and new technologies. The Board also had separate sessions with the Management to discuss CGC's strategies.

The Board discharged their roles and responsibilities via their full attendance at the Board meeting as set out in the table below:

Attendance

1	Dato' Mohammed Hussein Independent Non-Executive Director (Chairman)	9/9
2	Dato' Haji Syed Moheeb Syed Kamarulzaman Independent Non-Executive Director	9/9
3	Teoh Kok Lin Independent Non-Executive Director	9/9
4	Suresh Menon Independent Non-Executive Director	9/9
5	Dato' Ong Eng Bin Independent Non-Executive Director	9/9
6	Choong Tuck Oon Independent Non-Executive Director	9/9
7	Faisal Ismail Independent Non-Executive Director	9/9
8	Saleha M. Ramly Independent Non-Executive Director	9/9
9	Datuk David Chua Kok Tee¹ Independent Non-Executive Director	9/9
10	Adnan Zaylani Mohamad Zahid² Non-Independent Non-Executive Director	9/9

¹ Retired as Director on 14 February 2022.

² Resigned as Director on 19 April 2022.

All Directors complied with the minimum 75% attendance requirement set out in the Terms of Reference for Board of Directors meetings held during FY2021. The Board also agreed to impose a 75% minimum attendance requirement for the Board Oversight Committee. As the COVID-19 pandemic continued, the Board and its Board Oversight Committees continued to use interactive technology for Board meetings in 2021. The meetings were either fully virtual or hybrid whilst observing the relevant Standard Operating Procedures (SOPs). These included temperature checks before entering Bangunan CGC and arranging meeting venues that comply with social distancing.

The table below summarises the Directors' attendance at Board Oversight Committee meetings for FY2021:

Directors	Date of Appointment	Date of Resignation/ Retirement	BAC (Quarterly)	BIC (Quarterly)	BRMC (Quarterly)	BNRC (Quarterly)	BimSMEC (Ad hoc) (Established on 12 November 2021)	BBDC (Quarterly) (Disbanded on 14 June 2021)	BITC (Quarterly) (Disbanded on 14 June 2021)
Dato' Mohammed Hussein	01.05.2020	-	-	-	-	4/4	-	-	-
Dato' Haji Syed Moheeb Syed Kamarulzaman ⁽¹⁾	15.01.2014	-	-	2/2	7/7	2/2	1/1	2/2	2/2
Teoh Kok Lin ⁽²⁾	27.06.2014	-	-	4/4	3/3	-	-	-	2/2
Suresh Menon ⁽³⁾	17.07.2014	-	2/2	4/4	3/3	-	-	-	-
Dato' Ong Eng Bin	14.10.2014	-	5/5	-	-	4/4	-	2/2	-
Choong Tuck Oon ⁽⁴⁾	20.01.2017	-	2/2	-	4/4	-	1/1	-	2/2
Adnan Zaylani Mohamad Zahid ⁽⁵⁾	18.10.2018	19.04.2022	2/2	-	3/3	4/4	1/1	-	-
Faisal Ismail ⁽⁶⁾	01.12.2019	-	5/5	2/2	-	-	-	2/2	-
Saleha M. Ramly ⁽⁷⁾	01.12.2019	-	3/3	-	-	2/2	-	2/2	2/2
Datuk David Chua Kok Tee ⁽⁸⁾	15.02.2013	14.02.2022	-	2/2	7/7	-	-	2/2	2/2
Number of Meetings held in FY2021			5/5	4/4	7/7	4/4	1/1	2/2	2/2

Chairman

Member

¹ Ceased as BNRC member and appointed as BIC member on 1 July 2021. He was also appointed as BimSMEC member on 12 November 2021.

² Ceased as BRMC member on 1 July 2021.

³ Ceased as BAC and BRMC member on 1 July 2021.

⁴ Ceased as BAC member on 1 July 2021 and appointed as BimSMEC Chairman on 12 November 2021.

⁵ Ceased as BAC and BRMC member on 1 July 2021 and appointed as BimSMEC member on 12 November 2021. He resigned as Director on 19 April 2022.

⁶ Ceased as BIC member on 1 July 2021.

⁷ Ceased as BNRC member and appointed as BAC member on 1 July 2021.

⁸ Ceased as BIC member on 1 July 2021. He retired as Director on 14 February 2022.



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V. BOARD ACTIVITIES AND DISCUSSIONS

The topics or activities that the Board conducted and/or deliberated on during FY2021 were as follows:



Finance

- Financial Performance Update
- 2021 Budget Clarification & Segmental Reporting (Baseline, Special Scheme, 5SP)
- Audited Financial Statements FY2020
- Modification Loss Adjustment Resulting from the Moratorium Period
- FY2021 Mid-Year Review



Strategy

- Participation in Bank Negara Malaysia's (BNM) Disaster Relief Facility (DRF)
- 5-Year Strategic Plan 2021-2025
- Corporate KPIs for Financial Year (FY) 2021
- Participation in BNM's 2nd Upsize of the Targeted Relief & Recovery Facility (TRRF) by RM2.0 Billion Making a New Total of RM6.0 Billion
- CGC Developmental Programme™ Performance Update and Going Forward Plan
- Waiver of Profit for Direct Financing Customers under the PEMULIH Repayment Assistance imSME: What Next?
- Extension of Phase 1 BizMikro-i with Additional Funding Size of RM12 Million
- Participation in BNM's 3rd Upsize of the Targeted Relief and Recovery Facility (TRRF)



Governance

- Revision to CGC's Constitution
- Board Evaluation Exercise for Year 2020
- Composition of Board and Board Oversight Committees
- Reappointment of External Auditor for Financial Year Ending 2021
- Update on Malaysian Code on Corporate Governance 2021
- Revision to the Terms of Reference of the Board Oversight Committee
- Establishment of Board imSME (ad hoc) Committee



Risk Management/Compliance

Shariah Governance Framework

Revision of Anti-Money Laundering and Counter-Financing Terrorism (AMLCFT) Policy

Annual Review of Anti-Money Laundering and Counter-Financing of Terrorism (AMLCFT) Risk Assessment

CGC Readiness towards Anti-Bribery and Corruption Compliance

Revision of Guarantee Reserve Ratio (GRR) and Capital Adequacy Ratio (CAR)

Simulation of Mid-term Expected Credit Losses

Market Risk Policy

Revision of Credit Underwriting Policy for Guarantee and Financing

Credit Risk Monitoring Policy for Guarantee and Financing

Credit Risk Management Policy for Guarantee and Financing

Rescheduling and Re-structuring (R&R) Policy for Guarantee and Financing

Revision of Write-off Policy for Guarantee and Financing

Revision of Approving Authority Matrix

Rescheduling and Restructuring (R&R) of Staging Treatment under Assistance Programme

Risk Management Dashboard

Enterprise Risk Management Framework

Product Development Policy and Guideline

Climate Change Risk

Project Risk Assessment Guideline



Technology

imSME Performance Update

Quarterly Progress Update on 5-Year Strategic Plan (5SP) 2021-2025



People & Culture

2021 Employee Engagement Survey

Revision of Balance Scorecard & Performance Management Framework for FY2022

Launching of New Human Resource Management System (HRMS) (SMART People)

Revision of Human Capital Policy

Proposed Manpower Planning 2022



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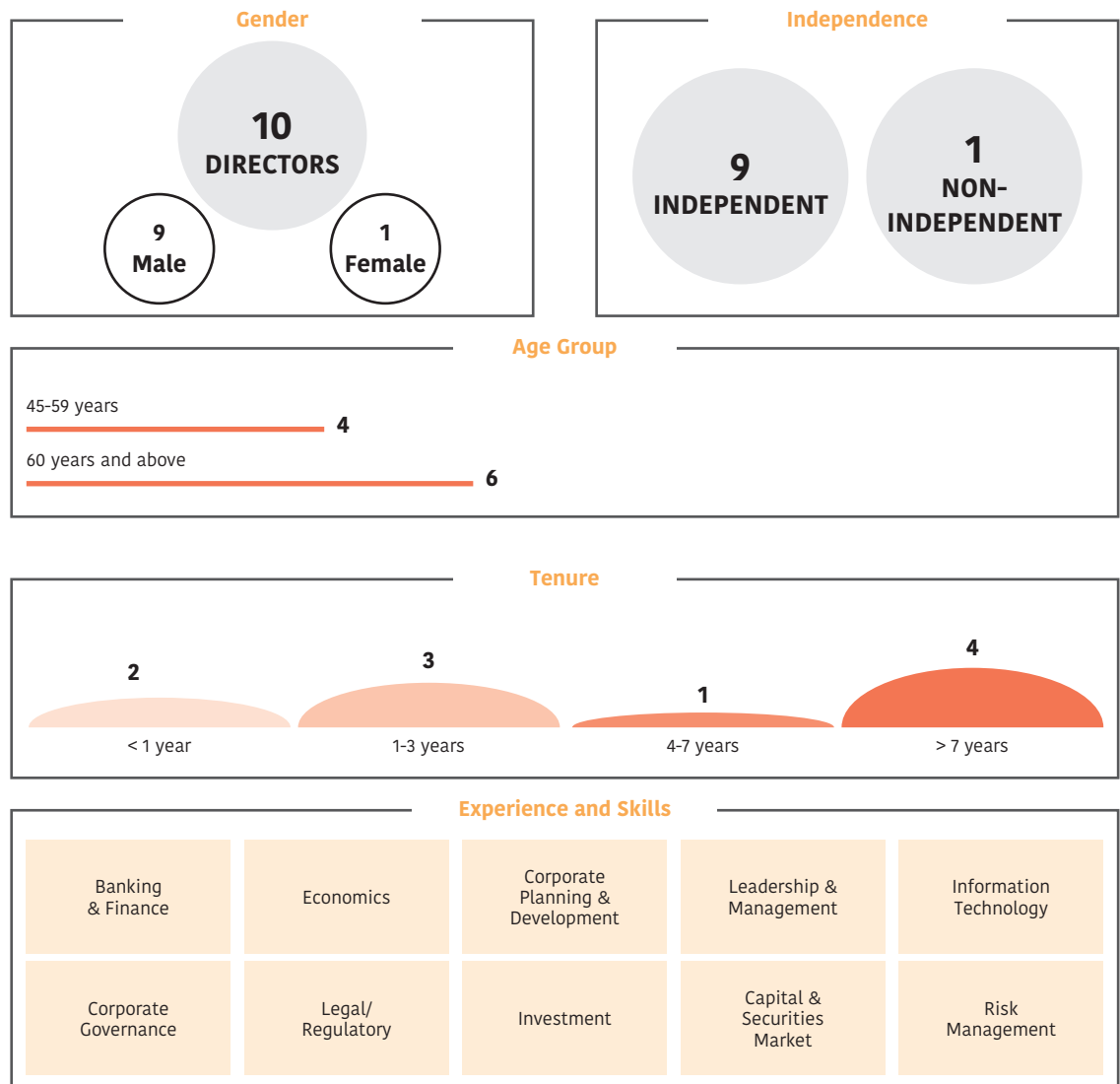
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VI. BOARD COMPOSITION

The Board currently comprises ten (10) Directors, nine (9) male and one (1) female, of whom nine (9) are Independent and one (1) is Non-Independent. The Non-Independent Director represents Bank Negara Malaysia, who is the major shareholder of CGC.

Anthony Lim Choon Eng was on 1 April 2022 appointed as the new Independent Non-Executive Director replacing Datuk David Chua Kok Tee, who retired on 14 February 2022 due to his completion of nine (9) years' tenure on the Board. This is in line with Practice 5.4 of the Code, which limits the tenure of its independent directors to nine years without further extension.

On 28 April 2022, Suhaimi Ali was appointed as the new Non-Independent Non-Executive Director replacing Adnan Zaylani Mohamad Zahid who resigned effective 19 April 2022.



(a) Board Diversity

The composition of the Board and its Oversight Committees is reviewed from time to time to ensure the Board comprises experienced and dynamic individuals. This is crucial to ensure sufficient diversity, efficiency and independence in the decision-making process.

In 2021, the Board reviewed the composition of Board Oversight Committees and agreed to limit the membership to three (3) members only. The membership of Board Oversight Committees may be rotated among Directors from time to time as recommended by BNRC and approved by the Board. The new composition of Board Oversight Committees is expected to bring new skills and perspectives to the boardroom.

The current Board consists of individuals with diverse age, gender and backgrounds. They are recognised for their mix of skills, educational background, knowledge, expertise, professional experience and business acumen relating to investment and banking, credit analysis and rating, business management, insurance, legal and secretarial, finance, accounting, information technology and corporate governance, as well as asset management. The Directors have contributed significantly to the Board's decision-making process through fresh views and ideas to ensure a balanced, robust and unbiased deliberation process was in place.

The current Board reflects a well-balanced group whose size is appropriate to facilitate diversity of views, constructive deliberation and decision-making to achieve effective stewardship and management.

The Board is certain that the existing appointment process and requirements for selecting new Board members are adequate in promoting diversity, and opportunities. Board diversification has positive, value-relevant impact for CGC.

The Board recognises the need to re-balance its composition to allow 30% representation of women Directors. Nevertheless, Board appointments will first be based on the objective, criteria and merits.

(b) Board Independence

None of the Independent Directors have served on the Board for a cumulative term of more than nine (9) years from the date of his/her first appointment. This practice is consistent with CGC's Board Charter, i.e. tenure of Independent Director's service is limited to a maximum of three (3) terms or nine (9) years in total.

In the event that the service of an Independent Director is extended further, such term shall be subject to the Board's recommendation and shareholders' approval respectively. If the Board continues to retain the Independent Director after the ninth year, the Board shall seek annual shareholders' approval through a two-tier voting process, as outlined in the Code.

VII. TERMS OF APPOINTMENT OF NON-EXECUTIVE DIRECTORS

CGC is committed to effective corporate governance, nurturing a culture of ethical behaviour and promoting integrity and respect. Based on this spirit, CGC developed a formal, transparent procedure for new appointment and re-appointment of a Director to the CGC Board.

Appointment and qualification criteria of a Director are governed by:

- The Companies Act 2016
- CGC's Constitution
- Criteria set under CGC's Guidelines on Appointment of the Board of Directors

The current sourcing method for a new Director is via professional network or referrals from existing Directors. For future director recruitment, CGC may use independent resources to identify suitably qualified candidates from a wider talent pool.

The candidates for directorship and Board Oversight Committee membership are assessed by BNRC prior to recommending to the Board for approval. As part of the initial screening and selection process, BNRC is responsible for considering the following criteria with respect to assessment of a candidate's fitness and propriety:

**VIII. RETIREMENT AND RE-ELECTION OF DIRECTORS**

BNRC is responsible for assessing the Directors recommended to be re-elected at the Annual General Meeting (AGM) and the retiring Directors are required to give their consent to their re-election. The assessment conducted by BNRC includes the retiring Directors' contribution, competencies, commitment, personality and performance based on BNM's Fit and Proper Criteria. In addition, the assessment includes background screening and verification by an independent agent and the Company Secretary. Upon conclusion of the assessment, BNRC submits its recommendations to the Board for endorsement and, thereafter, to shareholders for approval.



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At each AGM, one-third of the Directors or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office by rotation pursuant to Article 76A of CGC's Constitution. The retiring Directors shall be the Directors who have been longest in office since the Directors' last election, as set out in Article 76B. of the Constitution. A retiring Director shall be eligible for re-election based on Article 76C of the Constitution.

The following three (3) Directors have served the longest in office since their last election and shall retire by rotation at the forthcoming AGM. The BNRC and Board recommended their re-election and all three (3) Directors have given their consent to be re-elected:

A	B	C
Choong Tuck Oon	Faisal Ismail	Saleha M. Ramly

Article 77 of CGC's Constitution states that the Directors shall have power to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director(s) appointed in this way shall hold office until the next AGM. The following Directors, Anthony Lim Choon Eng and Suhaimi Ali, who were appointed as Directors in 2022, will retire and are eligible for re-election at the forthcoming AGM in line with the previously mentioned Article. The Directors are recommended for re-election by the Board and they have given their consent to be re-elected as Directors.

IX. TIME COMMITMENT

In order to effectively discharge their responsibilities, Non-Executive Directors must commit sufficient time to their role. The Chairman is satisfied that each Non-Executive Director has committed sufficient time to CGC, as is evident from full participation in Board activities and meetings throughout 2021.

The Chairman continues to commit considerable time to fulfilling his duties and responsibilities at CGC, which takes priority over other business commitments.

During the financial year 2021, the Chairman and Non-Executive Directors also spent sufficient time to enhance their knowledge of CGC. The Board also continued to keep abreast of CGC's dynamic business environment. This included briefing meetings with Senior Management, as well as regular training sessions to ensure ongoing business awareness.

X. DIRECTORS' REMUNERATION

Fees and benefits payable to Non-Executive Directors are subject to shareholders' approval at the Annual General Meeting of CGC. CGC's Board will assess any revision to Directors' remuneration, based on benchmarking among organisations in a similar industry and of similar size, prior to shareholders' approval.

The Directors' Remuneration Framework sets out the following factors before proposing a revision to the Directors' remuneration:

A	B	C
Benchmark of CGC's financial performance and remuneration against organisations within a similar industry	Achievement of CGC's initiatives	Remuneration report by professional bodies such as FIDE Forum or external consultants

The details of the remuneration received by the Directors from CGC during FY2021 are as follows:

Non-Executive Directors	Directors' Fees (RM'000)	Meeting Allowance (RM'000)	Benefit-in-kind (RM'000)	Total (RM'000)
Dato' Mohammed Hussein	180	75	109	364
Datuk David Chua Kok Tee ¹	72	95	6	173
Dato' Haji Syed Moheeb Syed Kamarulzaman	72	98	6	176
Teoh Kok Lin	72	76	6	154
Suresh Menon	72	70	6	148
Dato' Ong Eng Bin	72	74	6	152
Choong Tuck Oon	72	75	6	153
Adnan Zaylani Mohamad Zahid ²	60	42	-	102
Faisal Ismail	72	78	6	156
Saleha M. Ramly	72	74	6	152
Total	816	757	157	1,730

¹ Retired as Director on 14 February 2022

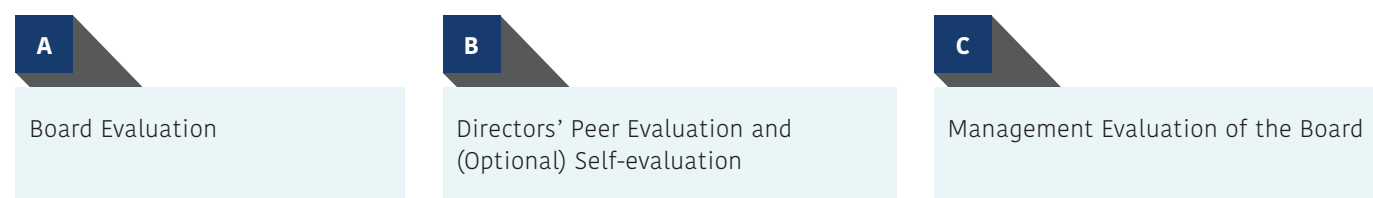
² Resigned as Director on 19 April 2022

XI. PERFORMANCE EVALUATION

In 2016, CGC engaged an independent consultant, Malaysian Directors Academy (MINDA), to conduct a Directors' Evaluation Exercise for Board and Board Oversight Committees.

Due to the ongoing COVID-19 pandemic and to avoid any risk to relevant parties, the Board Evaluation exercise for year 2021 was conducted internally without engaging an independent party. The performance evaluation of the Board, Board Oversight Committees and individual Directors was conducted through BNRC with the assistance of the Company Secretary.

In compliance with the Code and BNM's Policy on Corporate Governance, the CGC 2021 Board Evaluation exercise was conducted via online questionnaire, comprising the following:



Overall, the assessment results of the Board, Board Oversight Committees, and most individual Directors were 'Exceed Expectations', reflecting effective discharge of Directors' roles and responsibilities.



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XII. BOARD INDUCTION AND TRAINING

All new Directors are provided with comprehensive and tailored induction following their appointment to the Board. The combination of office visits and technical briefings, along with introductory meetings through the CGC Board Induction Programme, are intended to assist the new Directors to understand CGC, the business environment in which it operates, its people and their role in making the organisation a success.

The Board ensures that all Directors receive ongoing training and development and fully participate to enhance their roles as Board members. Some of them even became panel speakers on several programmes.

The Directors attended the following training to further enhance their skills and knowledge:

TRAINING COURSES ATTENDED

(A) LEADERSHIP

1.	FIDE FORUM – The Role of Independent Directors in Embracing Present and Future Challenges
2.	FIDE FORUM - The Board’s Role and Responsibilities in Crisis Communication
3.	FIDE FORUM - Board Effectiveness Evaluation Industry Briefing
4.	FIDE FORUM - Engagement Session on Board Leadership Framework
5.	Khazanah Nasional Berhad (Khazanah) - Khazanah Alumni Tea Talk: 16 Leadership Lessons from the Trenches by Tan Sri Azman Mokhtar
6.	Institute of Corporate Directors Malaysia (ICDM) - Virtual Talk: Risk, Strategy and Governance – How Integrated Thinking Can Support Boards in Creating Long-term Value
7.	ICDM - FCD Module D: Financial Essentials for Directors
8.	ICDM - Board and Executive Remuneration in Times of Crisis
9.	ICDM - Power Talk Series: Collaboration in the Boardroom
10.	Etiqa Takaful - Quality, Corporate Success and Good Leadership (Speaker: Dato’ Haji Syed Moheeb)

(B) TECHNOLOGY

1.	FIDE FORUM - Rethinking Our Approach to Cyber Defence in Financial Institutions (FIs)
2.	Bank Negara Malaysia (BNM) - Knowledge Sharing Session by FireEye: Cyber Threat Landscape for Financial Services Market - 2021 and Beyond
3.	BNM - Sharing Session on Central Bank Digital Currency
4.	Kumpulan Wang Persaraan (KWAP) – Go to Meeting: Cyber Security Oversight in the Boardroom
5.	ICDM – Power Talk Series: Accelerated Digital Transformation of Legacy Companies
6.	OCBC Bank (Malaysia) Berhad (OCBC) - 2021 Alibaba Global Course on Cognitive AI Intelligent Business
7.	CITIC CLSA – Digitising ASEAN
8.	Macquarie – ASEAN Digital Wallet
9.	Macquarie – Digital Yuan

TRAINING COURSES ATTENDED

(C) RISK MANAGEMENT



1.	FIDE FORUM - Risk-based Capital Framework for Insurers and Takaful Operators
2.	FIDE FORUM - Risk Management in Technology and Digital Transformation
3.	FIDE FORUM - BNM/FIDE Dialogue on RMIT #Insights One Year On
4.	CGC - Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act (AMLA) 2001: Risk, Challenges, Governance and Transparency in Managing Business and Compliance
5.	OCBC - New Risk and Governance - Balancing Risk and Leadership by Captain Raghu
6.	Standard Chartered Bank Malaysia Berhad (SCBM) - Workshop on Climate Risk Management
7.	ICIF Asia School of Business - Risk Management Committee - Banking Sector
8.	Asia School of Business - Risk Management in Technology (RMIT) and Digital Transformation: What Do They Mean for Governance and Strategy of Bank and Insurance Boards?
9.	Danajamin - Unexpired Risk Reserve and Unearned Premium Reserve

(D) STRATEGY/ECONOMIC OUTLOOK



1.	Hong Kong Economic and Trade Offices in ASEAN, Hong Kong Trade Development Council and the Thai-Hong Kong Trade Association - Reconnect: Hong Kong – ASEAN Partnership
2.	Discussion at the Virtual Malaysia Urban Forum for City Leaders Roundtable: A Call to Action in Inclusive Growth and Resilient Recovery
3.	Institute of Strategic and International Studies (ISIS) Malaysia - Foreign Policy Speaker Series: New Strategies for the Pandemic's Second Year
4.	BNP Paribas Malaysia Berhad (BNPP)/ The Economist Corporate Network Dr Simon Baptist: 2021 APAC Economic Outlook and What to Expect from the US Elections
5.	Ernst & Young Advisory Services Sdn. Bhd. (EY) - Malaysia Budget 2021 Webinar
6.	Chartered Financial Analyst (CFA) Society Malaysia/Association of Chartered Certified Accountants (ACCA) - 2021 Mid-year Outlook: Tackling Tricky Transitions
7.	Securities Commission Malaysia (SC) - FIDE FORUM - Dialogue on Capital Market Masterplan



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TRAINING COURSES ATTENDED

(E) FINANCIAL INDUSTRY



1.	FIDE FORUM - Dialogue on MFRS17 Insurance Contracts: What Every Director Must Know
2.	FIDE FORUM - The Future of Malaysia's Financial Sector
3.	BNM-FIDE FORUM-Malaysia Accounting Standards Board (MASB) - Webinar: Dialogue on MFRS 17 Insurance Contracts: What Every Director Must Know by Darrel Scott
4.	BNM - SC - JC3 Flagship Conference: Finance for Change
5.	BNM - Financial Sector Blueprint 3.0: Small Group Conversation on the Future Financing Landscape
6.	BNM - Financial Sector Blueprint 2022-2026: Engagement with the Banking Institutions
7.	BNM - Engagement Session with leaders of SME Associations
8.	KSI Strategic Institute for Asia Pacific - 2021 Malaysian Banking and Finance Summit "Future of Banking in the New Normal - Disruptive Innovation, Technology and Transformation"
9.	KLIFF - Muzakarah Penasihat Shari'ah Kewangan Islam
10.	International Shari'ah Research Academy for Islamic Finance (ISRA) - Islamic Finance for Board of Directors
11.	University of Manchester - Open Finance Panel Discussion
12.	World Bank - World Bank's Islamic Trade Finance Report Launching
13.	REDmoney - IFN Asia Forum 2021 (Keynote address: Adnan Zaylani)

(F) SUSTAINABILITY

1.	FIDE FORUM - The 2050 Net Zero Carbon Emissions Target: Finance's Role
2.	FIDE FORUM - Bursa-FIDE FORUM Dialogue on Sustainability
3.	FIDE FORUM - Climate Action: The Board's Leadership in Greening the Financial Sector
4.	FIDE FORUM - Green Fintech: Ping An's Use of Technology to Support Green Finance Objectives
5.	OCBC - Clean Energy Series Training: Carbon Trading Primer
6.	KSI Strategic Institute for Asia Pacific - Penang Future Forward Summit 'Achieving a Resilient and Sustainable Economy'
7.	RHB Asset Management Sdn Bhd - Environmental, Social & Governance (ESG) and Sustainable Investing - The Way Forward
8.	Danajamin - Sharing session by HSBC Bank Malaysia Berhad on Sustainability-linked Funding
9.	Islamic Banking and Finance Institute Malaysia (IBFIM) - Sustainability and Value-based Intermediation (VBI) Programme by Institute of Sustainability Leadership, University of Cambridge (CISL) and IBFIM
10.	Association of Development Finance Institutions of Malaysia (ADFIM) - Sustainable Financing Webinar

TRAINING COURSES ATTENDED

(G) OTHERS



1.	FIDE FORUM - BNM-FIDE Dialogue with Tan Sri Nor Shamsiah Mohd Yunus, Governor of Bank Negara Malaysia
2.	BNM - Stakeholders' Engagement with SME Associations - Tourism Sector
3.	BNM - Culture Foundation Workshop
4.	BNM - Webinar - Raising Defences: 'TRUST' Adequate Procedures and S17A Malaysian Anti-Corruption Commission Act
5.	BNM - 2021 Bank Negara Malaysia Business Acumen (BNMBA) 'Philosophy and Public Policy' Session (Speaker: Adnan Zaylani)
6.	33 rd Asian Credit Supplementation Institution Confederation (ACSIC) 2021 Conference Secretariat
7.	Asian Institute of Chartered Bankers (AICB) and London Speaker Bureau - Talk - i) Lead and Execute ii) Happiness - A Critical Competitive Advantage iii) Being Human in the Age of Artificial Intelligence
8.	OCBC Singapore - Stewarding for the Future - Roundtable
9.	Equity Crowd Funding by Elaine Lockman
10.	SCBM - Global Outlook 2021, Vaccinating against Valuation
11.	ICDM - Stakeholder Capitalism: A Vital Pandemic Agenda?
12.	ICDM - Power Talk Series: Building Mindsets of Tomorrow
13.	ICDM - Launch of Malaysian Board Practices Review Report
14.	Eventbrite - PEMANDU Associates - The CIMB Transformation Story by Tan Sri Nazir Razak
15.	Eventbrite - PEMANDU Associates - The Air Asia Story by Tan Sri Tony Fernandez
16.	PEMANDU Associates - Transforming National Treasures - The Khazanah Nasional Story by Tan Sri Azman Mokhtar
17.	The Khazanah Megatrends Forum 2021 - The Invention of Tomorrow - Crafting Our New Collective Narrative
18.	Nomura - Nomura ASEAN Virtual Conference 2021
19.	Jefferies Financial Group - The Jefferies Asia Forum
20.	J.P. Morgan Chase Bank Berhad - A Journey into Metaverse Gaming

XIII. BOARD OVERSIGHT COMMITTEES

In an effort to focus and spend additional time deliberating on pertinent issues, the Board delegates specific functions to its respective Board Oversight Committees (BOCs). This is to support and assist in discharging its fiduciary duties and responsibilities whilst ensuring independent oversight.

The BOCs operate under the approved TOR set by the Board, which are reviewed and updated from time to time. The deliberations and recommendations of BOCs are reported to the Board, where the ultimate decision lies, except for matters which specifically confer powers and authorisation on a Committee.

As part of its initiative to encourage the Management to step up and take the lead on CGC initiatives/projects, the Board agreed to disband two (2) of the BOCs i.e. Board Bumiputera Development Committee (BBDC) and Board IT Committee (BITC) effective 14 June 2021.

In an effort to focus and reaffirm the future status of imSME, the Board established Board imSME Committee (BimSMCE) on 12 November 2021.



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The Board currently has a total of five (5) BOCs. Descriptions of each BOC are established by the Board as follows:

Board Audit Committee (BAC)

Assists the Board by providing an oversight role on CGC’s financial reporting, business governance, risk management and internal control systems.

Board Risk Management Committee (BRMC)

- Assists the Board to deliberate on CGC’s risk management practices.
- Ensures effectiveness of identification, measurement, monitoring and control of risks, as well as compliance with applicable laws, regulations and guidelines for good corporate governance.

Board Nomination & Remuneration Committee (BNRC)

- Assists the Board on the following:
- Appointment and remuneration of Directors and President/Chief Executive Officer and/or Executive Director (if any), as well as assessment of effectiveness of individual Directors, Board, BOCs and assessment of the performance of President/Chief Executive Officers and/or Executive Directors (if any) and Senior Management Officers.
 - CGC’s human resource strategies, policies, performance and reward systems, as well as ethical business conduct of employees.

Board Investment Committee (BIC)

- Reviews investment policies, strategies, policies and guidelines.
- Provides strategic direction governing CGC investment activities.

Board imSME Committee (BimSMEC)

- Assists the Board to oversee the progress and reaffirm the future status of imSME.
- Provides strategic guidance/direction on the best alternative operating model for imSME in future, as well as to expedite the implementation of initiatives related to imSME’s future status.
- Ensures activities/initiatives related to imSME’s future status are planned and monitored closely.

XIV. EXTERNAL ADVICE

In discharging their duties, Directors may seek independent professional advice in respect of their duties to the Board and its BOCs, at CGC’s cost, to assist and enable the Directors to make independent and informed decisions. However, no Directors sought external advice during the year under review.

XV. DIRECTORS’ CONFLICT OF INTEREST

The Directors acknowledge their responsibility for avoiding an actual or potential conflict of interest. Any Director shall immediately disclose and declare to the Board any interest (actual, potential or perceived) which is in conflict with CGC, based on the procedure set out in the Board Charter as well as the Companies Act 2016.

XVI. SUPPLY OF AND ACCESS TO INFORMATION

The Board has full and timely access to information pertaining to CGC’s business and affairs to enable them to make informed decisions and discharge their duties effectively.

To ensure Board members are well informed and have sufficient information prior to meetings, appropriate documents, including the agenda and reports, are circulated in advance from the date of the meeting. Such practice enables Directors to seek explanation and clarification on Board matters, if required, to effectively expedite the decision-making process.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The Board has in place a BAC, which comprises three (3) members. All three BAC members are Independent Non-Executive Directors. The BAC is chaired by Faisal Ismail. The Board is satisfied that at least one (1) BAC member has the relevant financial experience and that all members bring extensive expertise to the Committee. The BAC as a whole is deemed to be competent in the sectors in which CGC operates.

The BAC is responsible for oversight of financial reporting, including the adequacy of financial disclosures and the effectiveness of Internal Audit function. The Internal Audit Function is established to undertake independent review and assessment of the adequacy, efficiency and effectiveness of risk management, control and governance processes implemented by the Management.

The BAC has the authority to request an audit or investigation into any entity within CGC, or any matters within its TOR. Further information on the BAC, including Internal Audit Function, can be found in the BAC report on pages 171 to 173 of this Annual Report.

II. RISK MANAGEMENT & INTERNAL CONTROL FRAMEWORK

The Board takes heed of the importance of CG. It strives to instil an effective structure through risk management processes with the establishment of the Enterprise Risk Management (ERM) Framework to meet its obligations towards customers, shareholders and other stakeholders. As risk is evolving and present in all our activities owing to the changing dynamic business landscape, the Board continuously reviews CGC's policies, procedures and processes to enable it to function effectively such as by:

- i. Identifying, assessing, evaluating and managing material risks that CGC faces
- ii. Determining the nature and extent of material risks it is willing to take in achieving its strategic objectives
- iii. Determining CGC's overall risk appetite and level of risk tolerance to achieve its strategic objectives, while taking a longer-term view on its ability to meet its obligations

The establishment of the ERM Framework was approved by the Board in 2021 to strengthen CGC's risk management capability and risk governance structure. The adoption of the four key policies of the ERM Framework are gaining traction at CGC, namely the three-lines-of-defence model, the integration of risk management processes into key activities of CGC, the escalation of risk and compliance issues to governing authorities and the provision of resources to implement ERM at CGC.

The Board is also responsible for regularly reviewing the effectiveness of CGC's risk management and internal control system. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Board's monitoring scope covers all areas of controls including financial, operational, compliance and risk management. It is based principally on reviewing reports from Management to consider whether significant risks are identified, managed and controlled properly. The Board also ensures that significant weaknesses are promptly remedied and indicate a need for more extensive monitoring. The BAC assists the Board in discharging its review responsibilities.

In addition, with a comprehensive financial reporting system in place, the Board receives a number of reports to enable it to carry out its functions in the most efficient manner. These procedures include the preparation of management accounts, forecast variance analysis and other ad hoc reports. Clearly defined authority limits are set out throughout CGC, including those matters reserved specifically for the Board.

Throughout the reporting period, a formal material risk assessment exercise is carried out, resulting in the formulation of CGC's risk profile. This summarises its key material risks, their potential impact and mitigation plans.

More on our Risk Management and Internal Control Framework can be found in our Risk Management and Internal Control Statement on pages 154 to 159.

During the course of reviewing its risk management and internal control systems, the Board has not identified, nor been advised of, any failings or weaknesses which it has determined to be significant, consistent with the prior year.



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PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

I. RELATIONSHIP WITH STAKEHOLDERS

CGC recognises the importance of maintaining a satisfactory and fulfilled relationship with its various stakeholders and is committed to promoting transparency, disclosure and accountability with them.

II. RELATIONSHIP WITH EMPLOYEES

The year 2021 marked itself as a unique year when physical distancing disrupted conventional employee interaction. In a time of crisis, CGC continues to enforce Work From Home (WFH) policy and Split Workforce arrangements. Microsoft Office 365 served as a secure communication channel ensuring that information sharing, communication flow and collaboration continue, albeit virtually.

Quarterly townhall sessions via Microsoft Teams continue to serve as a two-way communication platform for employees to obtain the latest information on CGC's performance and important corporate announcements.

To ensure consistency across the employee life cycle, Human Capital (HC) Policy revision and realignment were initiated to achieve the following:

- Align with CGC 5-Year Strategic Plan (5SP), its digital and operational transformation
- Align with the new way of working (e.g., addressing current pandemic situation)
- Address the culture change that drives employee motivation and performance, and rewards transformation
- Complement the new Human Resource Management System (HRMS) (SMART People) as the platform for employee management.

As part of CGC's transformation journey, HC completed the implementation of the new HRMS platform in Q4 2021. The new HRMS, known as SMART People, enables enhanced employee experience through automation of HR-related tasks.

HC continues leveraging e-Learning to facilitate learning any time, anywhere. The content was selected, based on the mapping of approved Core Competencies.

III. RELATIONSHIP WITH CUSTOMERS

The Client Service Centre (CSC) assists CGC in providing excellent customer service experience through timely and accurate response to received inquiries. Alternatives and solutions to customer issues are also made available.

- CSC's initial objective is to be a One-stop Communication Centre via various channels for CGC where customers can obtain information on CGC's products and services. Along the way, CSC's role has expanded to supporting and assisting the chain of customer experience for imSME and MyKNP.
- Continued to serve imSME clients through outbound calls to help them complete their journey on the platform.
- Continued to serve MSMEs by providing advisory for unsecured financing inquiries under MyKNP@CGC.
- In line with the Corporation's strategic plan to leverage technology towards transforming CGC, CSC leads the Chatbot project, also known as imSME Digital Assistant (iDA) under imSME Portal. This provides virtual assistance to the customer, as well as an additional channel of communication for the customer to reach CGC. During the pandemic in FY2021 the number of Chatbot users and Interactions increased tremendously to assist customers with their enquiries related to CGC and imSME. With Chatbot assistance, CSC can focus on improving customer experience and satisfaction.

- Launched a new Chatbot avatar look to attract more customers to engage with the Chatbot in imSME. Overall, the Chatbot attended to 35,406 users with 115,820 interactions.
- Set up new Call Centre System that also helps CSC to continuously serve the customer, even during a pandemic. It also increases productivity and efficiency.
- Served 7,536 inbound calls, with 93% of inquiries resolved within Charter.

IV. RELATIONSHIP WITH SUPPLIERS

The role of Facilities and Administration Services (FAS) is to ensure efficiency and effectiveness in managing building facilities, general administration and office security and safety of the Corporation. FAS engaged with suppliers in providing office/building facilities, maintenance services and office general administration services.

Summary of FAS operational manual when engaging external vendors is as below:

1. Request for Information (RFI)
2. Request for Quotation (RFQ) in line with Company's standard guideline following the procurement process
3. Tendering Process where necessary
4. Preparation of business case paper for approval (based on Approving Authority Matrix)
5. Issuance of Purchase Order.

Our responsibilities are to carry out administration duties pertaining to office general administration, office renovation and office security. It is essential to maintain good relations with suppliers so as to ensure that they meet and sustain the quality of both the service they render and the products they supply to us.

V. RELATIONSHIP WITH SHAREHOLDERS

The General Meetings are an important platform for direct two-way interactions between the shareholders, the Board and Senior Management of CGC. The Board recognises the importance of presenting the progress and performance of CGC's business to shareholders at the General Meetings. Active attendance, participation and dialogue by shareholders are encouraged in the Question and Answer (Q&A) session of General Meetings on the proposed resolutions or CGC's operations in general. They will be responded to accordingly by the Directors, Senior Management or External Auditors of CGC during the meeting.

Other modes or channels of communication through publication of the Annual Report and CGC's website, www.cgc.com.my have been made available to shareholders to conveniently access key information or any updates on CGC's financial performance, and major initiatives for the year.

VI. ANNUAL GENERAL MEETING

The 48th AGM was held virtually by leveraging technology in accordance with Section 327(1) of the Companies Act 2016 and the Securities Commission of Malaysia's directives for companies to consider the use of relevant technology to provide ease of shareholder participation and improve the conduct of general meetings (adopted by CGC as best practice) due to ongoing COVID-19 pandemic and government restrictions in place to deter holding of large gatherings.

In line with CGC's best practice, the shareholders were notified of the AGM via the Notice of the 48th AGM and a copy of CGC's Annual Report circulated twenty-eight (28) days before the date of the meeting providing shareholders sufficient time to read the Annual Report and the resolutions proposed.

The Directors are committed to attending the scheduled AGM approved in advance by the Board, save for unforeseeable circumstances beyond their control.



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COMMITTEE MEMBERSHIP

The following table shows the committee members during the year:

Faisal Ismail

Chairperson/
Independent Non-Executive Director

Dato' Ong Eng Bin

Independent Non-Executive Director

Saleha M. Ramly

Independent Non-Executive Director
Appointed on 1 July 2021

Suresh Menon

Independent Non-Executive Director
Ceased on 1 July 2021

Choong Tuck Oon

Independent Non-Executive Director
Ceased on 1 July 2021

Adnan Zaylani Mohamad Zahid

Non-Independent Non-Executive
Director
Ceased on 1 July 2021

There were five (5) members of the Board Audit Committee (BAC) at the beginning of 2021. The number reduced to three (3) after the reorganisation of the BAC membership, effective from 1 July 2021. All three BAC members are Independent Non-Executive Directors.

During the reshuffle in the BAC membership, Suresh Menon, Choong Tuck Oon and Adnan Zaylani Mohamad Zahid ceased being the BAC members. A new member, Saleha M. Ramly, came on board on 1 July 2021.

The Board is satisfied that at least one member of the BAC has the relevant financial experience and that all members bring extensive expertise to the Committee in the areas in which CGC operates.

The table on page 153 shows the Directors who have served the BAC during the year and their meeting attendance.

The BAC has the resources required to discharge its oversight functions effectively, which includes the authority to obtain advice from independent professional advisors. The BAC also has the authority to direct the Internal Audit Department (IAD) to conduct audits and investigations on any entities within CGC or any matters within its Terms of Reference.

ROLES AND RESPONSIBILITIES

The BAC assists the Board by providing an oversight role on CGC's financial reporting, business governance, risk management and internal control systems. The BAC's roles and responsibilities are defined in its Terms of Reference.

PRINCIPAL ACTIVITIES

The BAC's principal activities during the year were performing oversight responsibilities relating to an internal audit, external audit and financial reporting, as outlined below:

INTERNAL AUDIT

- Approved the 2021 Internal Audit Plan and the Internal Audit Budget on 7 December 2020. In approving the Audit Plan, the BAC reviewed the risk-based methodology used by the IAD when preparing the plan. The BAC also reviewed the staffing and organisation of the IAD to ensure the internal audit resources required to implement the Audit Plan were adequate. A review of the 2021 Audit Plan was conducted on 28 October 2021.
- Approved the Key Performance Indicators (KPIs) of the Chief Internal Auditor (CIA) on 18 February 2021 and evaluated the CIA's 2021 performance on 22 February 2022 and 5 April 2022.
- Considered and approved the 3-Year Internal Audit Strategy (2021-2023) on 7 December 2020. On 7 December 2021, IAD revised the Audit Strategy to consider CGC's 5-Year Strategic Plan 2021-2025 approved in 2021 and provide more clarity to the Strategy Paper presented in December 2020. The Strategy's focus areas are:
 - i. people - organisation structure and talent development
 - ii. process - adopting 'Agile auditing approach' and implementing simplified audit report communication
 - iii. technology - use of advanced technology in audit process e.g. advanced data analytics and robotic process automation (RPA) to enhance audit effectiveness and efficiency
- Deliberated on the audit reports, the audit recommendations, and the Management's responses. The BAC met five (5) times in 2021 to deliberate on the audit reports.
- The Audit Compliance Committee (ACC) is a BAC-delegated committee. The ACC was established to monitor the progress of Management action in addressing business governance, risk management, and internal control issues highlighted in the Internal Audit reports and other internal control reports issued by external parties such as External Auditors and Bank Negara Malaysia Auditors. The ACC met twelve (12) times in 2021. The BAC reviewed the ACC meeting minutes and deliberated on the status of actions taken by Management during every BAC meeting.

EXTERNAL AUDIT

- Reviewed and approved the External Auditor's 2021 Audit Plan and scope of work on 28 October 2021. The Audit Plan highlighted areas that would receive special consideration and the resources to execute the Audit Plan. The BAC also evaluated the objectivity and independence of the Auditor.
- Management presented the following significant accounting matters for the BAC's consideration and assessment:
 - i. Accounting of special reserves on 22 February 2022.
 - ii. Management overlay (accounting estimates) on Expected Credit Loss on 22 March 2022.
- Completed the annual assessment of the External Auditor, which encompasses the Auditor's performance, independence and objectivity, prior to recommending to the Board to re-appoint the Auditor.
- Met the Auditor without the presence of the Management on 28 October 2021 and 5 April 2022 to discuss matters that should be discussed privately and to communicate and obtain open and transparent feedback for further improvements.
- As part of its evaluation, the BAC considered and discussed the results of the Management's assessment of the Auditor's performance in 2021.
- Assessed the performance and effectiveness of the Auditor and the audit process, including an assessment of the audit quality, the Auditor's handling of key judgements, and the Auditor's response to questions from the BAC.
- Reviewed and recommended to the Board for approval of the fee for the audit services provided by the Auditor.
- No non-audit service was contracted with the Auditor in 2021.

FINANCIAL REPORTING

Received and reviewed comprehensive reports from the External Auditor which included the audited financial statements, accounting policies and judgement, and disclosure requirements.

INTERNAL AUDIT DEPARTMENT

The IAD helps CGC accomplish its goals by bringing an objective and disciplined approach to evaluating and improving the effectiveness of governance, risk management and control processes. IAD serves as an important source of advice for the BAC in these three areas.

The CIA reports directly to the BAC to ensure that the Internal Audit Function is independent of the Management and is thus able to perform its activities objectively.



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IAD established a risk-based Annual Internal Audit Plan. The Plan considered CGC's objectives (which include financial and operational) and the risks (current and emerging) that can affect the accomplishment of the objectives. The Audit Plan was approved by the BAC.

IAD leveraged technology to enhance the effectiveness and efficiency of its audit. Specifically, data analytics has enabled IAD to review a larger number of transactions than it previously could with sampling, increase efficiency through automation and derive greater insights from its audits.

In 2021, 10 audits were performed using the data analytics audit approach. In 2021, IAD also achieved a new milestone in its transformation journey. It developed seven (7) audit bots using Robotic Process Automation software. The bots helped IAD perform the audits more effectively and efficiently.

Number of audit staff during the year was 21.

IAD's work involves assessing the adequacy and effectiveness of CGC's governance, risk management and internal control processes in meeting its strategic objectives. In assessing these, IAD adopted the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Integrated Internal Control Framework and the Control Objectives for Information and Related Technologies (COBIT) Framework. COSO and COBIT are internationally recognised frameworks, providing thought leadership and guidance on internal control, enterprise risk management and fraud deterrence.

IAD's activities were carried out in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors and the relevant regulatory guidelines issued by Bank Negara Malaysia.

IAD had unrestricted access to information required to complete the audits.

IAD presented the internal audit reports to the BAC five (5) times in 2021. The reports highlighted gaps in governance, risk management and controls practice, and provided recommendations for improvement.

SUMMARY OF AUDIT ACTIVITIES DURING THE YEAR

- Carried out its activities according to the approved Audit Plan. A total of 39 audit reports (including two (2) investigation reports) were completed during the year.
- Monitored and followed up on the implementation of the audit recommendations and reported the status of outstanding audit findings at all BAC and ACC meetings.
- Participated in IT Disaster Recovery (ITDR) exercises to gauge and assess the readiness of the businesses/systems to resume/recover (in the event of a disaster) within agreed timelines.

SHAMIRA ALI

Chukai,
Terengganu

Retail | Home
decor

GEROBOK MYRA

“ I find that CGC not only helped me with capital, but taught me how to do my business better. I’ve recommended many friends to seek their assistance and some have received their financing, moving from roadside stalls into shops. ”

Managing Business

“Our concept at Gerobok Myra is to provide a range of clothing and home items at very affordable prices to the general public,” explains Shamira Ali. With a plethora of choices, she deliberately positioned her specialist shops in front of each other to almost create a one-stop centre.

Shamira, who used to work in oil and gas prior to her marriage, officially established Gerobok Myra in 2016 after three years of running a small, home-based online, door-to-door clothing business. Now she sells home furnishings, interior decorative items, furniture, and women’s and children’s clothing and accessories in four stores and online.

Shamira credits CGC for her rapid business growth. However, two months after launching her furniture shop in 2019, COVID-19 struck. Most of the already received capital was invested in stock. Her shops had to shut and she was just starting out online.

CGC’s Commitment

“I find that CGC not only helped me with capital, but taught me how to do my business better. I’ve recommended many friends to seek their assistance and some have received their financing, moving from roadside stalls into shops,” reveals Shamira.



When Shamira received her BizWanita-i in 2019, she had expanded her business from clothing and home interior items to selling bed linen and carpets in her second store. Soon after, her third store opened in Balok, Kuantan. It was right after her fourth store opened, selling furniture, that she had to apply for BizBina-i to help her survive the pandemic’s repercussions. Despite challenges, her sales quadrupled compared to pre-2019 figures.

Actively participating in the CGC Developmental Programme™ taught her how to market and sell products online. In future, she aspires to be one of the East Coast’s largest home decor retailers and wholesalers.

Pandemic Principle

“I realised that, as a business, we couldn’t focus just on our offline sites. We had to explore all options to grow, especially online.”



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RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT

OUR APPROACH

The Board is committed to maintaining sound risk management and internal control systems for CGC and continuously reviews system adequacy and effectiveness. The Management is responsible for assisting the Board in implementing policies and procedures, governance structure and processes for identifying, evaluating, monitoring, managing and reporting significant risks and adequacy of internal controls to achieve strategic objectives.

With an Enterprise Risk Management (ERM) framework in place, CGC is well positioned to manage its key risks that include strategic, business, credit, market, liquidity, financial, operational (including cyber and legal), compliance and reputational risks. We have put in place an ERM framework. This articulates risk appetite and capital management, and details their drill-down into risk tolerance and limits for various risk categories. The risk governance structure ensures oversight and accountability, continuous monitoring for vulnerability mapping and integrated evaluation for effective risk management.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

With the enhanced ERM Framework in place, the focus of enterprise risk management has moved towards the implementation of the key policies of the ERM framework. During the year under review, we are

encouraged to note the increasing adoption of these policies at CGC to further enhance risk governance and the robustness of risk management capabilities. CGC is moving towards the next level of risk maturity as the application of ERM continues to strengthen.

The risk management and internal control system is embedded in all the Corporation's strategic planning, projects, change management and decision-making processes. CGC has established comprehensive frameworks, policies and procedures to identify, measure, monitor and control risks. We have adequate internal controls, driven through various policies and procedures, which are reviewed periodically. The Business Lines assess the efficacy of the controls put in place and sufficiently mitigate the identified risks.

The Board is supported by various sub-Board and Management Committees as part of the governance structure. The Risk Management function provides an independent and integrated assessment of risks across various business lines. Additionally, CGC has Internal Audit and Compliance functions responsible for:

- Independently evaluating adequacy of all internal controls.
- Ensuring that Business Lines reasonably adhere to internal processes and procedures, as well as regulatory and legal requirements.

Risk Strategy

Our risk management strategy addresses:

- Scope of risk management efforts, methods and tools used for risk assessment, risk analysis, risk mitigation, risk monitoring and communication of risk information.
- Setting of risk appetite and tolerance parameters, comprising risk matrix with equitable thresholds to identify risk mitigation techniques used on identified risks.

Risk Governance

We have a well-established risk governance structure with an active and engaged Board and management committees, supported by the three-lines-of-defence model at the enterprise-wide level. Proper governance provides the direction and structures required to make well-informed decisions to meet strategic objectives.

Risk Culture

The risk culture at CGC is supported through the ‘Tone from the Top’, with clear and consistent communication from the Board on risk behaviour expectations. This culture is embedded throughout the organisation. The Corporation’s risk culture is continuously reinforced through mandatory and customised training for all employees.

Risk Management Policies and Procedures

Our effective risk management provides policies, procedures and processes that enable CGC to function effectively in a changing environment. It is a process of:

- identifying and assessing risks that may affect the ability to achieve objectives.
- determining the risk response strategies and controls, with implementation of risk management framework, policies, guidelines and processes in line with the risk appetite.

Adherence to Compliance Standards

Reasonable adherence to compliance standards on internal and external requirements enable CGC to operate in accordance with strategic objectives and meeting stakeholder commitments.

CGC RISK MANAGEMENT FRAMEWORK

The primary goals of the risk management framework are to ensure that:

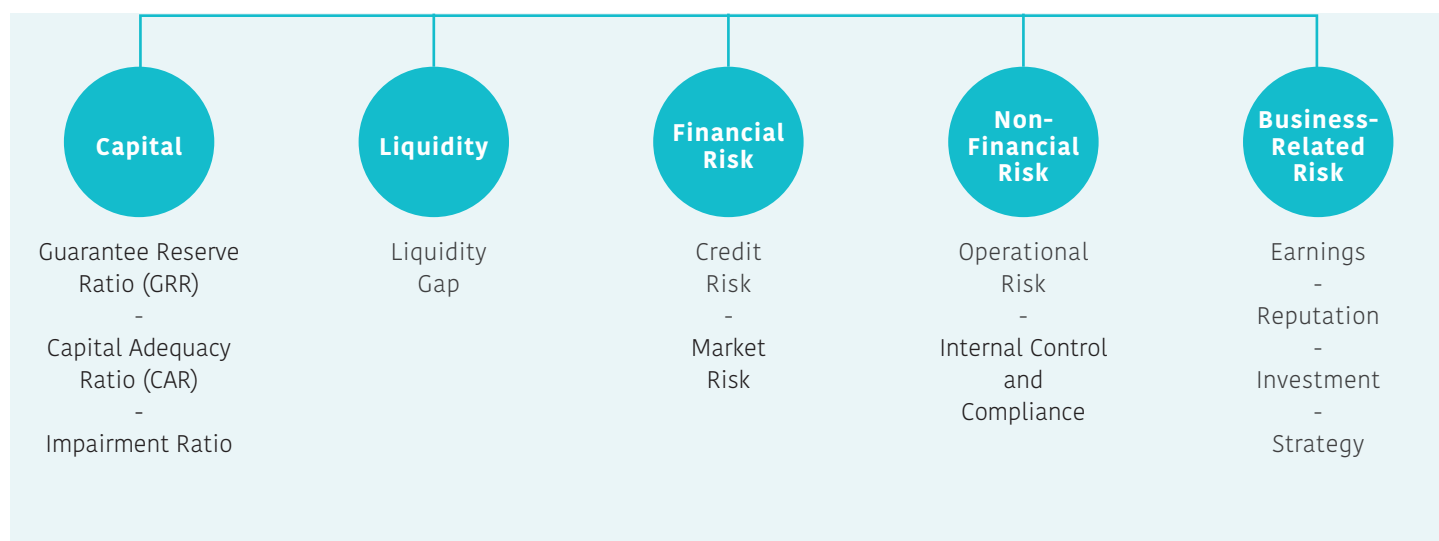
The outcomes of risk-taking activities are consistent with our strategies and risk appetite.

There is an appropriate balance between risk and reward in order to maximise MSME and shareholder value.

The risk management framework outlines the following components for effective risk management across CGC:

RISK APPETITE

The risk appetite was set by the Board. It is a top-down process which consists of specific quantitative and qualitative factors. In addition, it provides an enforceable risk statement on the amount of risk that CGC is willing to accept in support of its strategic objectives, while considering its obligations towards MSMEs, shareholders and other stakeholders. Risk appetite forms a key input to the business and capital planning process by linking risk strategy to the business strategy.





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Capital Management

Capital Management is integrated into the governance processes. It involves an on-going review to maintain a strong capital base to support long-term stability, planned business growth and risks inherent in various businesses. CGC has a sound Capital Management Framework that measures and monitors its available capital and assesses its adequacy. The framework outlines the requirements to allocate sufficient capital to support its operations, and perform mandated roles at all times. Strong capital positions help CGC to withstand potential business and operational losses or shocks.

Material Risk Assessment

CGC has enhanced its current practice of risk assessment with a broader range of risk categories that focus on business, strategic and financial risks. The Material Risk Assessment (MRA) Framework has been established to identify all risks material to CGC, including risk mitigation and controls. Using the MRA approach, CGC has a holistic view of potential threats or risks it may face and can assess if it is sufficiently capitalised to absorb financial losses from any unexpected events.

Stress Testing

Stress Testing is a forward-looking element of capital adequacy management and an integral tool in the risk management framework, as it provides Management with a better understanding of how we operate under adverse economic conditions. CGC periodically conducts stress testing to estimate risk exposure under a severe and plausible scenario and to develop or select appropriate strategies for mitigating such risks. The results of stress tests are interpreted in the context of internal risk appetite for capital adequacy and periodically reported to the Board and Management.

Business Continuity Management

CGC's Business Continuity Management (BCM) Framework aims to continue to deliver its products and services at acceptable pre-defined levels following a disruptive incident. This enables the Corporation to prepare for, respond to and recover from disruptive incidents.

BCM culture is embedded and integrated within CGC's strategic and day-to-day management, as well as its alignment with business priorities. The strategic objective of BCM is to ensure:

- Zero tolerance for disaster recovery failure.
- Timely recovery of all critical business operations, in accordance with CGC's Business Continuity Plan.

Crisis Management

The aim of Crisis Management (CM) is to develop CGC's capability to prepare for, anticipate, respond to and recover from crisis. CGC is committed to safeguarding the interests of its key stakeholders, the environment, reputation, brand and value in the event of emergency, incident or crisis. The Corporation has established a comprehensive Crisis Management and Business Continuity Programme to protect staff, safeguard the Corporation's assets and ensure continuous availability of its products and services.

Authority Limit

CGC's Approving Authority Limit (AAM) outlines accountability and responsibility. It serves as a reference tool to identify the appropriate approving authority at various levels of management, including matters that require Board approval. A full review of AAM is undertaken annually and realignment of AAM is performed to cater to changes in organisational structure to ensure effective decision-making.

Compliance Framework

The compliance framework approved by the Board broadly sets out compliance risk management processes and tools used by the Management and Compliance functions in managing compliance risks. The Compliance team supports the Management, supervises the compliance framework and provides compliance advisory to various business lines.

CGC Shariah Governance Framework (SGF)

The SGF is a blueprint for the Shariah governance in the Corporation. It provides a holistic, integrated, and coherent approach in managing Shariah compliance risk, specifically in Islamic Guarantee Schemes and Direct Financing Schemes. In this way, SGF becomes an integral part of the organisational and individual decision-making instead of a stand-alone activity. Thus, the SGF applies at every strategic cycle, and operational, business, or project level of Shariah-compliant schemes/products offered by the Corporation.

Anti-Bribery and Anti-Corruption Policy

CGC is committed to conducting business in accordance with high ethical standards, integrity and accountability. We have adopted a zero-tolerance policy against all forms of bribery and corruption by the Board and its employees or any person or companies acting for CGC or on its behalf. In recognition of this commitment, the Board and Management have implemented and enforced a comprehensive anti-bribery and corruption programme to prevent, deter

and monitor bribery and corruption in our business activities. CGC shall be guided by the Malaysian Anti-Corruption Commission Act 2009, adequate procedures and guidelines issued by the Prime Minister’s Department, its own internal ABC Policy and best practices recommended by ISO 37001:2016 Anti-Bribery Management System.

Anti-Money Laundering and Countering Financing of Terrorism

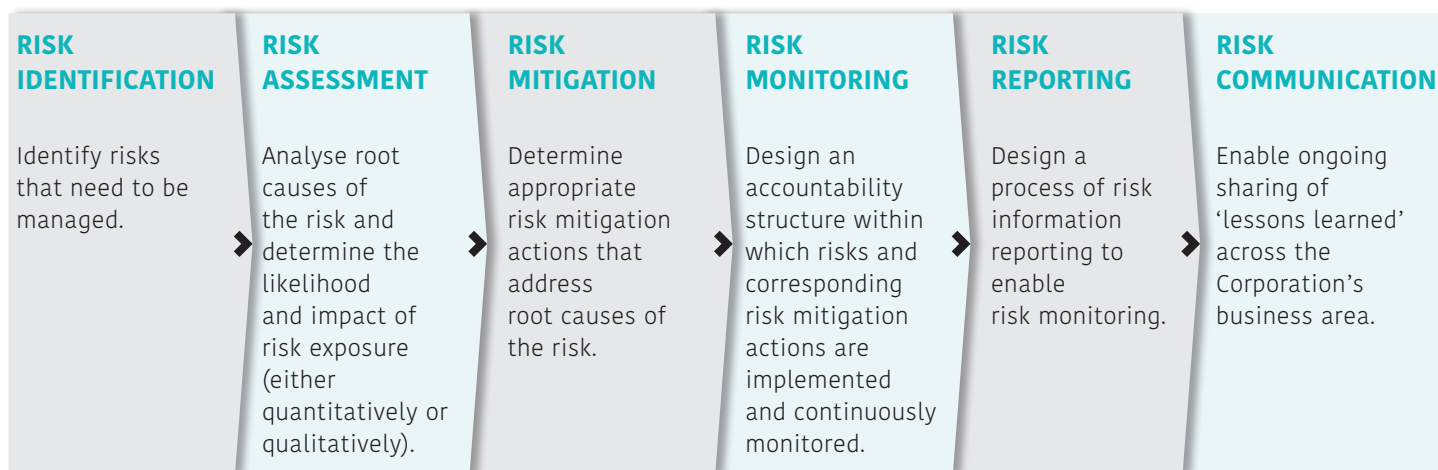
CGC is a BNM-designated Reporting Institution and is required to combat money laundering and terrorism financing activities. Therefore, it is CGC’s responsibility to ensure that funds from money laundering and for terrorism financing activities are prevented from entering Malaysian financial systems. CGC shall be guided by the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, applicable policy documents issued by BNM, its own internal AML/CFT policy and procedures, as well as best practices recommended by the Financial Action Task Force.

Personal Data Protection Act

As a user of personal data, CGC is under the statutory duty to comply with the principles of the Personal Data Protection Act 2010 and its code of practice. CGC shall be guided by the 2010 Act, applicable codes of practice and its own internal policy based on the Act.

RISK MANAGEMENT PROCESSES

Risk management is an integral part of management and the decision-making process, and is integrated into our structure, operations and processes. The process is applied at strategic, operational and project levels. An effective risk management process supports CGC in achieving its performance and strategic objectives by providing risk information to enable better decision-making.



CGC THREE-LINES-OF-DEFENCE MODEL

We have adopted the three-lines-of-defence model in which business lines and independent risk management and compliance functions work in collaboration to ensure that business strategies and activities are consistent with policies and limits. Clear accountabilities and robust controls are vital to help manage risks and build trust. This reinforces CGC’s risk management capabilities and compliance culture across all divisions and departments.





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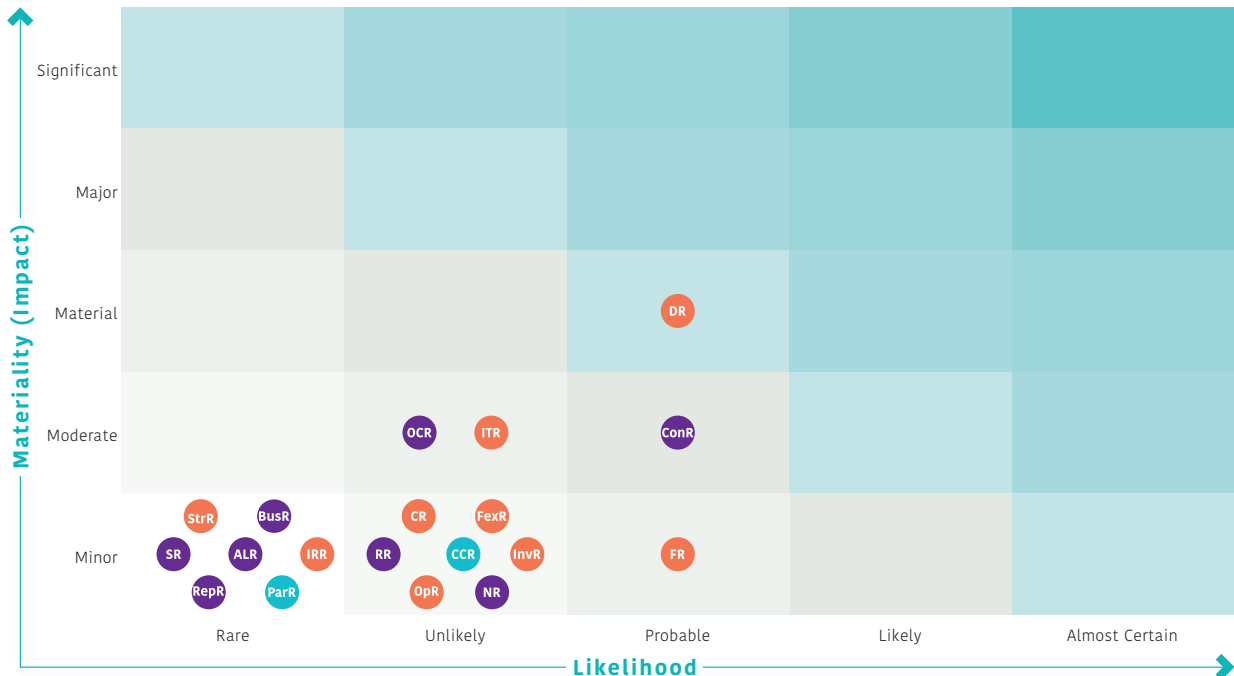
The model aims to reinforce CGC's risk management capabilities and compliance culture throughout the organisation. The responsibilities of each of the defence lines are as follows:

1st Line of Defence	Business lines/risk owners are accountable for effective management of risks within their business areas through identifying, assessing, mitigating, monitoring and reporting risks and actively implementing effective internal controls to manage risk and maintain activities within risk appetite and policies.
2nd Line of Defence	Independent risk management and compliance functions are responsible for maintaining an effective risk management and compliance framework that resonates through all levels of the organisation. The Risk Management function is responsible for providing reasonable assurance to the Board and Management that risks are actively identified, managed and communicated to all key stakeholders. The Compliance function acts as a consultant on regulatory compliance, internal policies and procedures. It is responsible for conducting ongoing risk-based enterprise-wide assessments, monitoring, testing and other activities to gain reasonable assurance as to the adequacy of, adherence to, and effectiveness of, CGC's Compliance Programme.
3rd Line of Defence	The Internal Audit function provides independent assurance on the design and operating effectiveness of the governance, risk management and internal control framework. It also facilitates enhancement, where appropriate.

Governing and Oversight Functions

The Board provides oversight directly and indirectly through its sub-committees to satisfy itself that decision-making aligns with CGC's strategies and risk appetite. The Board receives regular updates on risk information, and periodically reviews and approves the risk management framework, policies and limits. Management Level Committees comprise senior management responsible for supporting Board sub-committees in implementing an effective risk management framework, embedded throughout the Corporation.

SIGNIFICANT MATERIAL RISKS OF CGC



● Sufficient Capital Already Provided ● No Additional Capital Required ● Additional Capital Required

Legend

ALR Asset Liquidity Risk	FExR Foreign Exchange Risk	ParR Participation Risk
BusR Business Risk	InvR Investment Risk	ReprR Reputation Risk
CR Country Risk	IRR Interest Rate Risk	RR Recovery Risk
ConR Concentration Risk	ITR IT Risk	SR Settlement Risk
CCR Counterparty Credit Risk	NR Name Risk	StrR Strategic Risk
DR Default Risk	OpR Operational Risk (excluding Fraud)	
FR Fraud Risk	OCR Opportunity Cost Risk	

Default Risk

The Corporation is exposed to this inherent risk due to its business of providing credit guarantees and financing. It is a material risk primarily due to the relatively riskier segment of MSMEs that the Corporation serves as part of its developmental and countercyclical role. In managing the default risk, risk appetite/threshold has been set according to the type of portfolio. Credit risk-related policies and procedures governing the end-to-end credit processes are established to facilitate the Corporation operating within its risk appetite of the Corporation.

Operational Risk

Risk of loss due to inadequate or failed internal processes, people and systems, or from external events. Currently the Corporation has several projects already under way to mitigate technology risk that has been identified.

Opportunity Cost Risk

Due to the large investment portfolio, which generates significant revenue, the Corporation is exposed to this risk. This is also due to the number of securities currently held to maturity. Hence, any significant increase in yield may affect the Corporation in the sense that a potentially higher yield cannot be achieved as the Corporation is locked in these positions.

Credit Concentration Risk

Due to the business environment of SMEs, the Corporation is exposed to micro, small and medium-sized enterprises with high variability in performance. Therefore, the Corporation is exposed to credit concentration risks at the portfolio level in various segments, but these can be homogeneously grouped based on similar risk characteristics. Statistically derived thresholds by FI, Sectors, Constitutions and others are in place to guide business and manage concentration risks.

KAMASUHAILA
KARIM

Seremban,
Negeri Sembilan

Motorcycle
sales and
service

KAMA BIKE

“ We needed the financing to smoothen cash flow and add more variety and stock, which was not easy to acquire during the MCOs. ”

Managing Business

Despite the anti-pandemic MCOs disrupting regular business, Kamasuhaila Karim found it to be an interesting time. “It taught me how to do my business in new ways and opened up my market.”

As walk-ins could no longer browse in the bike shop in Seremban, Kamasuhaila posted motorcycle photographs on the Kama Bike Facebook page. Exchanging photos and details over WhatsApp with potential customers resulted in sales. “We chat and negotiate online and, once they agree, we deliver our bikes to their doorstep.” In addition, instead of just relying on customers in and around Seremban, they even delivered a motorcycle up north in Kedah.

As part of their service to differentiate themselves from competitors, Kamasuhaila does not charge for delivery. Neither does she turn away customers without a warranty or who are not pleased with their purchase. Her husband and five staff members ensure that the needs of customers are taken care of first.

CGC's Commitment

Kama Bike is in its fourth year of operations and, while the business did not dip too much during the pandemic, it started to improve as soon as 2022 began. The store not only sells a variety of motorcycles and superbikes, but offers repairs and services, too.



Kamasuhaila registered her business as an enterprise when she first began in 2018, and first applied for BizMula-i financing in 2020. “We needed the financing to smoothen cash flow and add more variety and stock, which was not easy to acquire during the MCOs.” She recalls: “Although that required a lot of upfront investment, if we do not have the bikes that customers want, then we lose another sale.” By 2021, she had expanded the enterprise to a Sendirian Berhad and applied

for her second BizMula-i. Kamasuhaila hopes to open a branch soon, either in Kuala Lumpur or Subang.

Pandemic Principle

“Other than ensuring that I have enough stock, I had to learn new strategies to expand my business through different mediums, as I could not depend on walk-in customers only.”



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DIRECTORS' REPORT

DIRECTORS' REPORT

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

DIRECTORS

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

Dato' Mohammed bin Haji Che Hussein (Chairman)
Datuk David Chua Kok Tee - retired on 14 February 2022
Dato' Haji Syed Moheeb bin Syed Kamarulzaman
Encik Teoh Kok Lin
Encik Suresh Kumar A/L T.A.S Menon
Dato' Ong Eng Bin
Encik Choong Tuck Oon
Encik Adnan Zaylani bin Mohamad Zahid
Encik Faisal bin Ismail
Puan Saleha binti M. Ramly
Encik Lim Choon Eng - appointed on 1 April 2022

PRINCIPAL ACTIVITIES

The principal activities of the Company are provision of guarantees, financing and loans.

FINANCIAL RESULTS

	Economic Entity RM'000	Company RM'000
Net profit for the financial year	140,713	542,306

RESERVES AND PROVISIONS

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

ISSUANCE OF SHARES

During the financial year, there were no changes in the issued and fully paid capital of the Company.

Details of the shares are set out in Note 17 to the financial statements.

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DIRECTORS' BENEFITS

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

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

DIVIDENDS

No dividends were paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividends to be paid for the financial year ended 31 December 2021.

DIRECTORS' REMUNERATION

Details of Directors' remuneration are set out in Note 37 to the financial statements.

SHARE OPTION SCHEME

No share options were issued by the Company during the financial year.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Company were prepared, 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 provision for doubtful debts and satisfied themselves that all known bad debts had been written-off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Company had been written-down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written-off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Company misleading; or
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.



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- (c) At the date of this report, there does not exist:
- (i) any charge on the assets 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 in the Company which has arisen since the end of the financial year.
- (d) No contingent or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company to meet their obligations when they fall due.
- (e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the respective financial statements misleading.
- (f) In the opinion of the Directors:
- (i) the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

AUDITOR'S REMUNERATION

Details of the auditor's remuneration are set out in Note 34 to the financial statements.

SIGNIFICANT EVENT AND EVENT OCCURRING AFTER BALANCE SHEET DATE

Details of significant event and event occurring after balance sheet date are set out in Note 42 to the financial statements.

BUSINESS REVIEW

The year 2021 marked another challenging period as the global COVID-19 pandemic continued to affect national economies and businesses. Nonetheless, despite challenges such as Movement Control Orders (MCOs) and business closures, Bank Negara Malaysia (BNM) reported the domestic economy had expanded by 3.1% in 2021. The growth trajectory was supported by the increase in economic activities as containment measures were progressively relaxed, amid continued policy support.

CGC, in delivering its mandate to assist MSMEs, continued to launch new Portfolio Guarantee/Wholesale Guarantee Schemes (PG/WG) and provided guarantees for BNM's Fund for SMEs, mainly the Targeted Relief and Recovery Facility (TRRF), so as to support MSMEs to recover from the health and economic crisis.

(a) Overall Performance

CGC continued to record higher total revenue with RM205.1 million earned in 2021, mainly contributed by the guarantee fees on PG/WG schemes. The guarantee and financing base grew by RM2.0 billion during the year. Other than the core businesses, RM440.1 million of one-off gain from the Danajamin transaction was also recognised during the year.

During the year, CGC approved more than 21,700 new guarantee and financing accounts valued at RM6.1 billion. Guarantee scheme approvals grew by 69 percent year-on-year, to 19,882 accounts in 2021, worth RM5.9 billion. As CGC continued the focus to assist MSMEs to recover in 2021, guarantees provided for TRRF contributed to 49 percent of the total guarantee scheme approval value. Nonetheless, PG/WG schemes continued to be significant contributors with 41 percent of the year's total guarantee approval value.

In enhancing financial inclusion through CGC's direct financing schemes, over 1,800 accounts worth more than RM210.1 million were approved. TPUB-i contributed to over half of the direct financing approval value, while financing schemes such as startup financing including BizMula-i and BizWanita-i contributed to 68% of the total number of accounts.

The CGC Beyond Guarantee pillar which provides targeted developmental support to MSMEs has recorded a significant increase in the number of MSMEs assisted, in line with CGC's focus to support MSME recovery. By working together with strategic partners, about 50,000 MSMEs have been assisted through the CGC Developmental Programme™. Apart from that, more than 4,700 accounts or RM488 million have been approved through the imSME platform, which enables MSMEs to secure financing products conveniently online, anywhere, at any time. It won an international award from The Global Economic Awards 2021 for the Most Innovative SME Financing Platform. Significant improvement was also seen with the Khidmat Nasihat Pembiayaan (MyKNP@CGC), which has received more than 1,700 enquiries from MSMEs since it was established in August 2019.

(b) Key Performance Indicators (“KPIs”)

The 5-Year Strategic Plan 2021-2025 (5SP) started with the effort to build the digital foundations for the implementation of the identified initiatives in 2021. Due to the challenges arising from the COVID-19 pandemic and the war for talent, only two of the four initiatives planned for 2021 were on track, although a component of a strategic initiative was completed ahead of time. As of 31 December 2021, CGC had managed to record more than 90% achievements in all of the Headline Targets set in the 5SP, namely outstanding guarantee & financing base, number of SMEs assisted, guarantee reserve ratio, cost-to-income ratio and digitally active customers.

(c) Key Risks and Mitigations

CGC practises management of credit risk and portfolio risk through consistent monitoring, data analytics and insightful reporting. The standards to mitigate risk adhere to the Malaysian Financial Reporting Standards (MFRS) and Bank Negara Malaysia's (BNM) Internal Capital Adequacy Assessment Process (ICAAP).



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(c) Key Risks and Mitigations (continued)

CGC is continuously enhancing its Enterprise Risk Management (ERM) Framework to further strengthen the robustness of its risk management and compliance capabilities against any potential external shocks while allowing it to capitalise on any potential upsides at the same time. Despite heightened operational risks during the pandemic, there were no business or operational disruptions, nor a spike in operational risk incidents.

CGC successfully initiated a business continuity plan, which enabled the continued provision of critical business functions while protecting the health and wellbeing of staff and customers. Nevertheless, there was increased exposure to cyber-attack risks arising from the implementation of teleworking arrangements and greater reliance on digital platforms, and risks of data and information leakage from operations conducted in home-based environments. Cybersecurity risk profiles and IT strategies have been reassessed to manage the digital risks, and key risks are closely monitored. CGC continues to keep abreast of regulatory and legal requirements to ensure compliance with all applicable laws, regulations and guidelines issued by regulators.

CGC Compliance Risk is managed with the involvement of the Board of Directors, Senior Management, and the Compliance Department based on the roles and responsibilities as defined in the CGC Compliance Charter. Compliance risk in CGC includes the risk of legal or regulatory sanctions, material financial loss or reputation damage as a result of failure to comply with laws, regulations, rules and ethical standards in observing the fair treatment of customers and staff in managing the operations of CGC including the distribution of CGC's products. Managing compliance risk is a business imperative, not only to avoid regulatory sanctions, but more importantly to enhance business quality, corporate performance, and service level for customers.

(d) Human Capital Development

Attracting, nurturing and retaining talent remain the key fundamentals for developing human capital in CGC, the cornerstones of our Employee Value Proposition. CGC embarked on an enterprise-wide Change Management Programme to ensure our people's skill enhancement and continuous learning to stay relevant to both internal and external stakeholders. Our investment in our people also enables them to better manage the rapidly evolving development of automation and fintech in our business.

CGC's Human Capital Strategy has been focusing on five (5) areas: Improving Organisational Effectiveness; Building, Strengthening & Sustaining Leadership Capabilities; Fostering a High Performance Culture; Intensifying Employee Engagement, and Building Competitive HR Practices. These themes have been reinforced through multiple deliverables since 2018. In the next 12 months, the Human Capital focus areas remained, with new initiatives planned to accelerate the CGC Transformation Journey and more focus on accelerating the alignment of new capabilities with digital transformation.

(e) Corporate Social Responsibility ("CSR")

In 2021 a prolonged pandemic and floods further impacted the underserved, underprivileged communities' health, social and economic circumstances. In continuing to assist these communities, CGC strove tirelessly to give back through our Corporate Social Responsibility (CSR) initiatives. These are aligned with 11 of the 17 United Nations Sustainable Development Goals (SDGs). Among the goals are No Poverty, Zero Hunger and Good Health and Wellbeing. Climate Action, Quality Education and Reduced Inequalities are also factored in.

BUSINESS REVIEW (CONTINUED)**(e) Corporate Social Responsibility (“CSR”) (continued)**

CGC leveraged and enhanced its collaboration with NGOs like Malaysian Medical Relief Society (MERCY), Malaysian Relief Agency (MRA) and UNICEF Malaysia. These initiatives were linked to our CSR objectives. One of the more meaningful CSR programmes was our contribution to the Full Movement Control Order (FMCO) Preparedness and Response Plan Fund. Relief funds for both COVID-19 Emergency and Flood, and sponsorship of B40 senior citizens’ cataract surgery at Tun Hussein Onn National Eye Hospital were further examples. Other relief efforts included food basket programmes, laptops to aid affected B40 communities, orphanages and adoption of a Taman Tugu tree promoting reforestation and sustaining nature.

AUDITORS

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

This report was approved by the Board of Directors on 18 April 2022. Signed on behalf of the Board of Directors:



DATO' MOHAMMED BIN HAJI CHE HUSSEIN
Chairman



FAISAL BIN ISMAIL
Director

Kuala Lumpur



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STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Note	Economic Entity		Company	
		31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
ASSETS					
Property, plant and equipment	4	12,070	19,615	12,070	19,615
Intangible assets	5	18,902	17,685	18,902	17,685
Right-of-Use assets ("ROU")	6	3,580	2,306	3,580	2,306
Investments in associates	7	7,978	8,421	7,341	7,341
Assets held for sale	8	-	901,150	-	500,000
Investment securities:					
Fair value through profit or loss ("FVTPL")	9	1,076,439	1,065,727	1,076,439	1,065,727
Investment securities:					
Fair value through other comprehensive income ("FVOCI")	10	2,100,065	2,305,593	2,100,065	2,305,593
Investment securities:					
Amortised cost	11	262,868	262,702	262,868	262,702
Derivative financial assets	12	7,249	11,131	7,249	11,131
Term deposits	13	1,324,279	553,564	1,324,279	553,564
Financing, loans and advances	14	230,530	193,449	230,530	193,449
Amount due from an associate		157	31	157	31
Other receivables	16	22,436	31,804	22,436	31,804
Deferred tax assets	39	-	-	-	-
Cash and cash equivalents		127,771	239,374	127,771	239,374
TOTAL ASSETS		5,194,324	5,612,552	5,193,687	5,210,322

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As at 31 December 2021

	Note	Economic Entity		Company	
		31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
EQUITY AND LIABILITIES					
Equity attributable to the Shareholders of the Company					
Share capital	17	1,785,600	1,785,600	1,785,600	1,785,600
Reserves	18	1,010,745	1,079,754	1,010,745	1,079,754
Retained earnings		1,364,868	1,138,847	1,364,231	752,916
FVOCI reserve	19	39,755	141,539	39,755	125,240
		4,200,968	4,145,740	4,200,331	3,743,510
Non-controlling interest		-	-	-	-
TOTAL EQUITY		4,200,968	4,145,740	4,200,331	3,743,510
Amount due to Bank Negara Malaysia (“BNM”)	15	11,672	1,648	11,672	1,648
Funds from BNM	20	499,122	958,136	499,122	958,136
Small Entrepreneurs Guarantee Scheme (“SEGS”)	21	3,873	13,411	3,873	13,411
Tabung Usahawan Kecil (“TUK”)	22	45,046	43,263	45,046	43,263
Government funds	23	22,930	26,121	22,930	26,121
Small Entrepreneurs Financing Fund (“SEFF”)	24	6	25	6	25
Derivative financial liabilities	25	5,116	2,917	5,116	2,917
Expected credit losses for guarantee schemes	26	242,163	275,540	242,163	275,540
Claims payable		8,682	1,684	8,682	1,684
Other payables	27	151,007	141,715	151,007	141,715
Lease liability	6	3,739	2,352	3,739	2,352
Deferred tax liabilities	39	-	-	-	-
TOTAL LIABILITIES		993,356	1,466,812	993,356	1,466,812
TOTAL EQUITY AND LIABILITIES		5,194,324	5,612,552	5,193,687	5,210,322

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



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STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Note	Economic Entity		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	30	205,147	193,030	205,147	193,030
Investment income	31	139,681	210,149	139,681	210,149
		344,828	403,179	344,828	403,179
Other operating income	32	87,509	48,117	488,659	51,927
Total income		432,337	451,296	833,487	455,106
Staff costs	33	79,648	82,293	79,648	82,293
Depreciation on property, plant and equipment		6,203	6,451	6,203	6,451
Amortisation of intangible assets		7,353	6,176	7,353	6,176
Expected credit losses for guarantee schemes		44,762	151,955	44,762	151,955
Expected credit losses of financing, loans and advances		4,376	14,087	4,376	14,087
Expected credit losses for investment securities and others		100,775	29,327	100,775	29,327
Interest expense for Government loans		3,032	3,092	3,032	3,092
Other operating expenses		45,032	50,964	45,032	50,964
Total operating expenses		291,181	344,345	291,181	344,345
Share of (loss)/profit after tax of an associate		(443)	1,065	-	-
Profit from continuing operations		140,713	108,016	542,306	110,761
Profit from discontinuing operations	8	-	525	-	-
Taxation	39	-	-	-	-
Net profit for the financial year		140,713	108,541	542,306	110,761

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	Economic Entity		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss				
- Net fair value (loss)/gain on FVOCI investments	(186,556)	14,677	(186,556)	14,677
- Changes in expected credit losses for FVOCI investments	101,071	28,562	101,071	28,562
- Share of other comprehensive income from discontinued operation	-	-	-	-
Other comprehensive (loss)/income for the financial year	(85,485)	43,239	(85,485)	43,239
Total comprehensive income for the financial year	55,228	151,780	456,821	154,000
Net profit for the financial year attributable to:				
Shareholders of the Company	140,713	108,541	542,306	110,761
Non-controlling interest	-	-	-	-
	140,713	108,541	542,306	110,761
Total comprehensive income for the financial year attributable to:				
Shareholders of the Company	55,228	151,780	456,821	154,000
Non-controlling interest	-	-	-	-
	55,228	151,780	456,821	154,000
Total comprehensive income for the year attributable to Shareholders of the Company arises from:				
Continuing operations	140,713	108,016	542,306	110,761
Discontinued operations	-	525	-	-
	140,713	108,541	542,306	110,761

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



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STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

← Attributable to Shareholders of the Company →

Economic Entity	Note	Share capital RM'000	Special Programme reserve RM'000	Skim Perbankan		Special reserve RM'000	Special Purpose reserve RM'000	FVOCI reserve RM'000	Retained earnings RM'000	Non- controlling interest RM'000	Total equity RM'000
				Special ("SPI") reserve RM'000	Special reserve RM'000						
Balance as at 1 January 2021		1,785,600	348,216	17,405	714,133	-	141,539	1,138,847	-	4,145,740	
Total comprehensive (loss)/income for the financial year		-	-	-	-	-	(85,485)	140,713	-	55,228	
Transfer between reserves	18	-	15,605	66	(525,956)	441,276	-	69,009	-	-	
Deemed disposal of associates	19	-	-	-	-	-	(16,299)	16,299	-	-	
Balance as at 31 December 2021		1,785,600	363,821	17,471	188,177	441,276	39,755	1,364,868	-	4,200,968	
Balance as at 1 January 2020		1,785,600	329,200	17,405	670,313	-	98,300	1,093,142	1,304	3,995,264	
Total comprehensive income for the financial year		-	-	-	-	-	43,239	108,541	-	151,780	
Transfer between reserves	18	-	19,016	-	43,820	-	-	(62,836)	-	-	
Deemed disposal of associates		-	-	-	-	-	-	-	(1,304)	(1,304)	
Balance as at 31 December 2020		1,785,600	348,216	17,405	714,133	-	141,539	1,138,847	-	4,145,740	

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Company	Note	Non-Distributable					Distributable			Total equity RM'000
		Share capital RM'000	Special Programme reserve RM'000	Skim Perbankan Islam ("SPI") reserve RM'000	Special reserve RM'000	Special Purpose reserve RM'000	FVOCI reserve RM'000	Retained earnings RM'000		
Balance as at 1 January 2021		1,785,600	348,216	17,405	714,133	-	125,240	752,916	3,743,510	
Total comprehensive (loss)/ income for the financial year		-	-	-	-	-	(85,485)	542,306	456,821	
Transfer between reserves	18	-	15,605	66	(525,956)	441,276	-	69,009	-	
Balance as at 31 December 2021		1,785,600	363,821	17,471	188,177	441,276	39,755	1,364,231	4,200,331	
Balance as at 1 January 2020		1,785,600	329,200	17,405	670,313	-	82,001	704,991	3,589,510	
Total comprehensive income for the financial year		-	-	-	-	-	43,239	110,761	154,000	
Transfer between reserves	18	-	19,016	-	43,820	-	-	(62,836)	-	
Balance as at 31 December 2020		1,785,600	348,216	17,405	714,133	-	125,240	752,916	3,743,510	

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



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STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2021

	Economic Entity		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit for the financial year	140,713	108,541	542,306	110,761
Adjustments for:				
Depreciation on property, plant and equipment	6,203	6,451	6,203	6,451
Depreciation on ROU assets	1,755	1,688	1,755	1,688
Amortisation of intangible assets	7,353	6,176	7,353	6,176
Gain on disposal of property, plant and equipment	(126)	-	(126)	-
Write-off of property, plant and equipment	182	3,809	182	3,809
Write-off of intangible assets	116	-	116	-
Interest expense for lease liability	113	136	113	136
Realised (gain)/loss on FVOCI investments	(2,910)	480	(2,910)	480
Realised gain on FVTPL investments	(7,863)	(16,672)	(7,863)	(16,672)
Realised gain on disposal of Danajamin	(38,906)	-	(440,056)	-
Unrealised fair value loss/(gain) on FVTPL investments	44,903	(10,532)	44,903	(10,532)
Amortisation of premium on FVTPL investments	960	1,422	960	1,422
Amortisation of premium on FVOCI investments	2,008	1,798	2,008	1,798
Realised gain on derivatives	(1,479)	(99)	(1,479)	(99)
Unrealised loss/(gain) on derivatives	6,341	(2,425)	6,341	(2,425)
Expected credit losses for guarantee schemes	44,762	151,955	44,762	151,955
Expected credit losses of financing, loans and advances	4,376	14,087	4,376	14,087
Expected credit losses for investment securities	100,775	29,327	100,775	29,327
Amortisation of deferred income	-	(2,491)	-	(2,491)
Accretion of Government loans	2,245	2,491	2,245	2,491
Interest expense on Government loans	3,032	3,092	3,032	3,092
Share of loss/(profit) after tax of associates	443	(1,065)	-	-
Gain on deemed disposal of a subsidiary	-	(3,331)	-	-
Gain of fair value remeasurement of retained interest in associate company	-	-	-	(7,141)
	314,996	294,838	314,996	294,313

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	Economic Entity		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
<i>Adjustments for: (continued)</i>				
(Increase)/decrease in interest receivable for investments	(7,965)	10,361	(7,965)	10,361
(Increase)/decrease in amount due from a subsidiary	-	(5,113)	-	3,970
Increase in ROU	(3,029)	-	(3,029)	-
Increase in lease liability	3,051	-	3,051	-
Decrease in other receivables	9,367	3,387	9,367	3,387
Increase in financing, loans and advances	(41,457)	(43,954)	(41,457)	(43,954)
Decrease in claims payable	(71,141)	(75,867)	(71,141)	(75,867)
Increase in amount due from an associate	(126)	(31)	(126)	(31)
Decrease in lease held for sale	-	(2,695)	-	-
Decrease in asset held for sale	-	11,253	-	-
Increase in other payables	9,292	16,539	9,292	16,539
Cash generated from operations	212,988	208,718	212,988	208,718
Net cash inflows from operating activities	212,988	208,718	212,988	208,718
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(1,807)	(4,239)	(1,807)	(4,239)
Purchase of intangible assets	(5,719)	(5,099)	(5,719)	(5,099)
Purchase of lease liability	(1,777)	(1,827)	(1,777)	(1,827)
Purchase of FVTPL investments	(495,027)	(688,566)	(495,027)	(688,566)
Purchase of FVOCI investments	(290,783)	(659,107)	(290,783)	(659,107)
Purchase of amortised cost investments	-	(80,000)	-	(80,000)
Proceeds from disposal of Danajamin	940,057	-	940,057	-
Proceeds from disposal of PPE	126	-	126	-
Proceeds from disposal of FVOCI investments	316,357	156,583	316,357	156,583
Proceeds from disposal of FVTPL investments	448,710	583,146	448,710	583,146
Proceeds from disposal of structured investments	-	-	-	-
Proceeds from disposal of amortised cost investments	-	-	-	-
Decrease/(increase) in derivative financial liabilities - net	1,219	(136)	1,219	(136)
(Increase)/decrease in term deposits - net	(753,856)	660,063	(753,856)	660,063
Net cash inflows/(outflows) from investing activities	157,500	(39,182)	157,500	(39,182)



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	Economic Entity		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of Small Entrepreneurs Guarantee Scheme	(10,000)	(9,000)	(10,000)	(9,000)
Repayment of Small Entrepreneurs Financing Fund	(19)	(8)	(19)	(8)
Repayment of Hawkers and Petty Traders & New Investment Fund	(3,191)	(6,038)	(3,191)	(6,038)
Payment of interest on Government funds	(3,032)	(3,092)	(3,032)	(3,092)
Increase in amount due to BNM	10,024	1,799	10,024	1,799
Increase in BizMula-i and BizWanita-i funds from BNM	40,986	38,815	40,986	38,815
Repayment of loan due to BNM	(500,000)	-	(500,000)	-
Net cash (outflows)/inflows from financing activities	(465,232)	22,476	(465,232)	22,476
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR	(94,744)	192,012	(94,744)	192,012
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	471,084	279,072	471,084	279,072
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	376,340	471,084	376,340	471,084
Cash and cash equivalents comprise the following:				
Cash and bank balances	127,771	239,374	127,771	239,374
Term deposits	1,324,279	553,564	1,324,279	553,564
	1,452,050	792,938	1,452,050	792,938
Less:				
Term deposits with original maturity of more than three months	1,075,710	321,854	1,075,710	321,854
	376,340	471,084	376,340	471,084

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Economic Entity	At	Cash flows	Non-cash changes		At
	1 January 2021		Interest accretion	Interest accrual	31 December 2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Amount due to Bank Negara Malaysia ("BNM")	1,648	10,024	-	-	11,672
Funds from BNM	958,136	(459,014)	-	-	499,122
Small Entrepreneurs Guarantee Scheme ("SEGS")	13,411	(10,000)	462	-	3,873
Tabung Usahawan Kecil ("TUK")	43,263	-	1,783	-	45,046
Government funds	26,121	(6,223)	-	3,032	22,930
Small Entrepreneurs Financing Fund ("SEFF")	25	(19)	-	-	6
	1,042,604	(465,232)	2,245	3,032	582,649

	At	Cash flows	Non-cash changes		At
	1 January 2020		Interest accretion	Interest accrual	31 December 2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Amount due (from)/to Bank Negara Malaysia ("BNM")	(151)	1,799	-	-	1,648
Funds from BNM	919,321	38,815	-	-	958,136
Small Entrepreneurs Guarantee Scheme ("SEGS")	21,633	(9,000)	778	-	13,411
Tabung Usahawan Kecil ("TUK")	41,550	-	1,713	-	43,263
Government funds	32,159	(9,130)	-	3,092	26,121
Small Entrepreneurs Financing Fund ("SEFF")	33	(8)	-	-	25
	1,014,545	22,476	2,491	3,092	1,042,604



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For the financial year ended 31 December 2021

Company	At	Cash flows	Non-cash changes		At
	1 January 2021		Interest accretion	Interest accrual	31 December 2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Amount due to Bank Negara Malaysia ("BNM")	1,648	10,024	-	-	11,672
Funds from BNM	958,136	(459,014)	-	-	499,122
Small Entrepreneurs Guarantee Scheme ("SEGS")	13,411	(10,000)	462	-	3,873
Tabung Usahawan Kecil ("TUK")	43,263	-	1,783	-	45,046
Government funds	26,121	(6,223)	-	3,032	22,930
Small Entrepreneurs Financing Fund ("SEFF")	25	(19)	-	-	6
	1,042,604	(465,232)	2,245	3,032	582,649

Company	At	Cash flows	Non-cash changes		At
	1 January 2020		Interest accretion	Interest accrual	31 December 2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Amount due (from)/to Bank Negara Malaysia ("BNM")	(151)	1,799	-	-	1,648
Funds from BNM	919,321	38,815	-	-	958,136
Small Entrepreneurs Guarantee Scheme ("SEGS")	21,633	(9,000)	778	-	13,411
Tabung Usahawan Kecil ("TUK")	41,550	-	1,713	-	43,263
Government funds	32,159	(9,130)	-	3,092	26,121
Small Entrepreneurs Financing Fund ("SEFF")	33	(8)	-	-	25
	1,014,545	22,476	2,491	3,092	1,042,604

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

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1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The Company is a public limited liability company incorporated and domiciled in Malaysia. The address of the registered office of the Company is Level 14, Bangunan CGC, Kelana Business Centre, No. 97, Jalan SS 7/2, 47301 Petaling Jaya, Selangor.

The principal place of business of the Company is located at Level 8, Bangunan CGC, Kelana Business Centre, No. 97, Jalan SS 7/2, 47301 Petaling Jaya, Selangor.

The Company is principally engaged in the provision of guarantees, loans and financing. There have been no significant changes in the nature of principal activities during the financial year.

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 18 April 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements unless otherwise stated.

2.1 Basis of preparation

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

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

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying Economic Entity accounting policies. Although these estimates and judgements are based on the Directors’ best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

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

The Company has applied the following standards and amendments for the first time for the financial year beginning on 1 January 2021:

- Amendments to MFRS 16 ‘COVID-19-Related Rent Concessions’
- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 ‘Interest Rate Benchmark Reform-Phase 2’

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.



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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

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

Amendments to MFRS 16 'COVID-19-Related Rent Concessions' (MFRS 16 amendment)

In 2020, MFRS 16 Leases was amended to provide an optional practical expedient to the lessees on accounting for COVID-19 related rent concessions, such as rent holidays and temporary rent reductions for which payments are originally due on or before 30 June 2021.

The adoption of this standard did not have any significant impact on the Company.

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 'Interest Rate Benchmark Reform—Phase 2'

The Phase 2 amendments require entities to update the hedge documentation to reflect the changes required by the interbank offered rate (IBOR) replacement. These amendments also provide reliefs that enable and require entities to continue hedge accounting in circumstances when changes in hedged items and hedging instruments are solely due to IBOR reform.

The adoption of this standard did not have any significant impact on the Company.

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

A number of new standards and amendments to standards and interpretations are effective for financial year beginning after 1 January 2021. None of these are expected to have a significant effect on the financial statements of the Company, except for the following set out below:

- Annual Improvements to MFRS 9 'Fees in the 10% Test for Derecognition of Financial Liabilities' (effective 1 January 2022) clarifies that only fees paid or received between the borrower and the lender, including the fees paid or received on each other's behalf, are included in the cash flow of the new loan when performing the 10% test.

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

- Amendments to MFRS 3 'Reference to Conceptual Framework' (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework. The amendments did not change the current accounting for business combinations on acquisition date.

The amendments provide an exception for the recognition of liabilities and contingent liabilities should be in accordance with the principles of MFRS 137 'Provisions, contingent liabilities and contingent assets' and IC Interpretation 21 'Levies' when it falls within their scope. It also clarifies that contingent assets should not be recognised at the acquisition date.

The amendments shall be applied prospectively.

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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.1 Basis of preparation (continued)****(b) Standards and amendments that have been issued but not yet effective. (continued)**

- Amendments to MFRS 116 'Proceeds before Intended Use' (effective 1 January 2022) prohibit an entity from deducting from the cost of a property, plant and equipment the proceeds received from selling items produced by the property, plant and equipment before it is ready for its intended use. The sales proceeds should instead be recognised in profit or loss.

The amendments also clarify that testing whether an asset is functioning properly refers to assessing the technical and physical performance of the property, plant and equipment.

The amendments shall be applied retrospectively.

- Amendments to MFRS 137 "Onerous Contracts - Cost of Fulfilling a Contract" (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts. The amendments also clarify that before recognising a separate provision for an onerous contract, impairment loss that has occurred on assets used in fulfilling the contract should be recognised.
- Amendments to MFRS 101 'Classification of Liabilities as Current or Non-Current' (effective 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. If the right to defer settlement of a liability is subject to the entity complying with specified conditions (for example, debt covenants), the right exists at the end of the reporting period only if the entity complies with those conditions at that date. The amendments further clarify that the entity must comply with the conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The assessment of whether an entity has the right to defer settlement of a liability at the reporting date is not affected by expectations of the entity or events after the reporting date.

The amendments shall be applied retrospectively.

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

2.2 Consolidation, subsidiaries and associates**(a) Subsidiaries**

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.



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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation, subsidiaries and associates (continued)

(a) Subsidiaries (continued)

The Company applies the acquisition method to account for business combinations when the acquired sets of activities and assets meet the definition of a business. The Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair value at the acquisition date. The Company recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statements of comprehensive income.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the statements of comprehensive income.

Any contingent consideration to be transferred by the Company is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in the profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.2 Consolidation, subsidiaries and associates (continued)****(a) Subsidiaries (continued)**

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of financial position, statements of comprehensive income and statements of changes in equity respectively.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Company. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to the owners of the Company.

(c) Disposal of subsidiaries

When the Company ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the statements of comprehensive income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the profit or loss.

(d) Associates

Associates are all entities over which the Company has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment in an associate is initially recognised at cost, and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the associate in the statements of comprehensive income, and the Company's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interests in the associate, including any long-term interests that, in substance, form part of the Company's net investment in the associate, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Company's investment in associates includes goodwill identified on acquisition.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount. The Company presents the impairment loss in share of profit after tax of associates in statements of comprehensive income.



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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation, subsidiaries and associates (continued)

(d) Associates (continued)

Profits and losses resulting from upstream and downstream transactions between the Company and its associates are recognised in the Company's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Company.

When the Economic Entity and the Company cease to equity account their associates because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the comprehensive income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Economic Entity and the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the statements of comprehensive income.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to the profit or loss where appropriate.

Dilution gains or losses arising in investments in associates are recognised in the profit or loss.

2.3 Investments in subsidiaries and associates in separate financial statements

In the Company's separate financial statements, investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries, joint ventures and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the statements of comprehensive income.

The amount due from subsidiaries from which the Company does not expect repayment in the foreseeable future is considered as part of the Company's investments in the subsidiaries.

2.4 Property, plant and equipment

Property, plant and equipment are initially stated at cost. The cost of an item of property, plant and equipment initially recognised includes its purchase price, import duties, non-refundable purchase taxes and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.4 Property, plant and equipment (continued)**

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

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in 'other operating income' in the statements of comprehensive income.

Freehold land is not depreciated as it has an infinite life. Other property, plant and equipment are depreciated on the straight-line method to allocate the cost or the revalued amounts, to their residual values over their estimated useful lives, summarised as follows:

Building	25 years
Leasehold land	Over the remaining lease period
Motor vehicles	5 years
Office equipment	5 years
Furniture, fittings and fixtures	5 years
Renovation	5 years
Computer equipment	5 years

At the end of the reporting period, the Economic Entity and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2.6 on impairment of non-financial assets.

2.5 Intangible assets

Intangible assets consist of capitalised data cost acquired from Companies Commission of Malaysia and application software.

Intangible assets are stated at cost less any accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is recognised in the statements of comprehensive income as incurred.

Intangible assets with finite useful lives are amortised from the date they are available for use.



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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Intangible assets (continued)

Amortisation is recognised in the statements of comprehensive income on a straight-line basis over the estimated lives of the intangible assets, summarised as follows:

Capitalised data costs	5 years
Application software	5 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

At the end of the reporting period, the Economic Entity and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A written down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2.6 on impairment of non-financial assets.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs.

2.6 Impairment of non-financial assets

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

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

2.7 Financial assets

Classification

The Economic Entity and the Company classify their financial assets in the following measurement categories:

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial assets (continued)

Recognition of financial assets

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Economic Entity and the Company commit to purchase or sell the asset.

Measurement

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

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

Debt instruments

Subsequent measurement of debt instruments depends on the Economic Entity's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The Economic Entity and the Company reclassify debt investments when and only when the business model for managing those assets changes.

There are three measurement categories into which the Economic Entity and the Company classify the debt instruments:

(i) *Amortised cost*

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

(ii) *Fair value through other comprehensive income ("FVOCI")*

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



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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial assets (continued)

Debt instruments (continued)

(iii) Fair value through profit or loss (“FVTPL”)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Economic Entity and the Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes are recognised in the statement of comprehensive income and presented net within investment income in the period in which they arise.

Equity instruments

The Economic Entity and the Company subsequently measure all equity investments at fair value. Where the Economic Entity’s and the Company’s management have elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the statements of comprehensive income following the derecognition of the investments. Dividends from such investments continue to be recognised in the statements of comprehensive income as other income when the Economic Entity’s and the Company’s right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in investment income in the statement of comprehensive income.

Impairment for debt instruments and financial guarantee contracts

The Economic Entity and the Company assess on a forward-looking basis the expected credit loss (“ECL”) associated with their debt instruments carried at amortised cost and at FVOCI and financial guarantee contracts issued. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Economic Entity and the Company have four types of financial instruments that are subject to the ECL model:

- Other receivables
- Loans to subsidiaries
- Contract assets
- Financial guarantee contracts

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss is immaterial.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Economic Entity and the Company expect to receive, over the remaining life of the financial instrument. For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Economic Entity and the Company expect to receive from the holder, the debtor or any other party.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial assets (continued)

Impairment for debt instruments and financial guarantee contracts (continued)

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(i) *General 3-stage approach for other receivables and financial guarantee contracts issued*

At each reporting date, the Economic Entity and the Company measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

(ii) *Simplified approach for other receivables, contract assets and lease receivables*

The Economic Entity and the Company apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all other receivables and contract assets. Note 40 sets out the measurement details of ECL.

Significant increase in credit risk (“SICR”)

The Economic Entity and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Economic Entity and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available, reasonable and supportable forward-looking information.

The following indicators are incorporated:

- Default risk

The Economic Entity and the Company shall compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default as at the date of initial recognition.

- Forward-looking information

When more forward-looking than past-due information is available, it must be used to assess SICR. This is because credit risk typically increases significantly before a financial instrument becomes past due or other lagging customer-specific factors (for example, a modification or restructuring) are observed.



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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial assets (continued)

Significant increase in credit risk (“SICR”) (continued)

- Past-due information

When information that is more forward-looking than past-due status is not available, the Economic Entity and the Company may use past due information to determine SICR.

- Collective assessment

Some factors or indicators may not be identifiable on an individual financial instrument level. In such a case, the factors or indicators should be assessed for appropriate portfolios, groups of portfolios or portions of a portfolio of financial instruments to determine SICR.

- Low credit risk at reporting date

Financial instruments with low credit risk at reporting date could be considered as no SICR.

- Non-funded product consideration

For financing commitments, using changes in the risk of a default occurring on the financing to which a financing commitment relates. For financial guarantee contracts, an entity considers the changes in the risk that the specified debtor will default on the contract.

- Derecognition of SICR

Financial instruments that move from Stage 2 back to Stage 1 need to have a history of timely payment performance against the modified contractual terms.

Macroeconomic information (such as unemployment rates) is incorporated as part of the internal ECL model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Economic Entity and the Company define a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

The Economic Entity and the Company define a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when it falls due.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.7 Financial assets (continued)****Definition of default and credit-impaired financial assets (continued)**Qualitative criteria:

The debtor meets unlikeliness-to-pay criteria, which indicates the debtor is in significant financial difficulty. The Economic Entity and the Company consider the following instances:

- the debtor is in breach of financial covenants;
- concessions have been made by the lender relating to the debtor's financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- the debtor is insolvent.

Financial instruments that are credit-impaired are assessed on an individual basis.

Groupings of instruments for ECL measured on collective basis*(i) Collective assessment*

To measure ECL, other receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the other receivables for the same types of contracts. The Economic Entity and the Company have therefore concluded that the expected loss rates for other receivables are a reasonable approximation of the loss rates for the contract assets.

(ii) Individual assessment

Other receivables and contract assets which are in default or credit-impaired are assessed individually.

Write-off*(i) Other receivables*

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



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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial assets (continued)

Modification of loans and financing

The Economic Entity and the Company sometimes renegotiate or otherwise modify the contractual cash flows of loans and financing to customers. When this happens, the Economic Entity and the Company assess whether or not the new terms are substantially different to the original terms. The Economic Entity and the Company do this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay;
- Whether any substantial new terms are introduced, such as a profit share or equity-based return that substantially affects the risk profile of the loan;
- Significant extension of the loan term when the borrower is not in financial difficulty;
- Significant change in the interest rate;
- Change in the currency the loan is denominated in; and
- Insertion of collaterals, other securities or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Economic Entity and the Company derecognise the original financial asset and recognise a 'new' asset at fair value and recalculate a new EIR for the asset. However, the Economic Entity and the Company also assess whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amounts are also recognised in the income statements as a modification gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Economic Entity and the Company recalculate the gross carrying amount based on the revised cash flows of the financial asset and recognise a modification gain or loss in the income statements. The new gross carrying amount is recalculated by discounting the modified cash flows at the original EIR.

Reclassification of financial assets

The Economic Entity and the Company reclassify financial assets when and only when their business model for managing those assets changes.

Derecognition of financial assets

A financial asset is derecognised when there is substantial modification of terms and conditions or factors other than substantial modification.

(a) Derecognition due to substantial modification of terms and conditions

The Economic Entity and the Company derecognise a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss. The newly recognised financing is classified as Stage 1 for ECL measurement purposes.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original effective interest rate ("EIR"), the Economic Entity and the Company record a modification gain or loss, to the extent that an impairment loss has not already been recorded.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial assets (continued)

Derecognition of financial assets (continued)

(b) *Derecognition other than for substantial modification*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Economic Entity and the Company transfer substantially all the risks and rewards of ownership, or (ii) the Economic Entity and the Company neither transfer nor retain substantially all the risks and rewards of ownership and the Economic Entity and the Company have not retained control.

2.8 Financial liabilities

Financial liabilities are measured at amortised cost, except for trading liabilities designated at fair value, which are held at FVTPL. Financial liabilities are initially recognised at fair value plus transaction costs for all financial liabilities not carried at FVTPL. Financial liabilities at FVTPL are initially recognised at fair value, and transaction costs are expensed in the statements of comprehensive income. Financial liabilities are derecognised when extinguished.

(a) Recognition and initial measurement

Other financial liabilities measured at amortised cost

Other financial liabilities are initially recognised at fair value plus transaction costs. Subsequently, other financial liabilities are re-measured at amortised cost using the effective interest method.

Other financial liabilities measured at amortised cost are 'amount due to BNM', 'funds from BNM', 'SEGS', 'TUK', 'Government funds', 'SEFF', 'claims payable' and 'other payables'.

(b) Derecognition

Financial liabilities are de-recognised when they have been redeemed or otherwise extinguished.

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

2.10 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when fair values are positive, and as liabilities when fair values are negative.



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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Derivative financial instruments (continued)

The best evidence of fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless fair value of the instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets.

The Economic Entity's and the Company's derivatives do not qualify for hedge accounting. They are classified as FVTPL and accounted for in accordance with the accounting policy set out in Note 2.7.

2.11 Financial guarantee contracts

Financial guarantee contracts are contracts that require the Economic Entity or Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The fair value of a financial guarantee at the time of issuance is zero because all guarantees are agreed on arm's length terms and the value of the premium agreed corresponds to the value of the guarantee obligation. No receivable for the future premium is recognised.

Subsequently the financial guarantee contracts are measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of MFRS 15.

2.12 Other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Economic Entity and the Company.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value plus transaction costs. Other receivables are recognised initially at fair value plus transaction costs. Transaction costs include transfer taxes and duties.

After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest method, less loss allowance. See accounting policy Note 2.7 on impairment of financial assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.13 Cash and cash equivalents**

For the purpose of the statements of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.14 Non-current assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Immediately before the classification as held for sale, the assets and liabilities are measured in accordance with the Economic Entity's accounting policies and thereafter they are stated at the lower of carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

2.15 Share capital

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the substance of the contractual arrangement of the particular instrument. Incremental costs directly attributable to the issue of new shares or options are deducted against equity.

2.16 Trade and claims payables

Trade and claims payables represent liabilities for goods or services provided to the Economic Entity and the Company prior to the end of financial year which are unpaid.

Trade and claims payables are recognised initially at fair value net of transaction costs incurred, which include transfer taxes and duties.

Trade and claims payables are subsequently measured at amortised cost using the effective interest method.

2.17 Current and deferred income tax

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



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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Current and deferred income tax (continued)

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income.

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

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

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

Deferred tax liability is recognised for all taxable temporary differences associated with property, plant and equipment and intangible assets.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the deductible temporary difference can be utilised.

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

2.18 Employee benefits

Short-term employee benefits

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.18 Employee benefits (continued)***Short-term employee benefits (continued)*

The Economic Entity and the Company recognise a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Defined contribution plans

The Economic Entity and the Company contribute to the Employees' Provident Fund ("EPF"), a defined contribution plan. The Economic Entity's and the Company's contributions to the defined contribution plan are charged to the statements of comprehensive income in the financial year to which they relate. Once the contributions have been paid, the Economic Entity and the Company have no further payment obligations.

2.19 Government grants

The benefit of a Government loan at a below-market rate of interest is treated as a Government grant. The Government loan is recognised as a financial liability, and measured in accordance with MFRS 9 'Financial Instruments'. The Government grant is measured as the difference between the initial carrying value of the Government loan determined in accordance with MFRS 9 and the proceeds received. The Government grant is presented as deferred income in the statements of financial position.

Government grants are recognised when there is a reasonable assurance that the grants will be received, and the Economic Entity and the Company will comply with the conditions attached to the grants. Government grants are recognised in the statements of comprehensive income on a systematic basis over the periods in which the Economic Entity and the Company recognised as expenses the related costs for which the grants are intended to compensate.

The Economic Entity and the Company have applied the transitional provisions in MFRS 120 'Accounting for Government Grants and Disclosure of Government Assistance' and Amendment to MFRS 1 'First-time Adoption of Malaysian Financial Reporting Standard' on Government Loans whereby the accounting provisions of MFRS 120 shall be applied prospectively to grants receivable or repayable after the effective date of the standard. The grants are 'Tabung Usahawan Kecil' and 'Small Entrepreneurs Guarantee Scheme'.

The Government loans which existed at the date of transition are 'Funds from BNM' for Tabung Projek Usahawan Bumiputera-i and subscription for shares of Danajamin Nasional Berhad, 'Government funds', and 'Small Entrepreneurs Financing Fund'. These Government loans are stated at their previous carrying value.

2.20 Provisions

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

Where the Economic Entity and the Company expect a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.



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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Provisions (continued)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

2.21 Deferred income (excluding Government grants)

Deferred income comprises subscription fees paid in advance and fees from prepaid package. Deferred income is recognised as revenue in the statements of comprehensive income based on amortisation over a period for subscription fees and based on utilisation of the prepaid package or the expiry of the agreement for prepaid package, whichever comes first.

2.22 Contingencies

The Economic Entity and the Company do not recognise contingent assets and liabilities, but disclose their existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Economic Entity and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Economic Entity and the Company. The Economic Entity and the Company do not recognise contingent assets but disclose their existence where inflows of economic benefits are probable, but not virtually certain.

2.23 Revenue recognition

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.23 Revenue recognition (continued)**

The Economic Entity and the Company base their estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

- (i) Guarantee fees are recognised on an accrual basis proportionately over the period of the respective guarantees.
- (ii) Interest/profit income is recognised using the effective interest/profit method. When a loan and receivable is impaired, the Economic Entity and the Company reduce the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest/profit rate of the instrument, and continue unwinding the discount as interest/profit income. Interest/profit income on impaired loans and receivables is recognised using the original effective interest/profit rate.
- (iii) Other interest income, including amortisation of premiums or accretion of discounts, is recognised on a time proportion basis that takes into account the effective yield of the asset.
- (iv) Rental income is recognised on a time proportion basis except where default in payment of rent has already occurred and the rent due remains outstanding, in which case recognition of rental income is suspended. Subsequent to suspension, rental income is recognised on the receipt basis until all arrears have been paid.
- (v) Sales of services is engaged in provision of credit reference services, credit scoring and such other services related to a credit bureau. These services are provided as a fixed-price contract, with contract terms generally ranging from less than one year to three years.
- (vi) Other revenue is recognised when a customer obtains control of the services rendered i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services.

2.24 Foreign currencies**(a) Functional and presentation currency**

Items included in the financial statements of each of the Economic Entity's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Economic Entity's and the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in other comprehensive income when they arose from qualifying cash flow or net investment hedges or are attributable to items that form part of the net investment in a foreign operation.



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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Foreign currencies (continued)

(b) Transactions and balances (continued)

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statements of comprehensive income within other comprehensive income.

Changes in the fair value of monetary securities denominated in foreign currency classified as debt instruments classified as at fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the statements of comprehensive income, and other changes in carrying amount are recognised in other comprehensive income.

2.25 Leases in which the Economic Entity and the Company are a lessee

The Economic Entity and the Company as a lessee

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

Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

Contracts may contain both lease and non-lease components. The Economic Entity and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Economic Entity and the Company are a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

(a) Lease term

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

The Economic Entity and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Economic Entity and the Company and affects whether the Economic Entity and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities (refer to (d) below).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.25 Leases in which the Economic Entity and the Company are a lessee (continued)**

The Economic Entity and the Company as a lessee (continued)

(b) ROU assets

ROU assets are initially measured at cost comprising the following:

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

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

(c) Lease liabilities

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

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- The exercise price of a purchase and extension options if the Economic Entity and the Company are reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Economic Entity and the Company exercising that option.

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

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

Variable lease payments that depend on sales are recognised in the statements of comprehensive income in the period in which the condition that triggers those payments occurs.

The Economic Entity and the Company present the lease liabilities as a separate line item in the statements of financial position. Interest expense on the lease liability is presented within the finance cost in the statements of comprehensive income.



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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Leases in which the Economic Entity and the Company are a lessee (continued)

The Economic Entity and the Company as a lessee (continued)

(d) Reassessment of lease liabilities

The Economic Entity and the Company are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

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

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in the statements of comprehensive income.

2.26 Leases in which the Economic Entity and the Company are a lessor

The Economic Entity and the Company as a lessor

As a lessor, the Economic Entity and the Company determine at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Economic Entity and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Economic Entity and the Company consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

(a) Finance leases

The Economic Entity and the Company classify a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Economic Entity and the Company derecognise the underlying asset and recognise a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investment is subject to MFRS 9 impairment (refer to Note 2.7 on impairment of financial assets). In addition, the Economic Entity and the Company review regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Economic Entity and the Company revise the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.26 Leases in which the Economic Entity and the Company are a lessor (continued)**

The Economic Entity and the Company as a lessor (continued)

(b) Operating leases

The Economic Entity and the Company classify a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Economic Entity and the Company recognise lease payments received under operating lease as lease income on a straight-line basis over the lease term.

When assets are leased out under an operating lease, the asset is included in the statements of financial position based on the nature of the asset. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of underlying asset and recognised as an expense over the lease term on the same basis as lease income.

(c) Sublease classification

When the Economic Entity and the Company are an intermediate lessor, they assess the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Economic Entity and the Company apply the exemption described above, then they classify the sublease as an operating lease.

(d) Separating lease and non-lease components

If an arrangement contains lease and non-lease components, the Economic Entity and the Company allocate the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in MFRS 15.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period, or in the period of revision and future periods if the revision affects both current and future periods. The Economic Entity and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Economic Entity and the Company use their judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Refer to Note 40(d) for key assumptions used to determine the fair values of financial instruments.



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3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below. (continued)

(b) Measurement of expected credit losses allowances

The measurement of ECL allowance for financial assets measured at amortised cost and at FVOCI, and guarantee schemes is an area that requires the use of significant assumptions about future economic conditions and credit behaviour of customers and counterparties. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is detailed in Note 40(a). Areas of significant judgements involved in the measurement of ECL are detailed as follows:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Management Overlay

As the current MFRS 9 models are not expected to generate levels of expected credit loss with sufficient reliability in view of the unprecedented and ongoing COVID-19 pandemic, overlays and post-model adjustments have been applied to determine a sufficient overall level of ECLs for the year ended and as at 31 December 2021.

These overlays and post-model adjustments were taken to reflect the latest macroeconomic outlook not captured in the modelled outcome and the potential impact on delinquencies and defaults when the various relief and support measures are expiring in 2022.

The overlays and post-model adjustments involved significant levels of judgement and reflect the management's views of possible severities of the pandemic and paths of recovery in the forward-looking assessment for ECL estimation purposes.

(c) Allowance for impairment on investment in an associate company

In the Company's separate financial statements, investments in associates are carried at cost less accumulated impairment losses. The Company assesses the impairment on investment in an associate company on an annual basis in accordance with its accounting policy in Note 2.6 to the financial statements. On disposal of investments in associates, the difference between disposal proceeds and the carrying amounts of the investments is recognised in profit or loss.

(d) Lease

The accounting for leases under MFRS 16 involves making various judgements and estimates which may need to be disclosed. The level of detail provided depends on the individual circumstances of the entity and the materiality of the amounts involved. For example, an entity may explain how it applies the judgement in the following areas:

- (i) How the entity has determined whether a contract is, or contains, a lease.
- (ii) How the entity has determined the incremental borrowing rate, for example where third-party financing cannot be obtained (or can only be obtained at a significant premium), or by adjusting rates to reflect the term, security, value or economic environment.
- (iii) What the entity considers to be an index or rate in determining lease payments.
- (iv) How the entity accounts for costs incurred in connection with a lease that are not part of the cost of the ROU asset.

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4. PROPERTY, PLANT AND EQUIPMENT

Economic Entity and The Company	Building RM'000	Long-term leasehold land RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture, fittings & fixtures RM'000	Renovation RM'000	Computer equipment RM'000	Capital work in progress RM'000	Total RM'000
Cost									
As at 1 January 2021	39,081	5,010	144	3,686	1,858	22,255	10,790	4,033	86,857
Additions	-	-	-	225	-	1,208	317	57	1,807
Disposals	-	-	-	-	-	-	(1,158)	-	(1,158)
Write-off	-	-	-	(6)	(39)	(471)	(3,450)	(57)	(4,023)
Transfer from work in progress	-	-	-	125	-	-	-	(125)	-
Reclassification to intangible assets (Note 5)	-	-	-	-	-	-	-	(2,967)	(2,967)
Reclassification from renovation	-	-	-	73	52	(125)	-	-	-
As at 31 December 2021	39,081	5,010	144	4,103	1,871	22,867	6,499	941	80,516
Less: Accumulated depreciation									
As at 1 January 2021	37,519	2,949	143	2,700	1,321	13,976	8,634	-	67,242
Charge for the financial year	1,561	29	-	435	255	3,109	814	-	6,203
Disposals	-	-	-	-	-	-	(1,158)	-	(1,158)
Write-off	-	-	-	(6)	(40)	(345)	(3,450)	-	(3,841)
Reclassification from renovation	-	-	-	11	8	(19)	-	-	-
As at 31 December 2021	39,080	2,978	143	3,140	1,544	16,721	4,840	-	68,446
Net book value									
As at 31 December 2021	1	2,032	1	963	327	6,146	1,659	941	12,070



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4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Economic Entity and The Company	Building RM'000	Long-term leasehold land RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture, fixtures & RM'000	Renovation RM'000	Computer equipment RM'000	Capital work in progress RM'000	Total RM'000
Cost									
As at									
1 January 2020	39,081	5,010	144	3,568	1,858	19,844	10,408	9,447	89,360
Additions	-	-	-	118	-	3	610	3,508	4,239
Write-off	-	-	-	-	-	-	(228)	(3,809)	(4,037)
Transfer from work in progress	-	-	-	-	-	2,408	-	(2,408)	-
Reclassification to intangible assets (Note 5)	-	-	-	-	-	-	-	(2,705)	(2,705)
As at									
31 December 2020	39,081	5,010	144	3,686	1,858	22,255	10,790	4,033	86,857
Less: Accumulated depreciation									
As at 1 January 2020	35,956	2,920	143	2,189	1,018	10,743	8,030	-	60,999
Charge for the financial year	1,563	29	-	511	303	3,233	812	-	6,451
Write-off	-	-	-	-	-	-	(228)	-	(228)
Reclassification from intangible assets (Note 5)	-	-	-	-	-	-	20	-	20
As at									
31 December 2020	37,519	2,949	143	2,700	1,321	13,976	8,634	-	67,242
Net book value									
As at									
31 December 2020	1,562	2,061	1	986	537	8,279	2,156	4,033	19,615

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5. INTANGIBLE ASSETS

Economic Entity and The Company	Software RM'000	Total RM'000
Cost		
As at 1 January 2021	70,784	70,784
Additions	5,719	5,719
Write-off	(3,852)	(3,852)
Reclassification from property, plant and equipment (Note 4)	2,967	2,967
As at 31 December 2021	75,618	75,618
Less: Accumulated amortisation		
As at 1 January 2021	53,099	53,099
Amortisation charge during the financial year	7,353	7,353
Write-off	(3,736)	(3,736)
As at 31 December 2021	56,716	56,716
Net book value		
As at 31 December 2021	18,902	18,902

Economic Entity and The Company

Cost

As at 1 January 2020	63,049	63,049
Additions	5,099	5,099
Write-off	(69)	(69)
Reclassification from property, plant and equipment (Note 4)	2,705	2,705
As at 31 December 2020	70,784	70,784

Less: Accumulated amortisation

At 1 January 2020	47,012	47,012
Amortisation charge during the financial year	6,176	6,176
Write-off	(69)	(69)
Reclassification to property, plant and equipment (Note 4)	(20)	(20)
As at 31 December 2020	53,099	53,099

Net book value

As at 31 December 2020	17,685	17,685
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6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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

	Economic Entity/Company	
	2021 RM'000	2020 RM'000
Right-of-Use assets:		
Properties	3,257	1,834
Machinery	323	472
	3,580	2,306
Lease liabilities:		
Properties	(3,339)	(1,828)
Machinery	(400)	(524)
	(3,739)	(2,352)

The statements of comprehensive income as at 31 December 2021 show the following amounts relating to leases:

	Economic Entity/Company	
	2021 RM'000	2020 RM'000
Depreciation charge on right-of-use assets		
Properties	1,606	1,539
Machinery	149	149
	1,755	1,688
Accumulated depreciation during the financial year:		
Properties	2,482	2,989
Machinery	422	273
	2,904	3,262

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

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

Economic Entity/Company	Within 1 year RM'000	1 – 3 years RM'000	More than 3 years RM'000	Total RM'000
31.12.2021				
Lease payment	1,828	1,605	582	4,015
Finance cost	(144)	(108)	(24)	(276)
Net present value	1,684	1,497	558	3,739
31.12.2020				
Lease payment	1,331	1,178	-	2,509
Finance cost	(97)	(60)	-	(157)
Net present value	1,234	1,118	-	2,352

Included in property, plant and equipment, there is RM2,032,000 (2020: RM2,061,000) of right-of-use assets in relation to leasehold land.



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7. INVESTMENTS IN ASSOCIATES

The principal place of business and country of incorporation of the associates are in Malaysia. All associates are measured using the equity method. There are no available quoted market prices of the associates.

	Economic Entity		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unquoted shares, at cost	7,341	7,341	7,341	7,341
Economic Entity's share of post-acquisition reserves	637	1,080	-	-
	7,978	8,421	7,341	7,341

Details of the associates are as follows:

Name of associates	Principal activities	Percentage of equity held	
		2021	2020
Aureos CGC Advisers Sdn Bhd ("Aureos CGC")	Advisory services	40%	40%
Credit Bureau Malaysia Sdn Bhd ("CBM")	Credit reference services, credit rating and such other services related to a credit	49%	49%
Danajamin Nasional Berhad ("Danajamin")	Financial guarantee insurance	-	50%

The principal activity of CBM is provision of credit reference services, credit rating and other such services related to credit bureau.

CBM completed its restructuring exercise on 3 June 2020 which eventually changed the shareholding in CBM. With Dun & Bradstreet (D&B) Malaysia Sdn Bhd and ABM Investment Sdn Bhd exiting from CBM, CGC's shareholding diluted from 71.7% to 49% and Sunway Holdings Sdn Bhd ("SHSB") became the majority shareholder with 51% shareholding in CBM.

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7. INVESTMENTS IN ASSOCIATES (CONTINUED)

(a) Summarised financial information of the associates which are accounted for using the equity method is as follows:

(i) Summarised statements of financial position

	Danajamin [^]		Aureos CGC ^{^^}		CBM		Total	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Assets								
Current assets	-	1,711,183	628	628	13,142	12,240	13,770	1,724,051
Non-current assets	-	1,002,140	-	-	6,990	7,159	6,990	1,009,299
Total assets	-	2,713,323	628	628	20,132	19,399	20,760	2,733,350
Liabilities								
Current liabilities	-	(10,841)	(86)	(86)	(4,129)	(2,255)	(4,215)	(13,182)
Non-current liabilities	-	(818,308)	-	-	(163)	(398)	(163)	(818,706)
Total liabilities	-	(829,149)	(86)	(86)	(4,292)	(2,653)	(4,378)	(831,888)
Net assets	-	1,884,174	542	542	15,840	16,746	16,382	1,901,462



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7. INVESTMENTS IN ASSOCIATES (CONTINUED)

(a) Summarised financial information of the associates which are accounted for using the equity method is as follows (continued):

(ii) Summarised statements of comprehensive income

	Danajamin [^]		Aureos CGC ^{^^}		CBM		Total	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	-	169,486	-	-	9,216	13,276	9,216	182,762
Net profit/ (loss) for the financial year	-	76,484	-	-	(905)	2,905	(905)	79,389
Total comprehensive income/ (loss) for the financial year	-	81,877	-	-	(905)	2,905	(905)	84,782

(b) Reconciliation of the summarised financial information to the carrying amount of the interest in the associates:

	Danajamin [^]		Aureos CGC ^{^^}		CBM		Total	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Net assets as at 1 January	-	1,802,297	542	542	16,745	5,321	17,287	1,808,160
New share subscription as at 3 June	-	-	-	-	-	9,252	-	9,252
Net profit/(loss) for the financial year	-	76,484	-	-	(905)	2,172	(905)	78,656
Dividend paid	-	-	-	-	-	-	-	-
Other comprehensive income for the financial year	-	5,393	-	-	-	-	-	5,393
Net assets as at 31 December	-	1,884,174	542	542	15,840	16,745	16,382	1,901,461
Opening carrying value	-	901,150	216	216	8,205	8,205	8,421	909,571
Net loss for the financial year	-	-	-	-	(443)	-	(443)	-
Reclassification to asset held for sale	-	(901,150)	-	-	-	-	-	(901,150)
Closing carrying value	-	-	216	216	7,762	8,205	7,978	8,421

[^] No financial information available for financial year ended 31 December 2021. CGC has disposed of Danajamin during the financial year 2021 for RM 940,057,000.

^{^^} No financial information available for financial year ended 31 December 2021. The last financial information received from the Company was for financial year ended 31 December 2019.

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8. DISPOSAL GROUPS HELD FOR SALE

MFRS 5 specifies that non-current assets that meet the criteria to be classified as held for sale, are to be measured at the lower of carrying amount and fair value less costs to sell, and depreciation on such assets is to cease. Such assets are to be presented separately in the statement of financial position and the result of discontinued operations is to be presented separately in the statement of comprehensive income.

Assets and liabilities of disposal groups held for sale

At 31 December, the disposal groups were stated at the lower of its respective carrying amounts and fair values less to sell and comprised the following assets and liabilities:

(i) Summarised statements of comprehensive income

	Danajamin		CBM	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	-	169,486	-	5,959
Expenses	-	(61,811)	-	(5,226)
Profit before income tax	-	107,675	-	733
Taxation	-	(31,191)	-	-
Profit from discontinued operations	-	76,484	-	733
Other comprehensive income for the financial year	-	5,393	-	-
Total comprehensive income/(loss) for the financial year	-	81,877	-	733

(ii) Summarised statements of cash flow

	Danajamin		CBM	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Net cash inflow from operating activities	-	25,982	-	2,230
Net cash outflow from investing activities	-	(422)	-	(2,889)
Net cash (outflow)/inflow from financing activities	-	(26,190)	-	8,973



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8. DISPOSAL GROUPS HELD FOR SALE (CONTINUED)

(iii) Summarised statements of financial position

	Danajamin		CBM	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Assets				
Current assets	-	1,711,183	-	-
Non-current assets	-	1,002,140	-	-
Total assets	-	2,713,323	-	-
Liabilities				
Current liabilities	-	(10,841)	-	-
Non-current liabilities	-	(818,308)	-	-
Total liabilities	-	(829,149)	-	-
Net assets	-	1,884,174	-	-

Reconciliation to carrying value of assets held for sale:

	Economic Entity		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Balance as at 1 January	901,150	-	500,000	-
Transfer of investment in associates to asset held for sale	-	901,150	-	500,000
Sale of asset held for sale	(901,150)	-	(500,000)	-
Balance as at 31 December	-	901,150	-	500,000

(iv) Disposal of Danajamin

On 21 July 2021, CGC had disposed of Danajamin to Bank Pembangunan Malaysia Berhad (BPMB). The proceeds were utilised for the repayment of the interest-free financing from BNM. The remaining profits are retained in the Special Purpose Reserve Account (Note 18).

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9. INVESTMENT SECURITIES: FVTPL

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
At fair value		
Money market instruments:		
<u>Unquoted in Malaysia</u>		
Malaysian Government Securities	40,249	54,919
Government Investment Issue ("GII")	36,404	27,627
	76,653	82,546
Unquoted securities:		
<u>In Malaysia</u>		
Private debt securities	599,141	586,659
<u>Outside Malaysia</u>		
Private debt securities	283,089	307,086
	882,230	893,745
Quoted securities:		
<u>In Malaysia</u>		
REITs	14,631	17,700
<u>Outside Malaysia</u>		
REITs	102,925	71,736
	117,556	89,436
	1,076,439	1,065,727



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10. INVESTMENT SECURITIES: FVOCI

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
At fair value		
Money market instruments:		
Unquoted in Malaysia		
Cagamas bonds	57,501	59,905
Malaysian Government Securities	71,084	109,605
GII	83,062	101,087
Other bonds	347,120	-
	558,767	270,597
Unquoted securities:		
<u>In Malaysia</u>		
Private debt securities	1,541,298	2,034,996
	2,100,065	2,305,593

Movements in allowance for impairment of FVOCI

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
(i) Expected Credit Losses "ECL" Stage 3		
Balance as at 1 January	-	-
Allowance made during the financial year	140,025	-
Balance as at 31 December	140,025	-
(ii) Expected Credit Losses "ECL" Stage 2		
Balance as at 1 January	38,479	9,786
Amount written back/made during the financial year	(38,479)	28,693
Balance as at 31 December	-	38,479
(iii) Expected Credit Losses "ECL" Stage 1		
Balance as at 1 January	1,697	1,828
Amount written back during the financial year	(475)	(131)
Balance as at 31 December	1,222	1,697

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11. INVESTMENT SECURITIES: FINANCIAL ASSETS AT AMORTISED COST

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
At amortised cost		
Unquoted securities:		
<i>In Malaysia</i>		
Private debt securities	264,576	264,544
Peer-to-peer ("P2P")	5	6
	264,581	264,550
Less: Expected credit losses ("ECL")	(1,713)	(1,848)
	262,868	262,702

Movements in allowance for Impairment of amortised cost

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
(i) Expected Credit Losses "ECL" Stage 3		
Balance as at 1 January	5	-
Allowance made during the financial year	-	5
Balance as at 31 December	5	5

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
(ii) Expected Credit Losses "ECL" Stage 2		
Balance as at 1 January	241	-
Allowance made during the financial year	-	241
Balance as at 31 December	241	241

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
(iii) Expected Credit Losses "ECL" Stage 1		
Balance as at 1 January	1,602	1,191
Allowance written back/made during the financial year	(135)	411
Balance as at 31 December	1,467	1,602



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12. DERIVATIVE FINANCIAL ASSETS

	Economic Entity/Company			
	31.12.2021		31.12.2020	
	Contract/ notional amount RM'000	Assets RM'000	Contract/ notional amount RM'000	Assets RM'000
Derivative assets				
- Currency forward contracts	324,980	7,249	329,131	11,131

13. TERM DEPOSITS

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
At amortised cost		
Licensed banks	650,416	412,487
Other financial institutions	673,863	141,077
	1,324,279	553,564

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14. FINANCING, LOANS AND ADVANCES

(i) By schemes

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
Redemption of Direct Access Guarantee Scheme ("DAGS") loans	22,963	43,475
Tabung Pemulihan dan Pembangunan Usahawan ("TPPU")	2,052	2,052
Tabung Pemulihan Peniaga Kecil ("TPPK")	144	144
Tabung Projek Usahawan Bumiputra-i ("TPUB-i")	29,598	35,929
BizMula-i	179,315	151,635
BizWanita-i	49,693	41,282
BizBina-i	22,475	18,440
BizMikro-i	2,055	933
Staff loans	1,119	1,272
Gross financing, loans and advances	309,414	295,162
Less: Expected credit losses ("ECL")		
- Stage 3	(49,991)	(76,340)
- Stage 2	(25,833)	(20,793)
- Stage 1	(3,060)	(4,580)
Total net financing, loans and advances	230,530	193,449

(ii) By maturity structure

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
Maturity within one year	38,231	49,601
One year to three years	58,668	52,269
Three years to five years	177,249	158,590
Over five years	35,266	34,702
	309,414	295,162



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14. FINANCING, LOANS AND ADVANCES (CONTINUED)

(iii) By interest rate/profit rate sensitivity

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
Fixed rate		
- Redemption of DAGS loans	22,963	43,475
- Tabung Pemulihan dan Pembangunan Usahawan	2,052	2,052
- Tabung Pemulihan Peniaga Kecil	144	144
- Tabung Projek Usahawan Bumiputra-i	29,598	35,929
- BizMula-i	179,315	151,635
- BizWanita-i	49,693	41,282
- BizBina-i	22,475	18,440
- BizMikro-i	2,055	933
- Staff loans	1,119	1,272
	309,414	295,162

(iv) By economic sectors

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
Primary agriculture	4,029	3,388
Education, health and others	19,359	18,241
Construction	22,584	31,260
Electricity, gas & water supply	2,588	2,285
Financing, insurance, real estate & business services	48,386	46,896
Manufacturing	29,319	29,691
Mining & quarrying	49	206
Transport, storage & communication	10,359	10,581
Wholesale, retail trade, restaurants & hotels	169,427	149,146
Others	3,314	3,468
	309,414	295,162

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14. FINANCING, LOANS AND ADVANCES (CONTINUED)

(v) By economic purpose

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
Working capital	308,295	293,890
Others	1,119	1,272
	309,414	295,162

(vi) By geographical distribution

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
Johor	43,696	45,898
Kedah	14,235	11,258
Kelantan	15,599	15,394
Melaka	12,465	14,462
Negeri Sembilan	10,655	14,656
Pahang	16,724	14,931
Perak	21,845	20,222
Pulau Pinang	20,035	19,436
Sabah	20,704	21,500
Sarawak	31,453	27,227
Selangor	55,232	47,576
Terengganu	16,536	16,902
Wilayah Persekutuan - Kuala Lumpur	30,235	25,700
	309,414	295,162



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14. FINANCING, LOANS AND ADVANCES (CONTINUED)

(vii) Movements in impaired gross financing, loans and advances

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
Balance as at 1 January	76,340	104,054
Add: Classified as impaired	7,204	46,988
Less: Reclassified as non-impaired	(2,358)	(571)
Less: Amount written back	(3,990)	(40,564)
Less: Amount written-off/waived	(27,205)	(33,567)
Balance as at 31 December	49,991	76,340

(viii) Impaired financing, loans and advances by economic purposes

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
Working capital	49,837	76,186
Others	154	154
	49,991	76,340

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14. FINANCING, LOANS AND ADVANCES (CONTINUED)**(ix) Impaired financing, loans and advances by geographical distribution**

	Economic Entity/Company	
	31.12.2021	31.12.2020
	RM'000	RM'000
Johor	9,919	13,909
Kedah	806	1,641
Kelantan	3,250	3,951
Melaka	1,120	1,463
Negeri Sembilan	2,120	7,019
Pahang	1,204	2,022
Perak	742	2,084
Pulau Pinang	2,963	4,475
Sabah	3,442	6,104
Sarawak	4,197	5,388
Selangor	13,869	17,170
Terengganu	3,478	5,747
Wilayah Persekutuan - Kuala Lumpur	2,881	5,367
	49,991	76,340



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14. FINANCING, LOANS AND ADVANCES (CONTINUED)

(x) Movements in expected credit losses for impairment of financing, loans and advances

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
Expected Credit Losses "ECL" STAGE 3		
Balance as at 1 January	76,340	104,054
Allowance made during the financial year	7,204	46,989
Amount written back during the financial year	(6,348)	(41,136)
Amount written-off/waived during the financial year	(27,205)	(33,567)
Balance as at 31 December	49,991	76,340
Expected Credit Losses "ECL" STAGE 2		
Balance as at 1 January	20,793	12,176
Allowance made during the financial year	18,252	16,216
Amount written back during the financial year	(13,212)	(7,599)
Balance as at 31 December	25,833	20,793
Expected Credit Losses "ECL" STAGE 1		
Balance as at 1 January	4,580	4,963
Allowance made during the financial year	2,392	3,022
Amount written back during the financial year	(3,912)	(3,405)
Balance as at 31 December	3,060	4,580
Total	78,884	101,713

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15. AMOUNT DUE TO BNM

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
Amount due to BNM	(11,672)	(1,648)

The amount due (to)/from BNM comprises:

- (a) Claims paid by the Company for Special Relief Facility (“SRF”), Disaster Recovery Fund (“DRF”), which are reimbursable by BNM;
- (b) Management fees payable by BNM for services rendered by the Company in administering the SME Assistance Guarantee Scheme (“SME AGS”); and
- (c) Recoveries from claims received from third parties payable to BNM which can be offset against (a) and (b)
- (d) Income generated from SRF which is to be utilised for claims payment.

The amount due (to)/from BNM is unsecured, interest-free and has 14-day to 21-day repayment terms.

16. OTHER RECEIVABLES

	Economic Entity		Company	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Receivables due from financial institutions	14,068	14,538	14,068	14,538
Deposits	1,168	1,168	1,168	1,168
Prepayments	5,788	4,787	5,788	4,787
Other receivables	267	237	267	237
Invoice accrual for guarantee fees	1,145	11,074	1,145	11,074
	22,436	31,804	22,436	31,804

There are no financial liabilities being set off or subject to an enforceable master netting arrangement or similar agreement and financial instruments received as collateral.



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17. SHARE CAPITAL

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
Issued and fully paid ordinary shares:		
As at 1 January/31 December at no par value	1,785,600	1,785,600

18. RESERVES

	Economic Entity		Company	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Special Programme Reserve (a)	363,821	348,216	363,821	348,216
SPI Reserve (b)	17,471	17,405	17,471	17,405
Special Reserve (c)	188,177	714,133	188,177	714,133
Special Purpose Reserve (d)	441,276	-	441,276	-
	1,010,745	1,079,754	1,010,745	1,079,754

Consistent with the purpose of the reserves, in the financial year ended 31 December 2021, CGC had also made an adjustment in relation to the utilisation of reserves for the claims paid from financial year 2016 to date.

(a) Special Programme Reserve

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
As at 1 January	348,216	329,200
Transfer from retained earnings during the financial year	15,605	19,016
As at 31 December	363,821	348,216

The Special Programme Reserve was created to meet possible losses arising from the loans granted under the TUK, Small Entrepreneurs Financing Fund ("SEFF"), AIM, Franchise Financing Schemes Fund ("FFS") (Note 28), and Projek Usahawan Bumiputera Dalam Bidang Peruncitan ("PROSPER") (Note 29) schemes and is not distributable as cash dividend as designated by the Directors of the Company. It includes a guarantee fund of RM40 million granted by the Ministry of Entrepreneur and Cooperative Development ("MECD") in 1996 to absorb possible losses on loans granted under SEFF (Note 24).

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18. RESERVES (CONTINUED)**(b) SPI Reserve**

	Economic Entity/Company	
	31.12.2021	31.12.2020
	RM'000	RM'000
As at 1 January	17,405	17,405
Transfer from retained earnings during the financial year	66	-
As at 31 December	17,471	17,405

The SPI Reserve was created to meet claim contingencies under Islamic Guarantees for SPI facilities and is not distributable as cash dividend as designated by the Directors of the Company.

(c) Special Reserve

	Economic Entity/Company	
	31.12.2021	31.12.2020
	RM'000	RM'000
As at 1 January	714,133	670,313
Transfer (to)/from retained earnings during the financial year	(525,956)	43,820
As at 31 December	188,177	714,133

The Special Reserve was created to meet claim contingencies arising from loans guaranteed by the Company under all the other schemes and is not distributable as cash dividend as designated by the Directors of the Company. The Special reserve may be utilised to meet excess claim contingencies in respect of all other schemes should the need arise.

(d) Special Purpose Reserve

	Economic Entity/Company	
	31.12.2021	31.12.2020
	RM'000	RM'000
As at 1 January	-	-
Transfer from retained earnings during the financial year	441,276	-
As at 31 December	441,276	-

The Special Purpose Reserve was created from the gain on the disposal of Danajamin. The reserve can be utilised if there are potential claims arising from Special Schemes / Initiatives, or any other Initiatives or Agendas to address market failure/ imbalance.



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19. FVOCI RESERVE

	Economic Entity		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
As at 1 January	141,539	98,300	125,240	82,001
Fair value (loss)/gain during the financial year	(186,556)	14,677	(186,556)	14,677
ECL allowance made during the financial year	101,071	28,562	101,071	28,562
Deemed disposal of associates	(16,299)	-	-	-
As at 31 December	39,755	141,539	39,755	125,240

20. FUNDS FROM BANK NEGARA MALAYSIA

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
TPUB-i	301,500	301,500
Shares of Danajamin	-	500,000
BizWanita-i	40,892	31,214
BizMula-i	156,730	125,422
	499,122	958,136
Repayable within 12 months	363,500	33,179
Repayable after 12 months	135,622	924,957
	499,122	958,136

Details of the balance outstanding as at 31 December 2021 are as follows:

- (a) RM300 million for TPUB-i Fund

In 2009, Bank Negara Malaysia (“BNM”) agreed to contribute RM300 million to a fund known as TPUB-i which is to be administered in accordance with the Shariah principle of qard. The RM300 million financing is to be repaid on the 5th anniversary date of the disbursement. In June 2019, BNM granted an extension of repayment for a period of 3 years from 1 July 2019 until 30 June 2022.

The financing is subject to a profit charge of RM3 million per annum to be paid to BNM.

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20. FUNDS FROM BANK NEGARA MALAYSIA (CONTINUED)

- (b) RM500 million to subscribe for the shares of Danajamin

In 2009, BNM advanced RM500 million to the Company for establishing and subscribing to the shares of Danajamin which was jointly-owned by the Government and the Company to primarily carry out the business of providing financial guarantee insurance.

In 2021, CGC disposed of all its shareholdings in Danajamin for proceeds of RM 940.1 million. CGC repaid the RM500 million loan to BNM in the same year.

- (c) Funds for BizMula-i and BizWanita-i

Starting from 2018, the Small and Medium Enterprise (“SME”) financing for BizMula-i and BizWanita-i are funded by BNM. The funding cost is 1.5% per annum and payable to BNM twice a year based on the outstanding amount of financing as at 30 June and 31 December each year. The principal amount is repayable to BNM within 10 working days upon receiving repayments of principal from SMEs.

21. SMALL ENTREPRENEURS GUARANTEE SCHEME (“SEGS”)

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
Repayable within 12 months	3,873	10,000
Repayable after 12 months	-	3,411
	3,873	13,411

The Scheme’s purpose is to assist small entrepreneurs to obtain financing of between RM10,000 to RM50,000 for working capital and/or asset acquisition.

On 15 May 2002, the Company entered into an agreement with the Ministry of Finance (“MOF”) who contributed RM50 million to initiate a guarantee fund known as SEGS to meet possible loan losses.

This fund was to be repaid in one lump sum at the end of 6 years from the date of drawdown on 14 November 2002 and is subject to interest at 3% per annum. However, on 30 August 2005, MOF agreed to waive the interest which was previously charged to the Company.

On 30 August 2005, the Company entered into another agreement with MOF for an additional RM29 million contribution. It is an interest-free fund and to be repaid in one lump sum at the end of 6 years.

On 15 June 2011, MOF agreed to reschedule the total repayment of RM79 million with interest free to 2025. The funds will be repaid in accordance with a repayment arrangement with fund providers.



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22. TABUNG USAHAWAN KECIL (“TUK”)

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
Repayable within 12 months	8,127	-
Repayable after 12 months	36,919	43,263
	45,046	43,263

The Scheme seeks to assist small entrepreneurs to obtain financing of between RM2,000 and RM20,000 for the purposes of working capital and/or asset acquisition with financing for working capital not exceeding RM10,000.

On 10 December 1998, the Company entered into an agreement with the Government who contributed RM50 million to a fund known as TUK. This loanable fund is to be repaid in one lump sum either at the end of 10 years or when the scheme is wound down, whichever is earlier.

The Company ceased to disburse new loans under the TUK Fund as decided by the Minister of Entrepreneur and Cooperative Development effective from 1 January 2000. However, the Company continues to manage the loans disbursed under this scheme prior to the said date.

The earnings from the unutilised portion of the Fund have been transferred to the Special Programme Reserve and will be used to absorb possible losses on loans granted under this scheme.

On 15 June 2011, MOF agreed to reschedule the repayment of RM50 million with interest free to 2025. The funds will be repaid in accordance with a repayment arrangement with fund providers.

23. GOVERNMENT FUNDS

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
As at 1 January	26,121	32,159
Repayment during the financial year	(3,223)	(6,130)
Interest payable	32	92
As at 31 December	22,930	26,121
Repayable within 12 months	4,218	10,697
Repayable after 12 months	18,712	15,424
	22,930	26,121

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23. GOVERNMENT FUNDS (CONTINUED)

This comprises various placements from BNM amounting to RM150 million, intended for loanable funds, of which:

- (i) RM50 million for Hawkers and Petty Traders (“HPT”) 1992 and is subject to interest at 1% per annum.
- (ii) RM100 million for the New Investment Fund and is subject to interest at 1% per annum.

On 14 December 2008, MOF agreed to reschedule the repayment table by instalment until 2023 as provided by Jabatan Akauntan Negara (“JAN”).

24. SMALL ENTREPRENEURS FINANCING FUND (“SEFF”)

	Economic Entity/Company	
	31.12.2021	31.12.2020
	RM’000	RM’000
As at 1 January	25	33
Repayment during the financial year	(25)	(33)
Recovery during the financial year	6	25
As at 31 December	6	25
Repayable within 12 months	6	25

The purpose of this fund is to provide another avenue for small entrepreneurs to obtain financial assistance to improve and upgrade their businesses. The rate of interest charged on loans granted to small entrepreneurs under the SEFF shall not exceed 6% per annum and the amount of loan for each small entrepreneur shall not be more than RM50,000.

In 1996, the Company entered into an agreement with Permodalan Nasional Berhad (“PNB”) who agreed to contribute RM200 million to the fund of which RM50 million was received in 1996. The RM50 million was subject to repayment by way of five equal annual instalments commencing on the 5th anniversary of the disbursement of each advance. In 2001, the Company shall on demand refund all unutilised sums advanced by PNB without interest. The Company has applied for an extension of the repayment for another 5 years. The Company paid RM10 million in 2006 and 2007 respectively. In 2008, the Company was requested to repay on the unutilised portion of the fund and upon recovery of the loans from the small entrepreneurs. To date, RM59.7 million was paid.

In addition to the above, the Ministry of Cooperative & Entrepreneur Development (“MECD”) contributed a guarantee fund of RM40 million which was received in 1996 and included under the Special Programme Reserve to absorb possible losses on loans granted under the SEFF. Correspondingly, the earnings from the unutilised portion of the fund were transferred to the Special Programme Reserve to be used to absorb possible losses on loans granted under this scheme (Note 18).

The remaining outstanding amount will be paid to PNB upon recovery of the defaulted loans.



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25. DERIVATIVE FINANCIAL LIABILITIES

	Economic Entity		Company	
	31.12.2021		21.12.2020	
	Contract/ notional amount RM'000	Liabilities RM'000	Contract/ notional amount RM'000	Liabilities RM'000
Derivative financial liabilities				
- currency forward contracts	50,024	5,116	84,734	2,917

26. EXPECTED CREDIT LOSSES FOR GUARANTEE SCHEMES

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
(i) Expected Credit Losses "ECL" STAGE 3		
Balance as at 1 January	17,276	36,939
Allowance made during the financial year	84,540	56,408
Transfer to claims payable during the financial year	(78,139)	(76,071)
Balance as at 31 December	23,677	17,276
(ii) Expected Credit Losses "ECL" STAGE 2		
Balance as at 1 January	134,851	93,639
Allowance made during the financial year	3,699	41,212
Balance as at 31 December	138,550	134,851
(iii) Expected Credit Losses "ECL" STAGE 1		
Balance as at 1 January	123,413	69,078
Allowance written back/made during the financial year	(43,477)	54,335
Balance as at 31 December	79,936	123,413
Total	242,163	275,540

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27. OTHER PAYABLES

	Economic Entity		Company	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Guarantee fee due unearned	85,170	65,513	85,170	65,513
Refundable proceeds TPUB and TPUB-i	564	576	564	576
Sinking fund - TPUB-i	346	459	346	459
Deferred income				
- Entrepreneur Rehabilitation Fund (“ERF”)	39	39	39	39
- Government grant	5,081	7,326	5,081	7,326
Green Technology Financing Scheme (“GTFS”)	21,914	28,420	21,914	28,420
Accruals	26,073	29,009	26,073	29,009
Other payables	11,820	10,373	11,820	10,373
	151,007	141,715	151,007	141,715

28. FRANCHISE FINANCING SCHEME FUND (“FFS”)

On 27 October 1997, a Memorandum of Understanding (“MOU”) was executed between the Company and the Government of Malaysia via MECD aiming at promoting growth in franchise business under a fund known as FFS.

In this MOU, the Company was appointed by the Government to execute the scheme. The fund is to provide guarantee cover and subsidy of interest to borrowers, enabling entrepreneurs operating viable franchise businesses to have access to credit facilities up to a maximum of RM7.5 million each. Participating banks may charge interest up to a maximum of BLR + 1.5% per annum. The Company through FFS scheme will subsidise the interest payment and reduce the cost of borrowing.

Details of the Company’s receipts from MECD in the form of guarantee fund and subsidy interest to the borrowers are as follows:

Year	Guarantee fund RM'000	Subsidy on interest RM'000	Total RM'000
1998	2,000	2,000	4,000
1999	2,000	-	2,000
2000	7,197	7,197	14,394
2002	1,450	1,450	2,900
2003	15,000	-	15,000



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29. PROJEK USAHAWAN BUMIPUTERA DALAM BIDANG PERUNCITAN (“PROSPER”)

The PROSPER scheme was introduced in August 2000 in an effort to encourage more Bumiputera entrepreneurs to be involved in the retail business throughout Malaysia. Under this scheme, four main parties are involved:

- (i) Perbadanan Usahawan Nasional Berhad (“PUNB”)
- (ii) TPPT Sdn Bhd
- (iii) Participating Financial Institutions (currently only Malayan Banking Berhad is involved), and
- (iv) The Company

PROSPER scheme facilities are provided under CGC’s Flexi Guarantee Scheme (“FGS”) with 100% guarantee coverage. On 3 March 2005, the Company received an amount of RM30 million as a grant from the MOF. The fund is to be used to meet possible loan losses under the scheme.

30. REVENUE

	Economic Entity/Company	
	2021 RM’000	2020 RM’000
Guarantee fees - Portfolio Guarantee Scheme	163,158	161,582
Guarantee fees - Wholesale Guarantee Scheme	3,495	1,404
Guarantee fees - Other Schemes	22,634	20,258
Interest income - Redemption Schemes	2,286	3,581
Interest income - TPUB	-	12
Profit income - TPUB-i	980	1,188
Profit income - BizMula-i	9,444	3,948
Profit income - BizWanita-i	2,534	1,051
Profit income - BizBina-i	504	-
Profit income - BizMikro-i	112	6
	205,147	193,030

During the current financial year, the Company has offered multiple types of relief facilities such as Targeted Relief Assistance, Financial Relief Assistance and PEMULIH on financing, loans and advances to individuals and SMEs. As a result of the payment moratorium, the Company has recognised a modification loss of RM1.2 million (2020: RM5.8 million) during the financial year.

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31. INVESTMENT INCOME

	Economic Entity/Company	
	2021 RM'000	2020 RM'000
Interest income		
- Term deposits	20,905	25,366
- Investment securities: FVTPL	46,797	48,318
- Investment securities: FVOCI	98,101	96,311
- Investment securities: Amortised Cost	15,838	14,126
	181,641	184,121
Realised gain/(loss) on disposal		
- Investment securities: FVTPL	7,863	16,672
- Derivatives	1,479	99
- Investment securities: FVOCI	2,910	(480)
	12,252	16,291
Unrealised fair value (loss)/gain		
- Investment securities: FVTPL	(44,903)	10,532
- Derivatives	(6,341)	2,425
	(51,244)	12,957
Amortisation of premium		
- Investment securities: FVTPL	(960)	(1,422)
- Investment securities: FVOCI	(2,008)	(1,798)
	(2,968)	(3,220)
	139,681	210,149



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32. OTHER OPERATING INCOME

	Economic Entity		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Rental income	262	262	262	262
Management fees	2,381	2,479	2,381	2,479
Dividend income from an associate	3,800	-	3,800	-
Administrative fee – TPUB-i	401	313	401	313
Recovery income	35,227	37,281	35,227	37,281
Amortisation of deferred income - Government grant	2,251	2,486	2,251	2,486
Gain on fair value remeasurement of retained interest in associate company	-	-	-	7,141
Gain on disposal of associates/ subsidiaries	38,906	3,331	440,056	-
Other income	4,281	1,965	4,281	1,965
	87,509	48,117	488,659	51,927

33. STAFF COSTS

	Economic Entity/Company	
	2021 RM'000	2020 RM'000
Salaries	51,870	49,929
Bonus	10,992	16,270
Employees' Provident Fund	9,612	10,044
Others	7,174	6,050
	79,648	82,293

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34. PROFIT BEFORE TAXATION

	Economic Entity		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit before taxation is arrived at after charging/ (crediting):				
Computer maintenance	8,934	11,166	8,934	11,166
Recovery expenses	2,168	3,730	2,168	3,730
Accretion of Government loans	2,251	2,486	2,251	2,486
Fund managers' expenses	2,035	2,869	2,035	2,869
Rental	174	192	174	192
Electricity	516	928	516	928
Directors' remuneration excluding benefit-in-kind	-	886	-	834
Directors' meeting allowance	-	1,130	-	1,102
Promotional expenses	800	562	800	562
Auditors' remuneration :				
- statutory audit	414	484	414	484
Write-off of property, plant and equipment	182	3,809	182	3,809
Write-off of intangible assets	116	-	116	-
Depreciation on property, plant and equipment (Note 4)	6,203	6,451	6,203	6,451
Amortisation of intangible assets (Note 5)	7,353	6,176	7,353	6,176
Expected credit losses for guarantee schemes	44,762	151,955	44,762	151,955



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34. PROFIT BEFORE TAXATION (CONTINUED)

	Economic Entity		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Expected credit losses made on:				
- financing, loans and advances	4,376	14,087	4,376	14,087
- investment securities	100,775	29,327	100,775	29,327
Interest expense for Government loans	3,032	3,092	3,032	3,092
Gain on fair value remeasurement of retained interest in an associate company	-	-	-	(7,141)
Gain on disposal of associates/subsidiaries	(38,906)	(3,331)	(440,056)	-

35. COMMITMENTS, CONTINGENCIES AND GOVERNMENT-BACKED SCHEMES

The guarantees provided in respect of credit facilities extended by member financial institutions to borrowers under the various schemes guaranteed by the Company are as follows:

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
Financial guarantees	10,870,557	8,848,262
Irrevocable commitments to extend credit:		
- maturity not exceeding one year	255,888	31,411
Foreign exchange-related contracts:		
- maturity not exceeding one year	375,004	413,865
	11,501,449	9,293,538

Out of the total financial guarantee balances of RM10.9 billion (2020: RM8.9 billion) as at 31 December 2021, RM1.2 billion (2020: RM1.1 billion) is reimbursable under Government-Backed Scheme ("GBS") arrangement.

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35. COMMITMENTS, CONTINGENCIES AND GOVERNMENT-BACKED SCHEMES (CONTINUED)

(i) Commitments and Contingencies

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
Full Risk		
(a) Conventional		
DAGS	35,176	45,560
BizSME	13,670	18,683
(b) Islamic		
DAGS	-	101
Shared Risk		
(a) Conventional		
BizJamin	416,969	431,885
Flexi Guarantee Scheme	147,613	169,320
Franchise Financing Scheme	-	2,886
Small Biz Express	-	217
Portfolio Guarantee	3,217,659	3,299,611
Wholesale Guarantee	186,654	15,122
(b) Islamic		
BizJamin	143,204	131,419
Flexi Guarantee Scheme	47,700	89,616
Portfolio Guarantee	2,476,204	2,210,686
Wholesale Guarantee	65,401	9,654
Gross Full/Shared Risk Financial Guarantees	6,750,250	6,424,760
Less: Expected Credit Losses		
- Stage 3	(23,677)	(17,276)
- Stage 2	(138,550)	(134,851)
- Stage 1	(79,936)	(123,413)
Full/Shared Risk Financial Guarantees	6,508,087	6,149,220



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35. COMMITMENTS, CONTINGENCIES AND GOVERNMENT-BACKED SCHEMES (CONTINUED)

(ii) Government-Initiated Schemes

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
Other Shared Risk - Government-Initiated Schemes		
(a) Conventional	1,658,810	1,123,230
(b) Islamic	1,519,570	457,470
Other Shared Risk - Government-Initiated Scheme Guarantees	3,178,380	1,580,700

(iii) Government-Backed Schemes

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
Other Shared Risk - Government-Backed Schemes		
(a) Conventional	542,090	476,111
Green Technology Financing Scheme	505,640	430,547
Special Relief Facility	-	12,052
Disaster Relief Facility	32,800	33,512
Franchise Financing Scheme	3,650	-
(b) Islamic	642,000	642,231
Green Technology Financing Scheme	627,510	605,422
Special Relief Facility	-	21,717
Disaster Relief Facility	14,490	15,092
Other Shared Risk - Government-Backed Scheme Guarantees	1,184,090	1,118,342
Total financial guarantees	10,870,557	8,848,262

The disclosed amounts above are inclusive of RM3.2 billion (2020: RM1.6 billion) resulting from CGC's participation in Government-Initiated Schemes.

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36. CAPITAL COMMITMENTS

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
Capital expenditure not provided for in the financial statements:		
Authorised and contracted for	2,588	4,204
Authorised and not contracted for	10,409	10,409
	12,997	14,613

37. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Other significant related parties are as follows:

<u>Name of Company</u>	<u>Relationship</u>
Bank Negara Malaysia (“BNM”)	Substantial shareholder of the Company
Credit Bureau Malaysia Sdn Bhd	Associate
Aureos CGC Advisers Sdn Bhd	Associate
Danajamin Nasional Berhad	Associate (Disposed of in 2021)

(b) The key management personnel compensation is as follows:

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
Non-Executive Directors' fees		
Other key management personnel (including President / CEO):	1,730	2,176
- Short-term employee benefits	6,124	6,013
- Contribution to Employees' Provident Fund	1,058	1,028
Total compensation	8,912	9,217

Key management personnel comprises persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly and consists of the Board of Directors, President/Chief Executive Officer and five Chief Officers.



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37. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) The key management personnel compensation is as follows (continued):

(i) Directors' fees and remuneration

Total remuneration (including benefit-in-kind) of the Directors of the Economic Entity are as follows:

Economic Entity and The Company 2021	Salary and bonus RM'000	Fees RM'000	Meeting allowance RM'000	Benefit-in- kind RM'000	Total RM'000
Non-Executive Directors:					
Dato' Mohammed Haji Che Hussein	-	180	75	109	364
Datuk David Chua Kok Tee	-	72	95	6	173
Dato' Haji Syed Moheeb Syed Kamarulzaman	-	72	98	6	176
Encik Teoh Kok Lin	-	72	76	6	154
Encik Suresh Menon	-	72	70	6	148
Dato' Ong Eng Bin*	-	72	74	6	152
Encik Choong Tuck Oon	-	72	75	6	153
Encik Adnan Zaylani Mohamad Zahid	-	60	42	-	102
Encik Faisal Ismail	-	72	78	6	156
Puan Saleha M. Ramly	-	72	74	6	152
Total Directors' remuneration	-	816	757	157	1,730

Economic Entity and The Company 2020	Salary and bonus RM'000	Fees RM'000	Meeting allowance RM'000	Benefit-in- kind RM'000	Total RM'000
Non-Executive Directors:					
Dato' Agil Natt	-	90	35	55	180
Dato' Mohammed Haji Che Hussein ¹	-	102	67	56	225
Datuk David Chua Kok Tee	-	72	145	6	223
Dato' Haji Syed Moheeb Syed Kamarulzaman	-	80	141	6	227
Datuk Mohd Zamree Mohd Ishak	-	20	14	-	34
Datuk Hamirullah Boorhan ^{***}	-	8	4	-	12
Encik Teoh Kok Lin	-	72	122	6	200
Encik Suresh Menon	-	80	123	6	209
Dato' Ong Eng Bin*	-	72	105	6	183
Encik Kevin Koo Chiang ^{**}	-	8	4	-	12

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37. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) The key management personnel compensation is as follows (continued):

(i) Directors' fees and remuneration (continued)

Economic Entity and The Company 2020	Salary and bonus RM'000	Fees RM'000	Meeting allowance RM'000	Benefit-in- kind RM'000	Total RM'000
Puan Nadzirah Abd. Rashid	-	6	9	1	16
Encik Choong Tuck Oon	-	72	88	6	166
Encik Adnan Zaylani Mohamad Zahid	-	60	64	-	124
Encik Faisal Ismail	-	72	111	6	189
Puan Saleha M. Ramly	-	72	98	6	176
Total Directors' remuneration	-	886	1,130	160	2,176

* Director's fees payable to OCBC Bank (M) Berhad

** Director's fees payable to D&B Malaysia Sdn Bhd

*** Director's fees payable to Malayan Banking Berhad

¹ Appointed as a Director with effect from 1 May 2020

During the financial year, Directors and Officers are covered under the Directors' and Officers' Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, Directors and Officers subject to the terms of the policy. The total amount of Directors' and Officers' Liability Insurance effected for the Directors and Officers was RM15.0 million. The total amount of contribution to the Directors' and Officers' Liability Insurance paid by the Company was RM0.1 Million (2020: RM0.1 Million).

(ii) The significant related party balances included in the statements of financial position are as follows:

Amount due (to) BNM:

	Economic Entity/Company	
	31.12.2021 RM'000	31.12.2020 RM'000
(i) SRGF, SRGF-2, SRF and SME AGS (Note 15)	(11,672)	(1,648)
(ii) Government funds (Note 23)	(22,930)	(26,121)
(iii) Danajamin Nasional Berhad (Note 20)	-	(500,000)
(iv) TPUB-i (Note 20)	(301,500)	(301,500)
(v) BizMula-i (Note 20)	(156,730)	(125,422)
(vi) BizWanita-i (Note 20)	(40,892)	(31,214)



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37. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) The key management personnel compensation is as follows (continued):

(iii) Details of significant transactions between the Company and its related parties are as follows:

Economic Entity/Company	2021 RM'000	2020 RM'000
Subscription fee charged by an associate/subsidiary	-	5
Report fees charged by an associate/subsidiary	555	917
Office rental charged to an associate/subsidiary	(251)	(251)
Management/secretarial fee charged to an associate/ subsidiary	-	(22)
Interest expense on loan charged by BNM	3,032	3,092

38. CAPITAL MANAGEMENT

The primary objective of the Company is to ensure that it maintains an adequate Guarantee Reserve Ratio (“GRR”) in order to meet its mandate in promoting the growth and development of SMEs.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares or return capital to the shareholders. No changes were made in the objectives and policies during the financial years ended 31 December 2021 and 2020.

The Company monitors its capital and ability to guarantee by reference to its GRR, which stands at 1.7 times as at 31 December 2021 (2020: 3.1 times). The Company’s policy is to maintain a GRR of less than 6 times.

39. TAXATION AND DEFERRED TAX ASSETS/(LIABILITIES)

The Company has been exempted from income tax by the Ministry of Finance (“MOF”) based on the ruling under Section 127(3A), Income Tax Act, 1967 from the year of assessment upon its establishment, 1972 to 2021.

The Company is in the midst of obtaining approval for an extension of the tax exemption status from the Ministry of Finance (“MOF”) for Year of Assessment 2022 onwards. Based on Company’s knowledge it is highly probable that CGC will obtain a favourable response from the Ministry of Finance with regard to the application.

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40. FINANCIAL RISK MANAGEMENT

In the normal course of business, the Economic Entity and the Company are subjected to four main areas of risk, namely credit risk, market risk, liquidity risk and operational risk.

(a) Credit Risk

Credit risk is the risk of loss of principal or income that may arise on outstanding financial instruments should a counterparty default on its obligations. The Economic Entity's and the Company's exposure to credit risk arises primarily from other receivables, bond investments as well as financing, loans and advances.

The Economic Entity and the Company trade only with recognised and creditworthy third parties. It is the Economic Entity's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

As for loans redeemed and guaranteed, the Economic Entity and the Company manage the credit risk by evaluating borrowers based on an in-house credit-scoring model. The Economic Entity and the Company use this model to measure the viability of loans vis-à-vis established thresholds.

For other financial assets (including investment securities and placements with fund managers), the Economic Entity and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

For financial assets recognised in the statements of financial position, the exposure to credit risk equals their carrying amount. For financial guarantees granted, the maximum exposure to credit risk is the maximum amount that the Economic Entity and the Company would have to pay if the guarantees were to be called upon. For credit-related commitments and contingencies, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.

All financial assets of the Economic Entity and the Company are subject to credit risk except for cash in hand, prepayments as well as non-financial assets.



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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

In the normal course of business, the Economic Entity and the Company are subjected to four main areas of risk, namely credit risk, market risk, liquidity risk and operational risk. (continued)

(a) Credit Risk (continued)

Expected Credit Loss (“ECL”)

The Economic Entity and the Company use three categories for financial instruments in recognising ECL which reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Economic Entity’s and the Company’s ECL model is as follows:

Category	Definition of category	Basis for recognising ECL
Stage 1 (Performing)	<u>Debt Securities</u> Debt securities with strong credit and financial support with minimum risk of debt service payment.	12-month ECL
	<u>Loans/Financing and Financial Guarantees</u> Newly purchased or issued loans/financing.	
Stage 2 (Underperforming)	<u>Debt Securities</u> Significant Increase in Credit Risks: - Deteriorating financial position; - Significant widening of credit spread; - Credit watch, breach of covenants, etc; or - External rating watch or downgrade.	Lifetime ECL
	<u>Loans/Financing and Financial Guarantees</u> - All restructured and rescheduled accounts; - Accounts with significant PD/Internal Risk Rating Model (“IRRM”) change i.e. by 2 notches; - Accounts with related Non Performing Loan (“NPL”); - Accounts with high PD above 50% as per credit risk provided by Credit Bureau Malaysia Sdn Bhd (“CBM”); - All Arrears Account (1MIA and 2MIA); - Watchlist accounts; - Accounts under Agensi Kaunseling dan Pengurusan Kredit (“AKPK”); or - Missing origination ratings (internal or external).	

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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

In the normal course of business, the Economic Entity and the Company are subjected to four main areas of risk, namely credit risk, market risk, liquidity risk and operational risk. (continued)

(a) Credit Risk (continued)

Expected Credit Loss (“ECL”) (continued)

The Economic Entity and the Company uses three categories for financial instruments in recognising ECL which reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Economic Entity’s and the Company’s ECL model are as follows (continued):

Category	Definition of category	Basis for recognising ECL
Stage 3 (Impaired)	<p><u>Debt Securities</u> Determination of non-performing or credit-impaired assets:</p> <ul style="list-style-type: none"> - Non-payment of coupon due by more than 14 days; - Non-payment of principal due by more than 7 days; or - Rating is downgraded to “D” <p><u>Loans/Financing and Financial Guarantees</u></p> <p>(i) Obligatory triggers:</p> <ul style="list-style-type: none"> - 90 days past due; - Leakage, cessation of contracts or cessation in business for TPUB-i product. <p>(ii) Rating downgrade as follows:</p> <ul style="list-style-type: none"> - Default in paying principal or interest/profit according to the repayment schedule; - Cease operations/filing of bankruptcy; - Winding-up order (upon notice, includes borrowers and parties who provide source of repayment)/Receiver & Manager appointed; - Company classified under PN17 (or the equivalent classification for foreign capital markets); or - Material fraud with publicised news or upon appointment of financial advisor. 	Lifetime ECL

Based on the above, loss allowance is measured on either 12-month ECL or lifetime ECL using the following methodology:

$$Life\ time\ ECL = \sum_{t=1}^{Lifetime} [PD_t \times LGD_t \times EAD_t \times (1 + EIR)^{-t}]$$

A summary of the assumptions underpinning the Economic Entity’s and the Company’s ECL model are as follows:

Based on the above, loss allowance is measured on either 12-month ECL or lifetime ECL using the following methodology:

Legend:

PD: the likelihood that a borrower will be unable to meet its debt obligation or default over a particular time horizon, usually in the course of 1 year.

LGD: the percentage of exposure the Economic Entity and the Company might lose in case the borrower defaults.

EAD: an estimate of the Economic Entity’s and the Company’s exposure to their counterparty at the time of default

* For financial guarantee contracts, EAD is the lower of guarantee cover or outstanding amount x guarantee rate.

EIR: discount rate computed based on Original Effective Profit Rate (“OEPR”)/Effective Interest Rate (“EIR”) or approximation thereof at time t.



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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

In the normal course of business, the Economic Entity and the Company are subjected to four main areas of risk, namely credit risk, market risk, liquidity risk and operational risk. (continued)

(a) Credit Risk (continued)

Expected Credit Loss (“ECL”) (continued)

A summary of the assumptions underpinning the Economic Entity’s and the Company’s ECL model are as follows (continued):

Based on the above, loss allowance is measured on either 12-month ECL or lifetime ECL using the following methodology (continued):

In deriving the PD and LGD, the Economic Entity and the Company consider historical data by each debtor by category and adjust for forward-looking macroeconomic data. The Economic Entity and the Company have identified the unemployment rate which the debtor operates in, to be the most relevant factor, and accordingly adjust the historical loss rates based on expected changes in this factor. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

The ECL computation is expected to include forward-looking adjustment for the expected future macroeconomic conditions (“MEV”).

Maximum exposure to credit risk

The maximum credit risk exposure of the Economic Entity and the Company equals their carrying amount in the statements of financial position as at reporting date, except for the following:

	Economic Entity		Company	
	2021 Maximum credit exposure RM’000	2020 Maximum credit exposure RM’000	2021 Maximum credit exposure RM’000	2020 Maximum credit exposure RM’000
Credit risk exposures of on-balance sheet assets:				
Investment securities: FVTPL*	958,883	976,291	958,883	976,291
Other receivables#	16,648	27,017	16,648	27,017
Cash and cash equivalents^	127,751	239,354	127,751	239,354
Credit risk exposure of off-balance sheet items:				
Financial guarantees	10,870,557	8,848,262	10,870,557	8,848,262
Credit-related commitments and contingencies	255,888	31,411	255,888	31,411
Total maximum credit risk exposure	12,229,727	10,122,335	12,229,727	10,122,335

The following have been excluded for the purpose of maximum credit risk exposure calculation:

* Investment in REITs

Prepayments

^ Cash in hand

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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit risk concentration

The Economic Entity and the Company determine concentrations of credit risk by monitoring the industry sector profile. The following tables analyse the Economic Entity's and the Company's financial assets and commitments and contingencies by industry concentration as at the reporting date:

Economic Entity 2021	Primary agriculture		Education, health and others		Construction		Financing, insurance, real estate & business services		Manufacturing		Mining & quarrying		Communication & storage		Transport, retail trade, & restaurants		Wholesale, hotels & Government		Electricity, gas & water supply		Other		Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000
Investment securities: FVTPL*	1,025	34,838	26,315	413,830	249,192	-	31,166	-	81,519	77,692	43,306	958,883												
Investment securities: FVOCI	-	-	15,428	417,634	75,553	52,028	304,548	649,711	475,115	110,048	2,100,065													
Investment securities: Amortised cost	-	-	-	212,741	-	-	-	-	-	-	50,127	262,868												
Derivative financial assets	-	-	-	7,249	-	-	-	-	-	-	-	7,249												
Term deposits	-	-	-	1,324,279	-	-	-	-	-	-	-	1,324,279												
Financing, loans and advances	3,528	15,674	5,774	36,574	20,993	36	8,286	137,847	853	965	230,530													
Other receivables#	-	-	46	15,236	-	-	-	-	163	1,203	16,648													
Cash and cash equivalents*	-	-	-	127,751	-	-	-	-	-	-	-	127,751												
	4,553	50,512	47,563	2,555,294	345,738	52,064	344,000	137,847	731,393	553,660	205,649	5,028,273												
Financial guarantees	122,727	639,782	539,928	1,202,116	1,235,803	16,201	687,323	5,362,209	-	1,064,468	-	10,870,557												
Credit-related commitments and contingencies	290	728	113,190	59,217	27,431	-	4,102	39,908	-	11,022	-	255,888												
Total off balance sheet	123,017	640,510	653,118	1,261,333	1,263,234	16,201	691,425	5,402,117	-	1,075,490	-	11,126,445												



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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit risk concentration (continued)

	Primary agriculture RM'000	Education, health and others RM'000	Construction RM'000	Financing, insurance, real estate & business services RM'000	Manufacturing RM'000	Mining & quarrying RM'000	Transport, storage & communication RM'000	Wholesale, retail trade, restaurants & hotels RM'000	Government supply RM'000	Electricity, gas & water supply RM'000	Other RM'000	Total RM'000
Economic Entity 2020												
Investment securities:												
FVTPL*	6,157	58,715	48,284	387,540	130,097	-	39,382	-	124,782	178,558	2,776	976,291
Investment securities:												
FVOCI	56,628	-	72,465	429,849	78,579	51,409	438,179	-	690,076	377,152	111,256	2,305,593
Investment securities:												
Amortised cost	-	-	-	212,613	-	-	-	-	-	-	50,089	262,702
Derivative financial assets	-	-	-	11,131	-	-	-	-	-	-	-	11,131
Term deposits	-	-	-	553,564	-	-	-	-	-	-	-	553,564
Financing, loans and advances	2,880	13,459	5,613	31,690	18,615	52	8,117	111,356	-	549	1,118	193,449
Other receivables [#]	-	-	46	25,670	-	-	-	-	163	-	1,138	27,017
Cash and cash equivalents [^]	-	-	-	239,354	-	-	-	-	-	-	-	239,354
Financial guarantees	65,665	72,174	126,408	1,891,411	227,291	51,461	485,678	111,356	815,021	556,259	166,377	4,569,101
Credit-related commitments and contingencies	135,600	446,916	487,391	1,060,985	1,222,046	17,681	473,494	4,045,880	-	958,269	-	8,848,262
Total off balance sheet	135,600	446,916	503,287	1,068,138	1,223,552	17,681	475,294	4,050,731	-	958,474	-	8,879,673

Excludes prepayments of RM5,788,000 (2020: RM4,787,000)

^ Excludes cash in hand of RM19,600 (2020: RM20,000)

* Excludes investment in REITs of RM117,556,000 (2020: RM89,436,000)

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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit risk concentration (continued)

Company 2021	Primary agriculture		Education, health and others		Construction		Financing, insurance, real estate & business services		Manufacturing		Mining & quarrying		Communication		Transport, storage & retail trade, restaurants & hotels		Wholesale, government		Electricity, gas & water supply		Other		Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	
Investment securities: FVTPL*	1,025	34,838	26,315	413,830	249,192	-	31,166	-	81,519	77,692	43,306	958,883													
Investment securities: FVOCI	-	-	15,428	417,634	75,553	52,028	304,548	-	649,711	475,115	110,048	2,100,065													
Investment securities: Amortised cost	-	-	-	212,741	-	-	-	-	-	-	-	262,868													
Derivative financial assets	-	-	-	7,249	-	-	-	-	-	-	-	7,249													
Term deposits	-	-	-	1,324,279	-	-	-	-	-	-	-	1,324,279													
Financing, loans and advances	3,528	15,674	5,774	36,574	20,993	36	8,286	137,847	-	853	965	230,530													
Other receivables*	-	-	46	15,236	-	-	-	-	163	-	1,203	16,648													
Cash and cash equivalents*	-	-	-	127,751	-	-	-	-	-	-	-	127,751													
	4,553	50,512	47,563	2,555,294	345,738	52,064	344,000	137,847	731,393	553,660	205,649	5,028,273													
Financial guarantees	122,727	639,782	539,928	1,202,116	1,235,803	16,201	687,323	5,362,209	-	1,064,468	-	10,870,557													
Credit-related commitments and contingencies	290	728	113,190	59,217	27,431	-	4,102	39,908	-	11,022	-	255,888													
Total off balance sheet	123,017	640,510	653,118	1,261,333	1,263,234	16,201	691,425	5,402,117	-	1,075,490	-	11,126,445													



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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit risk concentration (continued)

Company 2020	Primary agriculture RM'000	Education, health and others RM'000	Construction RM'000	Financing, insurance, real estate & business services RM'000	Manufacturing RM'000	Mining & quarrying RM'000	Transport, storage & communication RM'000	Wholesale, retail trade, restaurants & hotels RM'000	Government RM'000	Electricity, gas & water supply RM'000	Other RM'000	Total RM'000
Investment securities:												
FVTPL*	6,157	58,715	48,284	387,540	130,097	-	39,382	-	124,782	178,558	2,776	976,291
Investment securities:												
FVOCI	56,628	-	72,465	429,849	78,579	51,409	438,179	-	690,076	377,152	111,256	2,305,593
Investment securities:												
Amortised cost	-	-	-	212,613	-	-	-	-	-	-	50,089	262,702
Derivative financial assets	-	-	-	11,131	-	-	-	-	-	-	-	11,131
Term deposits	-	-	-	553,564	-	-	-	-	-	-	-	553,564
Financing, loans and advances	2,880	13,459	5,613	31,690	18,615	52	8,117	111,356	-	549	1,118	193,449
Other receivables [#]	-	-	46	25,670	-	-	-	-	163	-	1,138	27,017
Cash and cash equivalents [^]	-	-	-	239,354	-	-	-	-	-	-	-	239,354
Financial guarantees	65,665	72,174	126,408	1,891,411	227,291	51,461	485,678	111,356	815,021	556,259	166,377	4,569,101
Credit-related commitments and contingencies	135,600	446,916	487,391	1,060,985	1,222,046	17,681	473,494	4,045,880	-	958,269	-	8,848,262
Total off balance sheet	135,600	446,916	503,287	1,068,138	1,223,552	17,681	475,294	4,050,731	-	958,474	-	8,879,673

Excludes prepayments of RM5,788,000 (2020: RM4,787,000)

^ Excludes cash in hand of RM19,600 (2020: RM20,000)

* Excludes investment in REITs of RM117,556,000 (2020: RM89,436,000)

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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality

(i) Financing, loans and advances

All financing, loans and advances are unrated and categorised into 'neither past due nor impaired', 'past due but not impaired' and 'impaired'. Past due loans refer to loans that are overdue by one day or more. Impaired loans are loans with months-in-arrears more than 3 months (i.e. 90 days) or with impairment allowances.

Distribution of financing, loans and advances by credit quality

Economic Entity/Company	2021			Total RM'000
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	
Carrying amount of financing, loans and advances by credit quality:				
Neither past due nor impaired (A)	135,766	68,240	-	204,006
Past due but not impaired (B)	-	55,417	-	55,417
Impaired (C)	-	-	49,991	49,991
Gross financing, loans and advances	135,766	123,657	49,991	309,414
Less: Allowances for impairment losses				
- Expected Credit Losses 'ECL'	(3,060)	(25,833)	(49,991)	(78,884)
Net financing, loans and advances	132,706	97,824	-	230,530



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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(i) Financing, loans and advances (continued)

All financing, loans and advances are unrated and categorised into ‘neither past due nor impaired’, ‘past due but not impaired’ and ‘impaired’. Past due loans refer to loans that are overdue by one day or more. Impaired loans are loans with months-in-arrears more than 3 months (i.e. 90 days) or with impairment allowances. (continued)

Distribution of financing, loans and advances by credit quality (continued)

	2020			Total RM'000
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	
Economic Entity/Company				
Carrying amount of financing, loans and advances by credit quality:				
Neither past due nor impaired (A)	172,722	2,022	-	174,744
Past due but not impaired (B)	-	44,078	-	44,078
Impaired (C)	-	-	76,340	76,340
Gross financing, loans and advances	172,722	46,100	76,340	295,162
Less: Allowances for impairment losses				
- Expected Credit Losses (“ECL”)	(4,580)	(20,793)	(76,340)	(101,713)
Net financing, loans and advances	168,142	25,307	-	193,449

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(a) Credit Risk (continued)

Credit quality (continued)

(i) Financing, loans and advances (continued)

(A) Neither past due nor impaired

Analysis of loans and advances that are neither past due nor impaired based on the Economic Entity's and the Company's internal grading system are as follows:

	2021			Total RM'000
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	
<u>Quality classification</u>				
Satisfactory	135,766	68,240	-	204,006
Total	135,766	68,240	-	204,006

	2020			Total RM'000
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	
<u>Quality classification</u>				
Satisfactory	172,722	2,022	-	174,744
Total	172,722	2,022	-	174,744

Quality classification definitions:

Satisfactory: Exposures demonstrate a strong capacity to meet financial commitments, with negligible or low probability of default and/or levels of expected loss.

Collateral and other credit enhancement obtained

During the financial year, there is no repossessed collateral as the Economic Entity and the Company do not have possession of collateral held as security or other credit enhancement.



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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(i) Financing, loans and advances (continued)

(B) Past due but not impaired

Economic Entity/Company	2021				Total RM'000	
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000			
	Past due up to 30 days	-	31,494	-		31,494
	Past due 30-60 days	-	23,923	-		23,923
Total	-	55,417	-	55,417		

Economic Entity/Company	2020				Total RM'000	
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000			
	Past due up to 30 days	-	28,120	-		28,120
	Past due 30-60 days	-	15,958	-		15,958
Total	-	44,078	-	44,078		

(c) Impaired

Economic Entity/Company	2021				Total RM'000	
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000			
	Gross impaired loans	-	-	49,991		49,991
	Individually impaired loans	-	-	49,991		49,991

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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(i) Financing, loans and advances (continued)

(c) Impaired (continued)

	2020			Total RM'000
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	
Gross impaired loans	-	-	76,340	76,340
Individually impaired loans	-	-	76,340	76,340

(ii) Investment securities, derivatives, term deposits and cash and cash equivalents

Investment securities: FVTPL and investment securities: FVOCI are measured on a fair value basis. The fair value will reflect the credit risk of the issuer.

Most listed and some unlisted investment securities are rated by external rating agencies. The Economic Entity and the Company mainly use external ratings provided by Rating Agency Malaysia Berhad ("RAM"), Malaysian Rating Corporation Berhad ("MARC"), Moody's or Standard & Poor's ("S&P").

Analysis of financial assets by rating agency designation (where applicable) as at 31 December:

Investment securities: FVTPL

Economic Entity/Company	2021			Total RM'000
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	
Sovereign (no rating)	76,653	-	-	76,653
Investment grade (AAA to BBB-)	750,713	-	-	750,713
Unrated	131,517	-	-	131,517
Total	958,883	-	-	958,883



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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(ii) Investment securities, derivatives, term deposits and cash and cash equivalents (continued)

Analysis of financial assets by rating agency designation (where applicable) as at 31 December (continued):

Investment securities: FVTPL (continued)

Economic Entity/Company	2020			Total RM'000		
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000			
	Sovereign (no rating)	43,307	-		-	43,307
	Investment grade (AAA to BBB-)	759,182	-		-	759,182
Unrated	173,802	-	-	173,802		
Total	976,291	-	-	976,291		

Investment securities: FVOCI

Economic Entity/Company	2021			Total RM'000		
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000			
	Sovereign (no rating)	501,266	-		-	501,266
	Investment grade (AAA to BBB-)	1,598,799	-		-	1,598,799
Total	2,100,065	-	-	2,100,065		

Economic Entity/Company	2020			Total RM'000		
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000			
	Sovereign (no rating)	583,456	-		-	583,456
	Investment grade (AAA to BBB-)	1,627,612	94,525		-	1,722,137
Total	2,211,068	94,525	-	2,305,593		

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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(ii) Investment securities, derivatives, term deposits and cash and cash equivalents (continued)

Analysis of financial assets by rating agency designation (where applicable) as at 31 December (continued):

Economic Entity/Company**Investment securities: Amortised cost**

	2021			Total RM'000
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	
Unrated	214,208	50,368	5	264,581
Expected Credit Losses ("ECL")	(1,467)	(241)	(5)	(1,713)
Total	212,741	50,127	-	262,868

	2020			Total RM'000
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	
Unrated	264,544	-	6	264,550
Expected Credit Losses ("ECL")	(1,843)	-	(5)	(1,848)
Total	262,701	-	1	262,702

Derivative financial assets

	2021			Total RM'000
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	
Investment grade (AAA to BBB-)	7,249	-	-	7,249
Total	7,249	-	-	7,249



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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(ii) Investment securities, derivatives, term deposits and cash and cash equivalents (continued)

Analysis of financial assets by rating agency designation (where applicable) as at 31 December (continued):

Economic Entity/Company (continued)

Derivative financial assets (continued)

	2020			Total RM'000
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	
Investment grade (AAA to BBB-)	11,131	-	-	11,131
Total	11,131	-	-	11,131

Term deposits

	2021			Total RM'000
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	
Investment grade (AAA to BBB-)	1,288,060	-	-	1,288,060
Unrated	36,219	-	-	36,219
Total	1,324,279	-	-	1,324,279

	2020			Total RM'000
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	
Investment grade (AAA to BBB-)	524,241	-	-	524,241
Unrated	29,323	-	-	29,323
Total	553,564	-	-	553,564

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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(ii) Investment securities, derivatives, term deposits and cash and cash equivalents (continued)

Analysis of financial assets by rating agency designation (where applicable) as at 31 December (continued):

Cash and cash equivalents

	2021			Total RM'000
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	
Economic Entity				
Investment grade (AAA to BBB-)	127,751	-	-	127,751
Total	127,751	-	-	127,751

	2020			Total RM'000
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	
Economic Entity				
Investment grade (AAA to BBB-)	239,354	-	-	239,354
Total	239,354	-	-	239,354

The following have been excluded for the purpose of maximum credit risk exposure calculations:

^ Cash in hand of RM19,600 (2020: RM20,000)

	2021			Total RM'000
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	
Company				
Investment grade (AAA to BBB-)	127,751	-	-	127,751
Total	127,751	-	-	127,751



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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(ii) Investment securities, derivatives, term deposits and cash and cash equivalents (continued)

Analysis of financial assets by rating agency designation (where applicable) as at 31 December (continued):

Cash and cash equivalents (continued)

Company	2020			Total RM'000		
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000			
	Investment grade (AAA to BBB-)	239,354	-		-	239,354
	Total	239,354	-		-	239,354

The following have been excluded for the purpose of maximum credit risk exposure calculations:

^ Cash in hand of RM19,600 (2020: RM20,000)

There are no investment securities, term deposits and cash and cash equivalents which are past due but not impaired or impaired.

(iii) Other financial assets

The carrying amount of other financial assets of the Economic Entity and the Company are summarised as below:

Economic Entity	2021			Total RM'000		
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000			
	Neither past due nor impaired					
	Other receivables #	12,587	-		-	12,587
Total	12,587	-	-	12,587		

Economic Entity	2020			Total RM'000		
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000			
	Neither past due nor impaired					
	Other receivables #	16,077	-		-	16,077
Total	16,077	-	-	16,077		

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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(iii) Other financial assets (continued)

The carrying amount of other financial assets of the Economic Entity and the Company are summarised as below (continued):

	2021			Total RM'000
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	
Economic Entity				
<u>Past due but not impaired</u>				
Other receivables #	4,061	-	-	4,061
Total	4,061	-	-	4,061
	2020			Total RM'000
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	
Economic Entity				
<u>Past due but not impaired</u>				
Other receivables #	10,940	-	-	10,940
Total	10,940	-	-	10,940
	2021			Total RM'000
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	
Company				
<u>Neither past due nor impaired</u>				
Other receivables #	12,587	-	-	12,587
Total	12,587	-	-	12,587



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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(iii) Other financial assets (continued)

The carrying amount of other financial assets of the Economic Entity and the Company are summarised as below (continued):

Company	2020				Total RM'000	
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000			
	<u>Neither past due nor impaired</u>					
	Other receivables #	16,077	-	-		16,077
Total	16,077	-	-	16,077		
Company	2021				Total RM'000	
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000			
	<u>Past due but not impaired</u>					
	Other receivables #	4,061	-	-		4,061
Total	4,061	-	-	4,061		

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40. FINANCIAL RISK MANAGEMENT (CONTINUED)**(a) Credit Risk (continued)****Credit quality (continued)****(iii) Other financial assets (continued)**

The carrying amount of other financial assets of the Economic Entity and the Company are summarised as below (continued):

	2020			Total RM'000
	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under- performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	
Company				
<u>Past due but not impaired</u>				
Other receivables #	10,940	-	-	10,940
Total	10,940	-	-	10,940

The following have been excluded for the purpose of maximum credit risk exposure calculations:

Prepayments for the Economic Entity and the Company amount to RM5,788,000 (2020: RM4,787,000) and RM5,788,000 (2020: RM4,787,000) respectively.

All other financial assets are categorised into 'neither past due nor impaired', 'past due but not impaired' and 'past due and impaired'. For financial assets categorised as 'neither past due nor impaired', there is a high likelihood of these assets being recovered in full and therefore, are no cause for concern to the Economic Entity and the Company. Financial assets categorised as 'past due but not impaired' are receivables due from financial institutions overdue more than 30 working days for the Company and 45 days for the subsidiary. Financial assets categorised as 'past due and impaired' are receivables deemed irrecoverable after assessment by the Economic Entity and the Company.

(iv) Movement in expected credit losses**The expected credit losses recognised in the period are impacted by a variety of factors:**

- (a) Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period.
- (b) Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to the models.



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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(iv) Movement in expected credit losses (continued)

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period:

Financing, loans and advances

Economic Entity/Company	2021			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Loss allowance as at 1 January 2021	4,580	20,793	76,340	101,713
Movements with P&L Impact				
Transfers				
<u>Change due to change in credit risk:</u>				
Transfer from Stage 1 to Stage 2	(1,799)	12,787	-	10,988
Transfer from Stage 1 to Stage 3	(37)	-	1,382	1,345
Transfer from Stage 2 to Stage 3	-	(2,480)	4,670	2,190
Transfer from Stage 3 to Stage 2	-	248	(782)	(534)
Transfer from Stage 3 to Stage 1	1	-	(97)	(96)
Transfer from Stage 2 to Stage 1	132	(3,362)	-	(3,230)
New financial assets originated or purchased	1,572	4,175	532	6,279
Financial assets derecognised during the financial year other than write-offs	(1,389)	(6,328)	(4,849)	(12,566)
Written-off/waived during the financial year	-	-	(27,205)	(27,205)
	3,060	25,833	49,991	78,884

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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(iv) Movement in expected credit losses (continued)

The expected credit losses recognised in the period are impacted by a variety of factors (continued):

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period (continued):

Financing, loans and advances (continued)

Economic Entity/Company	2020			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Loss allowance as at 1 January 2020	4,963	12,176	104,054	121,193
Movements with P&L Impact				
Transfers				
<u>Change due to change in credit risk:</u>				
Transfer from Stage 1 to Stage 2	(733)	8,420	-	7,687
Transfer from Stage 1 to Stage 3	(265)	-	7,658	7,393
Transfer from Stage 2 to Stage 3	-	(1,928)	4,515	2,587
Transfer from Stage 3 to Stage 2	-	455	(1,308)	(853)
Transfer from Stage 3 to Stage 1	34	-	(4,565)	(4,531)
Transfer from Stage 2 to Stage 1	430	(5,093)	-	(4,663)
New financial assets originated or purchased	1,407	5,556	(447)	6,516
Financial assets derecognised during the financial year other than write-offs	(1,256)	1,207	-	(49)
Written-off/waived during the financial year	-	-	(33,567)	(33,567)
	4,580	20,793	76,340	101,713



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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(iv) Movement in expected credit losses (continued)

The expected credit losses recognised in the period are impacted by a variety of factors (continued):

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period (continued):

Investment securities: FVOCI

Economic Entity/Company	2021			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Loss allowance as at 1 January 2021	1,697	38,479	-	40,176
Movements with P&L Impact				
Change due to change in credit risk	(761)	(38,479)	140,025	100,785
New financial assets originated or purchased	286	-	-	286
	1,222	-	140,025	141,247
Economic Entity/Company	2020			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Loss allowance as at 1 January 2020	1,828	9,786	-	11,614
Movements with P&L Impact				
Change due to change in credit risk	(478)	28,693	-	28,215
New financial assets originated or purchased	347	-	-	347
	1,697	38,479	-	40,176

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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(iv) Movement in expected credit losses (continued)

The expected credit losses recognised in the period are impacted by a variety of factors (continued):

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period (continued):

Investment securities: Amortised cost

Economic Entity/Company	2021			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Loss allowance as at 1 January 2021	1,602	241	5	1,848
Movements with P&L Impact				
Change due to change in credit risk	(135)	-	-	(135)
	1,467	241	5	1,713

Economic Entity/Company	2020			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Loss allowance as at 1 January 2020	1,191	-	-	1,191
Movements with P&L Impact				
Change due to change in credit risk	411	241	5	657
	1,602	241	5	1,848



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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(v) Movement in gross carrying amount that contributed to changes in the expected credit losses:

Financing, loans and advances

Economic Entity/Company	2021			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount as at 1 January 2021	172,721	46,101	76,340	295,162
Movements with P&L Impact				
Transfers				
<u>Change due to change in credit risk:</u>				
Transfer from Stage 1 to Stage 2	(74,550)	69,758	-	(4,792)
Transfer from Stage 1 to Stage 3	(1,445)	-	1,382	(63)
Transfer from Stage 2 to Stage 3	-	(4,965)	4,670	(295)
Transfer from Stage 3 to Stage 2	-	753	(782)	(29)
Transfer from Stage 3 to Stage 1	76	-	(97)	(21)
Transfer from Stage 2 to Stage 1	6,861	(8,400)	-	(1,539)
New financial assets originated or purchased	61,894	24,881	532	87,307
Financial assets derecognised during the financial year other than write-offs	(29,792)	(4,470)	(4,849)	(39,111)
Written-off/waived during the financial year	-	-	(27,205)	(27,205)
Gross carrying amount as at 31 December 2021	135,765	123,658	49,991	309,414

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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(v) Movement in gross carrying amount that contributed to changes in the expected credit losses (continued):

Financing, loans and advances (continued)

Economic Entity/Company	2020			Total RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
Gross carrying amount as at January 2020	144,059	36,662	104,054	284,775
Movements with P&L Impact				
Transfers				
<u>Change due to change in credit risk:</u>				
Transfer from Stage 1 to Stage 2	(21,788)	19,208	-	(2,580)
Transfer from Stage 1 to Stage 3	(8,741)	-	7,658	(1,083)
Transfer from Stage 2 to Stage 3	-	(4,828)	4,515	(313)
Transfer from Stage 3 to Stage 2	-	1,119	(1,308)	(189)
Transfer from Stage 3 to Stage 1	453	-	(4,565)	(4,112)
Transfer from Stage 2 to Stage 1	13,109	(15,950)	-	(2,841)
New financial assets originated or purchased	70,166	11,468	(447)	81,187
Financial assets derecognised during the financial year other than write-offs	(24,537)	(1,578)	-	(26,115)
Written-off/waived during the financial year	-	-	(33,567)	(33,567)
Gross carrying amount as at 31 December 2020	172,721	46,101	76,340	295,162



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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(v) Movement in gross carrying amount that contributed to changes in the expected credit losses (continued):

Financing, loans and advances (continued)

An analysis of financial assets individually assessed as impaired (Stage 3) and the movements on the impairment allowance during the year are as follows:

	2021				
	Allowances as at 1 January RM'000	Allowances made during the Year RM'000	Recoveries/ Written-Back RM'000	Write-Off RM'000	Allowances as at 31 December RM'000
Financing, loans and advances	76,340	7,204	(6,348)	(27,205)	49,991
	76,340	7,204	(6,348)	(27,205)	49,991

	2020				
	Allowances as at 1 January RM'000	Allowances made during the Year RM'000	Recoveries/ Written-Back RM'000	Write-Off RM'000	Allowances as at 31 December RM'000
Financing, loans and advances	104,054	46,989	(41,136)	(33,567)	76,340
	104,054	46,989	(41,136)	(33,567)	76,340

Investment securities: FVOCI

	2021			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Economic Entity/Company				
Gross carrying amount as at 1 January 2021	2,170,513	135,080	-	2,305,593
Movements with P&L Impact				
Change due to change in credit risk	(50,212)	(135,080)	-	(185,292)
New financial assets originated or purchased	301,595	-	-	301,595
Disposal	(321,831)	-	-	(321,831)
Gross carrying amount as at 31 December 2021	2,100,065	-	-	2,100,065

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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(v) Movement in gross carrying amount that contributed to changes in the expected credit losses (continued):

Investment securities: FVOCI (continued)

Economic Entity/Company	2020			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount as at 1 January 2020	1,649,551	135,137	-	1,784,688
Movements with P&L Impact				
Change due to change in credit risk	(112,120)	(57)	-	(112,177)
New financial assets originated or purchased	633,082	-	-	633,082
Gross carrying amount as at 31 December 2020	2,170,513	135,080	-	2,305,593

Investment securities: Amortised cost

Economic Entity/Company	2021			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount as at 1 January 2021	264,544	-	6	264,550
Movements with P&L Impact				
Change due to change in credit risk	(50,336)	-	(1)	(50,337)
New financial assets originated or purchased		50,368	-	50,368
Gross carrying amount as at 31 December 2021	214,208	50,368	5	264,581



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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(v) Movement in gross carrying amount that contributed to changes in the expected credit losses (continued):

Investment securities: Amortised cost (continued)

	2020			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount as at 1 January 2020	183,524	-	-	183,524
Movements with P&L Impact				
Change due to change in credit risk	(50,327)	-	6	(50,321)
Disposal	131,347	-	-	131,347
Gross carrying amount as at 31 December 2020	264,544	-	6	264,550

(b) Market risk

Market risk is defined as the risk of losses to the Economic Entity's and the Company's portfolio positions arising from movements in market factors such as interest rates, foreign exchange rates and changes in volatility. The Economic Entity and the Company are exposed to market risks from their trading and investment activities.

The Economic Entity's and the Company's exposure to market risk stems primarily from interest rate risk. Interest rate risk arises mainly from differences in timing between the maturities or repricing of assets, liabilities and derivatives.

Net interest income sensitivity analysis

The table below shows the profit after tax net interest income sensitivity for the financial assets and financial liabilities held at reporting date.

	Economic Entity			
	31.12.2021		31.12.2020	
	Impact on profit after tax RM'000	Impact on equity RM'000	Impact on profit after tax RM'000	Impact on equity RM'000
+ 100 basis points ("bps")	54,556	53,701	39,008	39,467
- 100 bps	(54,556)	(53,701)	(39,008)	(39,467)

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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Net interest income sensitivity analysis (continued)

	Company			
	31.12.2021		31.12.2020	
	Impact on profit after tax RM'000	Impact on equity RM'000	Impact on profit after tax RM'000	Impact on equity RM'000
+ 100 bps	54,556	53,701	39,008	39,440
- 100 bps	(54,556)	(53,701)	(39,008)	(39,440)

Interest/Profit rate risk

The table below summarises the Economic Entity's and the Company's exposure to interest/profit rate risks. Included in the table are the Economic Entity's and the Company's financial assets and liabilities at their carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The net interest sensitivity gap for items not recognised in the statements of financial position represents the net notional amounts of all interest/profit rate sensitivity derivative financial instruments. As interest rate yield curves change over time, the Economic Entity and the Company may be exposed to loss in earnings due to the effects of interest rates on the structure of the statements of financial position. Sensitivity to interest/profit rates arises from mismatches in the repricing dates, cash flows and other characteristics of the financial assets and their corresponding financial liabilities funding.

Economic Entity/Company 2021	Within	1 to 5	Over	Non-	Total
	12 months	years	5 years	interest/ profit- sensitive	
	RM'000	RM'000	RM'000	RM'000	RM'000
Assets					
Investment securities: FVTPL	45,000	174,567	846,474	10,398	1,076,439
Investment securities: FVOCI	87,112	895,772	1,117,181	-	2,100,065
Investment securities: Amortised cost	131,805	131,063	-	-	262,868
Derivative financial assets	7,249	-	-	-	7,249
Term deposits	1,319,326	-	-	4,953	1,324,279
Financing, loans and advances - not impaired*	7,357	221,394	30,672	(28,893)	230,530
Amount due from an associate	-	-	-	157	157
Other receivables^	-	-	-	16,648	16,648
Cash and cash equivalents	-	-	-	127,771	127,771
Total financial assets	1,597,849	1,422,796	1,994,327	131,034	5,146,006



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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Interest/Profit rate risk (continued)

Economic Entity/Company 2021	Within 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Non- interest/ profit- sensitive RM'000	Total RM'000
Liabilities					
Funds from BNM	363,500	135,622	-	-	499,122
Small Entrepreneurs Guarantee Scheme	3,873	-	-	-	3,873
Tabung Usahawan Kecil	8,127	36,919	-	-	45,046
Government Funds	4,218	18,712	-	-	22,930
Small Entrepreneurs Financing Fund	6	-	-	-	6
Derivative financial liabilities	5,116	-	-	-	5,116
Other liabilities [@]	-	-	-	417,263	417,263
Total financial liabilities	384,840	191,253	-	417,263	993,356
Net interest sensitivity gap	1,213,009	1,231,543	1,994,327		

Economic Entity/Company 2020	Within 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Non- interest/ profit- sensitive RM'000	Total RM'000
Assets					
Investment securities: FVTPL	37,530	153,332	865,431	9,434	1,065,727
Investment securities: FVOCI	205,005	750,820	1,349,768	-	2,305,593
Investment securities: Amortised cost	50,089	212,613	-	-	262,702
Derivative financial assets	11,131	-	-	-	11,131
Term deposits	550,620	-	-	2,944	553,564
Financing, loans and advances - not impaired*	6,719	183,508	28,595	(25,373)	193,449
Amount due from an associate	-	-	-	31	31
Other receivables [^]	-	-	-	27,017	27,017
Cash and cash equivalents	-	-	-	239,374	239,374
Total financial assets	861,094	1,300,273	2,243,794	253,427	4,658,588

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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Interest/Profit rate risk (continued)

Economic Entity/Company 2020	Within 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Non- interest/ profit- sensitive RM'000	Total RM'000
Liabilities					
Funds from BNM	33,179	424,957	-	500,000	958,136
Small Entrepreneurs Guarantee Scheme	-	-	-	13,411	13,411
Tabung Usahawan Kecil	-	-	-	43,263	43,263
Government Funds	10,697	15,424	-	-	26,121
Small Entrepreneurs Financing Fund	-	-	-	25	25
Derivative financial liabilities	2,917	-	-	-	2,917
Other liabilities [@]	-	-	-	422,939	422,939
Total financial liabilities	46,793	440,381	-	979,638	1,466,812
Net interest sensitivity gap	814,301	859,892	2,243,794		

* The negative balance represents collective allowance for financing, loans and advances

^ Excludes prepayment amounting to RM5,788,000 (2020: RM4,787,000)

@ Other liabilities include amount due to BNM, expected credit losses, claims payable, other payables and lease liabilities



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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Foreign exchange risk

The Economic Entity and the Company are exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on their financial position and cash flows. Limits are set on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table summarises the Economic Entity's and the Company's exposure to foreign currency exchange rate risk at reporting date. Included in the table are the Economic Entity's and the Company's financial instruments at carrying amounts, categorised by currency.

Economic Entity/ Company 2021	United	Singapore	Australian	Great	Chinese	Euro	Total
	States Dollar RM'000	Dollar RM'000	Dollar RM'000	Britain Pound RM'000	Yuan RM'000		
Assets							
Investment securities:							
FVTPL	200,034	155,377	13,765	9,102	4,973	2,763	386,014
Derivatives	1,071	5,858	200	17	40	63	7,249
Cash and cash equivalents	21,194	1,305	31	243	3	-	22,776
Net on-balance sheet financial position	222,299	162,540	13,996	9,362	5,016	2,826	416,039
Liability							
Derivatives	61	5,055	-	-	-	-	5,116
Net on-balance sheet financial position	61	5,055	-	-	-	-	5,116
Off-balance sheet commitments	220,182	123,464	13,783	7,782	4,939	2,722	372,872

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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Foreign exchange risk (continued)

Economic Entity/ Company 2020	United States Dollar RM'000	Singapore Dollar RM'000	Australian Dollar RM'000	Great Britain Pound RM'000	Chinese Yuan RM'000	Euro RM'000	Total RM'000
Assets							
Investment securities: FVTPL	218,609	105,161	14,016	8,931	-	32,105	378,822
Derivatives	8,353	2,750	-	-	-	28	11,131
Cash and cash equivalents	5,777	320	10	278	-	291	6,676
Net on-balance sheet financial position	232,739	108,231	14,026	9,209	-	32,424	396,629
Liability							
Derivatives	228	2,186	210	134	-	159	2,917
Net on-balance sheet financial position	228	2,186	210	134	-	159	2,917
Off-balance sheet commitments	216,666	32,840	13,155	7,599	-	30,776	301,036

Foreign exchange risk sensitivity analysis

The following table sets out the analysis of the exposure to assess the impact of a 1% change in the exchange rates on the profit after tax:

	Economic Entity		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
+ 1%				
United States Dollar	4,424	5,191	4,424	5,191
Singapore Dollar	2,809	1,795	2,809	1,795
Australian Dollar	278	270	278	270
Chinese Yuan	100	-	100	-
Great Britain Pound	171	167	171	167
Euro	55	630	55	630
- 1%				
United States Dollar	(4,424)	(5,191)	(4,424)	(5,191)
Singapore Dollar	(2,809)	(1,795)	(2,809)	(1,795)
Australian Dollar	(278)	(270)	(278)	(270)
Chinese Yuan	(100)	-	(100)	-
Great Britain Pound	(171)	(167)	(171)	(167)
Euro	(55)	(630)	(55)	(630)



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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk which arises when the Economic Entity and the Company have difficulty in raising funds to meet their financial obligations at a reasonable cost and in time. The liquidity risk is managed by diversifying its placements over various tenures based on maturity gaps. The table below summarises the maturity profile of the Economic Entity's and the Company's liabilities at the reporting date.

Liquidity risk disclosure table which is based on contractual undiscounted cash flows

The table below provides analysis of cash flow payables for financial liabilities based on remaining contractual maturities on an undiscounted basis. The balances in the table below do not agree directly with the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments.

Economic Entity 2021	Within 12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
Liabilities				
Amount due to BNM	11,672	-	-	11,672
Funds from BNM	363,500	135,622	-	499,122
Small Entrepreneurs Guarantee Scheme	3,873	-	-	3,873
Tabung Usahawan Kecil	8,127	36,919	-	45,046
Government Funds	4,218	18,712	-	22,930
Small Entrepreneurs Financing Fund	6	-	-	6
Expected credit losses for guarantee schemes	242,163	-	-	242,163
Claims payable	8,682	-	-	8,682
Other payables	151,007	-	-	151,007
	793,248	191,253	-	984,501

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Economic Entity 2020	Within 12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
Liabilities				
Amount due to BNM	1,648	-	-	1,648
Funds from BNM	33,179	424,957	500,000	958,136
Small Entrepreneurs Guarantee Scheme	10,000	3,411	-	13,411
Tabung Usahawan Kecil	-	43,263	-	43,263
Government Funds	15,507	10,614	-	26,121
Small Entrepreneurs Financing Fund	25	-	-	25
Expected credit losses for guarantee schemes	275,540	-	-	275,540
Claims payable	1,684	-	-	1,684
Other payables	141,715	-	-	141,715
	479,298	482,245	500,000	1,461,543



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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

Liquidity risk disclosure table which is based on contractual undiscounted cash flows (continued)

Company 2021	Within 12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
Liabilities				
Amount due to BNM	11,672	-	-	11,672
Funds from BNM	363,500	135,622	-	499,122
Small Entrepreneurs Guarantee Scheme	3,873	-	-	3,873
Tabung Usahawan Kecil	8,127	36,919	-	45,046
Government Funds	4,218	18,712	-	22,930
Small Entrepreneurs Financing Fund	6	-	-	6
Expected credit losses for guarantee schemes	242,163	-	-	242,163
Claims payable	8,682	-	-	8,682
Other payables	151,007	-	-	151,007
	793,248	191,253	-	984,501

Company 2020	Within 12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
Liabilities				
Amount due to BNM	1,648	-	-	1,648
Funds from BNM	33,179	424,957	500,000	958,136
Small Entrepreneurs Guarantee Scheme	10,000	3,411	-	13,411
Tabung Usahawan Kecil	-	43,263	-	43,263
Government Funds	15,507	10,614	-	26,121
Small Entrepreneurs Financing Fund	25	-	-	25
Expected credit losses for guarantee schemes	275,540	-	-	275,540
Claims payable	1,684	-	-	1,684
Other payables	141,715	-	-	141,715
	479,298	482,245	500,000	1,461,543

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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

Derivative financial liabilities based on contractual undiscounted cash flows:

Economic Entity/Company 2021	Within 12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
<u>Derivatives settled on a gross basis</u>				
Foreign exchange derivatives:				
- outflow	55,140	-	-	55,140
- inflow	(50,024)	-	-	(50,024)
	5,116	-	-	5,116

Economic Entity/Company 2020	Within 12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
<u>Derivatives settled on a gross basis</u>				
Foreign exchange derivatives:				
- outflow	87,650	-	-	87,650
- inflow	(84,733)	-	-	(84,733)
	2,917	-	-	2,917

(d) Fair value of financial instruments

Fair value is defined as 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 Economic Entity and the Company measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Valuations derived from valuation techniques in which one or more significant inputs are not based on observable market data.

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted prices are readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis. These would include actively traded listed equities as well as fixed-income securities such as government securities and corporate bonds.



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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value of financial instruments (continued)

Where fair value is determined using unquoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Economic Entity and the Company determine fair value based upon valuation techniques that use as inputs, market parameters including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high. For structured investments, the fair value is obtained from the counterparty bank.

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). Such inputs are generally determined based on observable inputs of a similar nature, historical observations on the level of the input or other analytical techniques.

The Economic Entity and the Company recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. Transfers between fair value hierarchy are primarily due to change in the level of trading activity, change in observable market activity related to an input, reassessment of available pricing information and change in the significance of the unobservable input. There were no transfers between Level 1, 2 and 3 of the fair value hierarchy during the financial year (2020: Nil).

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

Recurring fair value measurements

Economic Entity/Company 31.12.2021	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>Assets</u>				
Investment securities: FVTPL				
- Money market instruments	-	76,653	-	76,653
- Private debt securities	-	882,230	-	882,230
Investment securities: REITs				
- REITs	117,556	-	-	117,556
Investment securities: FVOCI				
- Private debt securities	-	1,541,298	-	1,541,298
- Money market instruments	-	558,767	-	558,767
Derivative financial assets	-	7,249	-	7,249
	117,556	3,066,197	-	3,183,753

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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value of financial instruments (continued)

Recurring fair value measurements (continued)

Economic Entity/Company 31.12.2021	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>Liabilities</u>				
Small Entrepreneurs Guarantee Scheme	-	3,873	-	3,873
Tabung Usahawan Kecil	-	45,046	-	45,046
Derivative financial liabilities	-	5,116	-	5,116
	-	54,035	-	54,035
<hr/>				
Economic Entity/Company 31.12.2020	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>Assets</u>				
Investment securities: FVTPL				
- Money market instruments	-	82,546	-	82,546
- Private debt securities	-	893,745	-	893,745
Investment securities: REITs				
- REITs	89,436	-	-	89,436
Investment securities: FVOCI				
- Private debt securities	-	2,034,996	-	2,034,996
- Money market instruments	-	270,597	-	270,597
Derivative financial assets	-	11,131	-	11,131
	89,436	3,293,015	-	3,382,451
<hr/>				
<u>Liabilities</u>				
Small Entrepreneurs Guarantee Scheme	-	13,411	-	13,411
Tabung Usahawan Kecil	-	43,263	-	43,263
Derivative financial liabilities	-	2,917	-	2,917
	-	59,591	-	59,591



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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value of financial instruments (continued)

Effect of changes in significant unobservable assumptions on reasonably possible alternatives

The following tables analyse within the fair value hierarchy the Economic Entity's and the Company's assets and liabilities not measured at fair value as at reporting date but for which fair value is disclosed:

Economic Entity/ Company	Carrying amount	Level 1	Level 2	Level 3	Total
31.12.2021	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Financial assets</u>					
Investment securities: amortised cost	262,868	-	259,258	-	259,258
Financing, loans and advances	230,530	-	224,523	-	224,523
<u>Financial liabilities</u>					
Funds from BNM	499,122	-	496,638	-	496,638
Government funds	22,930	-	24,550	-	24,550

Economic Entity/ Company	Carrying amount	Level 1	Level 2	Level 3	Total
31.12.2020	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Financial assets</u>					
Investment securities: amortised cost	262,702	-	257,937	-	257,937
Financing, loans and advances	193,449	-	193,756	-	193,756
<u>Financial liabilities</u>					
Funds from BNM	958,136	-	606,360	-	606,360
Government funds	26,121	-	4,220	-	4,220

Other than as disclosed above, the fair value of each financial asset and liability presented on the statements of financial position as at the reporting date approximates to the carrying amount.

The fair value estimates were determined by application of the methodologies and assumptions described below.

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40. FINANCIAL RISK MANAGEMENT (CONTINUED)**(d) Fair value of financial instruments (continued)****Effect of changes in significant unobservable assumptions on reasonably possible alternatives (continued)****Investment securities at FVTPL, investment securities at FVOCI and investment securities at amortised cost**

The fair values are reasonable estimates based on quoted market prices. In the absence of such quoted prices, the fair values are based on the expected cash flows of the instruments discounted by indicative market yields for the similar instruments as at reporting date or the audited net tangible asset of the invested company.

Term deposits

For short-term term deposits with banks and other financial institutions with maturity of less than twelve months, the carrying amount is a reasonable estimate of fair value.

For amounts with maturities of more than twelve months, fair values have been estimated by reference to current rates at which similar deposits and placements would be made in banks with similar credit ratings and maturities.

Financing, loans and advances

The fair values of performing fixed-rate loans are arrived at using the discounted cash flows based on the prevailing market rates of loans and advances with similar credit ratings and maturities.

The fair values of impaired loans and advances, whether fixed or floating are represented by their carrying values, net of expected credit losses, being the reasonable estimate of recoverable amount.

Funds from BNM, Government funds, SEGS, TUK, Small Entrepreneurs Financing Fund and loan due to non-controlling interest

The estimated fair values of funds and borrowings with maturities of less than twelve months approximate to the carrying values. For other funds and borrowings with maturities of more than twelve months, the fair values are estimated based on discounted cash flows using prevailing market rates for such instruments with similar risk profile.

Other assets and liabilities

The carrying values less any estimated allowance for financial assets and liabilities included in other assets and other liabilities are assumed to approximate to their fair values as these items are not materially sensitive to the shift in market interest rates.



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40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Operational Risk

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal process, people and systems, or external events. The Economic Entity and the Company mitigate operational risk by having comprehensive internal control systems and procedures, which are reviewed regularly and subjected to periodical audits by internal auditors.

41. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

In accordance with MFRS 132 'Financial Instruments: Presentation', the Economic Entity and the Company report financial assets and financial liabilities on a net basis on the statements of financial position only if there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The following table shows the impact of netting arrangement on:

- All financial assets and liabilities that are reported net on statements of financial position; and
- All financial assets and liabilities that are subject to enforceable master netting arrangements or similar agreements, but do not qualify for statements of financial position netting.

The table identifies the amounts that have been offset in the statements of financial position and also those amounts that are covered by enforceable netting arrangements but do not qualify for netting under the requirements of MFRS 132 described above.

The "Net amounts" presented below are not intended to represent the Economic Entity's and the Company's actual exposure to credit risk.

Economic Entity/Company 2021	Gross amounts of recognised financial assets RM'000	Gross amounts of recognised financial liabilities set off in the statements of financial position RM'000	Net amounts reported on statements of financial position RM'000
Financial assets			
Amount due from BNM	-	-	-
Financial liabilities			
Amount due to BNM	-	11,672	(11,672)

42. SIGNIFICANT EVENT AND EVENT OCCURRING AFTER BALANCE SHEET DATE**Coronavirus Disease (COVID-19) Pandemic**

The World Health Organisation declared the outbreak of Coronavirus disease (COVID-19) as a global pandemic in March 2020. The direct and indirect effects of the COVID-19 outbreak have impacted the global economy, markets and the Company's counterparties and customers.

The negative effect from COVID-19 pandemic significantly impacted the Company's results of operations, especially in the process of determining an appropriate level of expected credit loss. Any changes made to the estimates and the assumptions used will materially impact the ECL.

On 8 March 2022, the Malaysian Government announced that Malaysia would enter the endemic phase by loosening several restrictions in order to stimulate the economy, which may have a positive impact on the Company's operations.

The Company will continue taking actions to mitigate and closely monitor any impact and related risks in the future.

Modification loss

During the current financial year, the Company introduced several relief facilities such as Targeted Relief Assistance and Financial Relief Assistance and also participated in the PEMULIH moratorium programme in order to ease the burden on all direct financing customers. As a result, the Company recognised a modification loss of RM1.2 million during the current financial year.

Company's position in Aureos CGC Advisers Sdn Bhd

As at 31 December 2021, Aureos CGC is currently undergoing member's voluntary liquidation, and the process is yet to be completed.

MEX II Sdn Bhd (MEX II) RM1.30 billion Sukuk Murabahah Programme

The Company has investment securities measured at FVOCI in MEX II at a cost of RM127.2 million. On 29 December 2021, the sukuk holder approved Resolution in Writing to declare Event of Default for MEX II due to default of payment by the issuer. On 7 January 2022, MEX II's sukuk rating was downgraded from C to D position by Malaysian Rating Corporation Berhad ("MARC"). The sukuk downgrade was due to inability of MEX II to meet its obligation to repay principal and profit that was due on 31 December 2021 nor securing any alternative financing by the end of 2020. In addition, the issuer was unable to obtain consent of sukuk holder to extend the repayment period to 31 March 2022.

As at 31 December 2021 the Company also hold investment securities measured at FVTPL in MEX II via Affin Hwang Asset Management Berhad amounting to RM11.3 million. At rating of D, the fair value of the investment securities based on pricing obtained from BPAM on 4 January 2022 is RM0.



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STATEMENT BY DIRECTORS

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

We, **DATO' MOHAMMED BIN HAJI CHE HUSSEIN** and **FAISAL BIN ISMAIL**, two of the Directors of **CREDIT GUARANTEE CORPORATION MALAYSIA BERHAD**, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 186 to 307 are drawn up so as to give a true and fair view of the financial position of the Economic Entity and of the Company as at 31 December 2021 and of the financial performance and the cash flows of the Economic Entity and of the Company for the financial year ended 31 December 2021 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 18 April 2022.

DATO' MOHAMMED BIN HAJI CHE HUSSEIN
Chairman

FAISAL BIN ISMAIL
Director

Kuala Lumpur

STATUTORY DECLARATION

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

I, **SHAZMEER BIN MOKHTAR (CA 28369)**, the Officer primarily responsible for the financial management of **CREDIT GUARANTEE CORPORATION MALAYSIA BERHAD**, do solemnly and sincerely declare that, the financial statements set out on pages 186 to 307 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

SHAZMEER BIN MOKHTAR

Subscribed and solemnly declared by the above named Shazmeer Bin Mokhtar at Petaling Jaya, Selangor in Malaysia on 18 April 2022.

Before me,

COMMISSIONER FOR OATHS



No. 21A, 1st Floor,
Jalan SS6/12,
Kelana Jaya,
47301 Petaling Jaya
Selangor Darul Ehsan.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CREDIT GUARANTEE CORPORATION MALAYSIA BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Credit Guarantee Corporation Malaysia Berhad (“the Company”) give a true and fair view of the financial position of the Economic Entity and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Economic Entity and of the Company, which comprise the statements of financial position as at 31 December 2021 of the Economic Entity and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 186 to 307.

Basis for opinion

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

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

Independence and other ethical responsibilities

We are independent of the Economic Entity 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.

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 Annual Report, but does not include the financial statements of the Economic Entity and of the Company and our auditors’ report thereon.

Our opinion on the financial statements of the Economic Entity 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 Economic Entity 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 Economic Entity 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.



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INDEPENDENT AUDITORS' REPORT

To The Members Of Credit Guarantee Corporation
Malaysia Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Economic Entity 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 Economic Entity and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Economic Entity and of the Company, the Directors are responsible for assessing the Economic Entity'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 Economic Entity or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Economic Entity 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:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Economic Entity 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.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Economic Entity's and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Economic Entity's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Economic Entity 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 Economic Entity or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

To The Members Of Credit Guarantee Corporation
Malaysia Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)Auditors' responsibilities for the audit of the financial statements (continued)

- (e) Evaluate the overall presentation, structure and content of the financial statements of the Economic Entity and of the Company, including the disclosures, and whether the financial statements of the Economic Entity and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Economic Entity to express an opinion on the financial statements of the Economic Entity. We are responsible for the direction, supervision and performance of the 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 MATTERS

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

**PRICEWATERHOUSECOOPERS PLT**

LLP0014401-LCA & AF 1146

Chartered Accountants

Kuala Lumpur

18 APR 2022**LEE TZE WOON KELVIN**

03482/01/2024 J

Chartered Accountant



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BOARD OF DIRECTORS

Dato' Mohammed Hussein

Independent
Non-Executive Director
(Chairman)

Dato' Haji Syed Moheeb Syed Kamarulzaman

Independent
Non-Executive Director

Teoh Kok Lin

Independent
Non-Executive Director

Suresh Menon

Independent
Non-Executive Director

Dato' Ong Eng Bin

Independent
Non-Executive Director

Choong Tuck Oon

Independent
Non-Executive Director

Faisal Ismail

Independent
Non-Executive Director

Saleha M. Ramly

Independent
Non-Executive Director

Anthony Lim Choon Eng

Independent
Non-Executive Director
(Appointed on 1 April 2022)

Suhaimi Ali

Non-Independent
Non-Executive Director
(Appointed on 28 April 2022)

Datuk David Chua Kok Tee

Independent
Non-Executive Director
(Retired on 14 February 2022)

Adnan Zaylani Mohamad Zahid

Non-Independent
Non-Executive Director
(Resigned on 19 April 2022)

BOARD AUDIT COMMITTEE

Faisal Ismail

Independent
Non-Executive Director
(Chairman)

Dato' Ong Eng Bin

Independent
Non-Executive Director

Saleha M. Ramly

Independent
Non-Executive Director
(Appointed as Member on 1 July 2021)

Suresh Menon

Independent
Non-Executive Director
(Ceased as Member on 1 July 2021)

Choong Tuck Oon

Independent
Non-Executive Director
(Ceased as Member on 1 July 2021)

Adnan Zaylani Mohamad Zahid

Non-Independent
Non-Executive Director
(Ceased as Member on 1 July 2021)

BOARD RISK MANAGEMENT COMMITTEE

Anthony Lim Choon Eng

Independent
Non-Executive Director
(Appointed as Chairman on 1 April 2022)

Dato' Haji Syed Moheeb Syed Kamarulzaman

Independent
Non-Executive Director

Choong Tuck Oon

Independent
Non-Executive Director
(Appointed as Member on 1 July 2021)

Datuk David Chua Kok Tee

Independent
Non-Executive Director
(Retired on 14 February 2022)

Teoh Kok Lin

Independent
Non-Executive Director
(Ceased as Member on 1 July 2021)

Suresh Menon

Independent
Non-Executive Director
(Ceased as Member on 1 July 2021)

Adnan Zaylani Mohamad Zahid

Non-Independent
Non-Executive Director
(Ceased as Member on 1 July 2021)

BOARD NOMINATION & REMUNERATION COMMITTEE

Dato' Mohammed Hussein

Independent
Non-Executive Director
(Chairman)

Dato' Ong Eng Bin

Independent
Non-Executive Director

Suhaimi Ali

Non-Independent
Non-Executive Director
(Appointed as Member on 28 April 2022)

Adnan Zaylani Mohamad Zahid

Non-Independent
Non-Executive Director
(Ceased as Member on 19 April 2022)

Dato' Haji Syed Moheeb Syed Kamarulzaman

Independent
Non-Executive Director
(Ceased as Member on 1 July 2021)

Saleha M. Ramly

Independent
Non-Executive Director
(Ceased as Member on 1 July 2021)

BOARD INVESTMENT COMMITTEE**Teoh Kok Lin**

Independent Non-Executive Director (Chairman)

Dato' Haji Syed Moheeb Syed KamarulzamanIndependent Non-Executive Director
(Appointed as Member on 1 July 2021)**Suresh Menon**



Independent Non-Executive Director

Datuk David Chua Kok TeeIndependent Non-Executive Director
(Ceased as Member on 1 July 2021)**Faisal Ismail**Independent Non-Executive Director
(Ceased as Member on 1 July 2021)**BOARD imSME COMMITTEE**

(ESTABLISHED ON 12 NOVEMBER 2021)

Choong Tuck OonIndependent Non-Executive Director (Chairman)
(Appointed as Chairman on 12 November 2021)**Dato' Haji Syed Moheeb Syed Kamarulzaman**Independent Non-Executive Director
(Appointed as Member on 12 November 2021)**Suhaimi Ali**Non-Independent
Non-Executive Director
(Appointed as Member on 28 April 2022)**Adnan Zaylani Mohamad Zahid**Non-Independent Non-Executive Director
(Appointed as Member from 12 November 2021 to 19 April 2022)**President/Chief Executive Officer**

Datuk Mohd Zamree Mohd Ishak

Company SecretaryDaeng Hafez Arafat Zuhud
(LS0007002)
(SSM Practising Certificate No.:
202008003092)
General Counsel & Company Secretary**Auditor**PricewaterhouseCoopers PLT
(LLP0014401-LCA & AF 1146)
Chartered Accountants
Level 10, 1 Sentral,
Jalan Rakyat Kuala Lumpur Sentral
P.O. Box 10192
50706 Kuala Lumpur MalaysiaTel : (6)03-2173 1188
Fax : (6)03-2173 1288**REGISTERED OFFICE**Level 14, Bangunan CGC
Kelana Business Centre
No. 97, Jalan SS 7/2, 47301 Petaling Jaya
Selangor Darul Ehsan, MalaysiaTel : (6)03-7806 2300
Fax : (6)03-7803 0458**BUSINESS AND CORRESPONDENCE ADDRESS**Level 8, Bangunan CGC
Kelana Business Centre
No. 97, Jalan SS 7/2, 47301 Petaling Jaya
Selangor Darul Ehsan, MalaysiaTel : (6)03-7806 2300
Fax : (6)03-7806 3308
Website : www.cgcom.my**Social Media** www.facebook.com/CGCmy [cgcmalaysia](https://www.instagram.com/cgcmalaysia)



CREDIT
GUARANTEE
CORPORATION
MALAYSIA
BERHAD

NOTICE OF 49TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 49th Annual General Meeting (“AGM”) of Credit Guarantee Corporation Malaysia Berhad (“CGC”) will be held fully virtual at the broadcast venue at Bangunan CGC, Kelana Business Centre, 97, Jalan SS 7/2, 47301 Petaling Jaya, Selangor Darul Ehsan (“Broadcast Venue”) on Tuesday, 21 June 2022, at 12.00 p.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESSES:

- | | | |
|----|--|---------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon. | |
| 2. | To re-elect the following Directors who retire by rotation in accordance with Articles 76A and 76B of CGC’s Constitution and who being eligible offer themselves for re-election: | |
| | a) Encik Choong Tuck Oon; | Resolution 1 |
| | b) Encik Faisal bin Ismail; and | Resolution 2 |
| | c) Puan Saleha binti M. Ramly. | Resolution 3 |
| 3. | To re-elect the following Directors who retire in accordance with Article 77 of CGC’s Constitution and who being eligible offer themselves for re-election: | |
| | a) Encik Lim Choon Eng; and | Resolution 4 |
| | b) Encik Suhaimi bin Ali. | Resolution 5 |
| 4. | To approve the Directors’ fees amounting to RM180,000 per annum for the Non-Executive Chairman and RM72,000 per annum for each Non-Executive Director from the 49 th AGM to the 50 th AGM of CGC, payable in a manner as the Board of Directors may determine. | Resolution 6 |
| 5. | To approve the Directors’ benefits up to an amount of RM1,168,360 payable to the Non-Executive Chairman and Non-Executive Directors from the 49 th AGM to the 50 th AGM of CGC, payable in a manner as the Board of Directors may determine. | Resolution 7 |
| 6. | To re-appoint Messrs. PricewaterhouseCoopers PLT as Auditors of CGC for the financial year ending 31 December 2022 and to authorise the Board of Directors to fix their remuneration. | Resolution 8 |
| 7. | To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016 and CGC’s Constitution. | |

BY ORDER OF THE BOARD

DAENG HAFEZ ARAFAT BIN ZUHUD
(LS0007002) (SSM PC No.: 202008003092)
Company Secretary

Petaling Jaya
23 May 2022

REVIEW OF
THE YEAR

HOW CGC IS
ORGANISED

KEY MESSAGES

OUR STRATEGY

PERFORMANCE
BY DIVISIONS

SUSTAINABILITY

GROUP
PERFORMANCE

CORPORATE
GOVERNANCE

FINANCIALS

ADDITIONAL
INFORMATION

NOTICE OF 49TH ANNUAL GENERAL MEETING

NOTES:

Proxy

1. A member entitled to attend, participate, speak and vote is entitled to appoint a proxy to attend, participate, speak and vote on his behalf. A proxy may but need not be a member of CGC and there shall be no restriction as to the qualification of a proxy.
2. 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 the appointor is a company under the hand of an officer or attorney of the company.
3. A company member having share capital may appoint more than one proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy.
4. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarial certified copy of that power of authority shall be deposited at the Registered Office of CGC – Level 14, Bangunan CGC, Kelana Business Centre, 97, Jalan SS7/2, 47301 Petaling Jaya, Selangor Darul Ehsan or email to CompanySecretarial@cgc.com.my, not less than 48 hours before the time for holding the meeting or any adjournment thereof.

Audited Financial Statements for financial year ended 31 December 2021

5. The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act, 2016 (“CA 2016”) for discussion only under Agenda 1 which does not require shareholders’ approval and hence, will not be put for voting.

Ordinary Resolutions 1, 2, 3, 4 and 5 - Re-election of Directors who retire in accordance with Articles 76A and 76B, and 77 of CGC's Constitution

6. The Board on 29 March 2022 endorsed the Board Nomination and Remuneration Committee Meeting (“BNRC”)’s recommendation for re-election of the following directors who shall retire in accordance with Articles of CGC’s Constitution:
 - (i) Articles 76A and 76B:
Encik Choong Tuck Oon, Encik Faisal bin Ismail and Puan Saleha binti M. Ramly, who have been the longest in office since their last election to retire and shall be eligible for re-election.
 - (ii) Article 77:
Encik Lim Choon Eng who was appointed as Independent Non-Executive Director of CGC on 1 April 2022 shall hold office until the 49th AGM and shall be eligible for re-election.

The Board in April 2022 endorsed the BNRC’s recommendation for re-election of the following director who shall retire in accordance with Articles of CGC’s Constitution:

- (i) Article 77:
Encik Suhaimi bin Ali who was appointed as Non-Independent Non-Executive Director of CGC on 28 April 2022 shall hold office until the 49th AGM and shall be eligible for re-election.

A brief profile of the abovementioned Non-Executive Directors is set out in pages 131, 132, 133, 134 and 135 respectively of CGC Annual Report 2021.

All the above Directors abstained from deliberations and decision on their eligibility to stand for re-election at the Board Meeting.



CREDIT
GUARANTEE
CORPORATION
MALAYSIA
BERHAD

NOTICE OF 49TH ANNUAL GENERAL MEETING

Ordinary Resolution 6 - Directors' Fees

7. Section 230(1) of CA 2016 states that amongst others “the fees” of the Directors and “any benefits” payable to the Directors of a public company shall be approved at a general meeting. In this regard, the Board agreed to seek shareholders’ approval at the 49th AGM.

The proposed fees to be paid to Non-Executive Chairman and Non-Executive Directors from this AGM to the next AGM is the same as the fee structure which had been approved by the shareholders as follows:

	Chairman	Member	Date of Shareholders’ Approval
Directors’ Fees	RM180,000 per annum	RM72,000 per annum	Approved at the 45 th AGM held on 25 June 2018

Ordinary Resolution 7 - Directors’ Benefits

8. The proposed Directors’ Benefits payable to Non-Executive Chairman and Non-Executive Directors comprise allowances, benefits-in-kind and other emoluments payable to them. Details of the proposed benefits are as follows:

Type	Detail/Amount	Chairman	Members
Meeting Allowance	RM5,000 per meeting	√	
	RM3,500 per meeting		√
Mobile Phone Allowance	RM500.00 per month	√	√
Car Allowance	RM6,000 per month	√	
Entertainment Allowance	RM2,000 per month	√	
Company Driver	RM7,200 per annum (based on taxable rate)	√	
Other Benefits	Medical coverage, travel & communication, working tools and other claimable benefits	√	√

The proposed Directors’ Benefit amounting to RM1,168,360 will be paid to Non-Executive Chairman and Non-Executive Directors from the 49th AGM until the 50th AGM. Payment of Directors’ Benefit will be made by CGC on a monthly basis and/or as and when incurred.

The estimated amount of the Directors’ Benefit is calculated based on an estimated number of scheduled Board and Board Oversight Committee Meetings, training organised for the Board, and also number of Non-Executive Directors involved in these meetings/training.

Ordinary Resolution 8 - Re-appointment of Auditors

9. The Board Audit Committee (“BAC”) at its meeting on 22 March 2022 assessed the suitability and independence of the external auditors, Messrs. PricewaterhouseCoopers PLT (“PwC”) in accordance with CGC’s External Auditor Policy.

The BAC was satisfied with PwC’s performance in 2021 based on the quality of audit, efficiency, independence and sufficiency of resources provided to complete their assignment. Subsequently, the BAC recommended to the Board on the re-appointment of PwC as CGC’s external auditors for the financial year ending 31 December 2022.

The Board at its meeting held on 18 April 2022 endorsed the BAC’s recommendation for the shareholders’ approval to be sought at the 49th AGM on the re-appointment of PwC as CGC’s external auditors for the financial year ending 31 December 2022.

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KEY MESSAGES

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INFORMATION

FORM OF PROXY

CREDIT GUARANTEE CORPORATION MALAYSIA BERHAD

Registration No. 197201000831 (12441-M)

(Incorporated in Malaysia)

I/We
(company name)

of
(full address)

being a member of Credit Guarantee Corporation Malaysia Berhad ("CGC"), hereby appoint
..... NRIC/Passport No.
(full name)

or failing him/her NRIC/Passport No.
(full name)

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the 49th Annual General Meeting ("AGM") of CGC to be held fully virtual at the Broadcast Venue at Bangunan CGC, Kelana Business Centre, 97, Jalan SS 7/2, 47301 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 21 June 2022 at 12.00 p.m. and at any adjournment thereof for the following resolutions as set out in the Notice of the 49th AGM:

Resolution No.	Resolution	For	Against
	Ordinary Resolutions:		
	To re-elect the following Directors who retire by rotation in accordance with Articles 76A and 76B of CGC's Constitution:		
1	Encik Choong Tuck Oon		
2	Encik Faisal bin Ismail		
3	Puan Saleha binti M. Ramly		
	To re-elect the following Directors who retire in accordance with Article 77 of CGC's Constitution:		
4	Encik Lim Choon Eng		
5	Encik Suhaimi bin Ali		
6	To approve the Directors' fees amounting to RM180,000 per annum for the Non-Executive Chairman and RM72,000 per annum for each Non-Executive Director from the 49 th AGM to the 50 th AGM of CGC, payable in a manner as the Board of Directors may determine.		
7	To approve the Directors' benefits up to an amount of RM1,168,360 payable to the Non-Executive Chairman and Non-Executive Directors from the 49 th AGM to the 50 th AGM of CGC, payable in a manner as the Board of Directors may determine.		
8	To re-appoint Messrs. PricewaterhouseCoopers PLT as Auditors of CGC for the financial year ending 31 December 2022 and to authorise the Board of Directors to fix their remuneration.		

(Please indicate with a cross (x) in the spaces provided whether you wish your votes to be cast for or against the Resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit).

Signed this day of 2022.

.....
Signature(s)/Common Seal of Member(s)

Notes:

1. A member entitled to attend, participate, speak and vote is entitled to appoint a proxy to attend, participate, speak and vote on his/her behalf. A proxy may but need not be a member of CGC and there shall be no restriction as to the qualification of a proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or if the appointer is a company under the hand of an officer or attorney of the company.
3. A company member having share capital may appoint more than one proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy.
4. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarial certified copy of that power of authority shall be deposited at the Registered Office of CGC - Level 14, Bangunan CGC, Kelana Business Centre, 97, Jalan SS7/2, 47301 Petaling Jaya, Selangor Darul Ehsan or emailed to CompanySecretarial@cgc.com.my, not less than 48 hours before the time for holding the meeting or any adjournment thereof.

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STAMP

COMPANY SECRETARY
CREDIT GUARANTEE CORPORATION MALAYSIA BERHAD
Registration No. 197201000831 (12441-M)
Level 14, Bangunan CGC, Kelana Business Centre
No. 97 Jalan SS 7/2, 47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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www.cgc.com.my

CREDIT GUARANTEE CORPORATION MALAYSIA BERHAD

Registration No. 197201000831 (12441-M)

Level 14, Bangunan CGC, Kelana Business Centre
No. 97 Jalan SS 7/2, 47301 Petaling Jaya
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Malaysia

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