

Malaysia Investor Relations Awards 2021 Supplementary Report

This Supplementary Report (“Report”) outlines the findings and highlights of the Malaysia Investor Relations Awards 2021 (“MIRA Awards 2021” or the “Awards”) by the Malaysian Investor Relations Association Berhad (“MIRA”) for which an evaluation was performed through the following:

60%
from
Stakeholder Voting

40%
from
Diagnostic Assessment

A combined weighted modality of stakeholder voting by the investment fraternity (60%) and diagnostic assessments of shortlisted companies (40%) is deployed. Details on the evaluation methodology can be accessed at http://www.mira.com.my/ir_award_2021.html. A snapshot of the diagnostic assessment criteria is also reproduced in **Appendix I** of this Report.

The methodology of the MIRA Awards 2021 by MIRA is guided by the following anchor points:

- The stratification of companies by their size clusters is guided by the parameters outlined in **Page 6** of this Report.
- Companies which have been palpably shrouded in any form of financial, investor relations and corporate governance controversies are excluded from the nomination shortlist and the attendant diagnostic assessment.
- The diagnostic assessment criteria outlined in **Appendix 1** were derived from insights from participants of an investor relations focus group and was further pressure-tested for market and regulatory developments during the year with implications arising from the pandemic being considered. For example, the timeline for release of quarterly reports and annual reports was considered in the context of relief measures introduced by Bursa Malaysia Securities Berhad.
- The diagnostic assessment primarily relies on the availability of information in the public domain to ascertain the institution of a predetermined investor relations practice within the company. Flowing from this, companies which are more transparent tend to fare better in the diagnostic assessment.
- Whilst the diagnostic assessment modality operates on an active scoring mechanism (points are awarded based on the presence of better practices), the nominated companies which fall short of complying with regulatory promulgations or instituting fundamental investor relations practices (e.g. availing investor relations contact details) are penalised through the docking of points.
- In the outlier event of a deadlock due to a tie in the overall scores (i.e. aggregate score gathered from popular voting and diagnostic assessment), companies with higher order investor relations practices will be determined as the winner.

Note:

The information contained in this Report is of general nature and is not intended to address the circumstances of any individual or entity. Although endeavour is made to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

Introduction – The Landscape of Investor Relations in 2021

The COVID-19 pandemic continues to disrupt business activities whilst creating monumental challenges for company's Investor Relations functions. In conducting the Diagnostic Assessments for the MIRA Awards 2021, MIRA was able to gather a honed perspective of the innovative practices deployed by Investor Relations functions as summarised in themes listed below:



Digitised Connection and Realised Trust

Adapting to COVID-19 business restrictions, companies in the preceding year have embraced digital modalities to carry out its investor relations programme including digitising investors meetings, non-deal roadshows and investors general meetings. Progressive companies, however, have gone a step further to introduce '*content-driven strategy*' for a richer digital experience for investors and analysts. During times of instability, when combined with open and transparent communications, capitalising on online content allows companies to earn tremendous amount of trusts with its stakeholders.

As an example, the Investor Relations section on corporate websites were observed to be enhanced with interactive infographics, summarised podcasts and key take-away videos to concisely present comprehensive information on the company's business performance. The information formatting was also digitally expanded to include mobile version options to ensure access for a wide-range of devices.



Out with the Old, In with the New

The COVID-19 pandemic had accelerated what Investor Relations professionals were having to communicate around Environmental, Social and Governance ("ESG") issues – primarily on human capital measures, health and safety of employees, and benefits offered during the pandemic. In embracing the wave of change, companies are condoned for communicating its overall ESG strategy and potential challenges.

As customers, suppliers and communities are expecting more from companies, there is increased pressure for companies to articulate its exposure to ESG related risks. In this aspect, high-performing Investor Relations functions have disclosed its commentary and metrics for sustainable approaches to its businesses.



Heavy is the Crown

Investor Relations professionals are taking a more central role in navigating future crisis. For example, some companies were identified to have Investor Relations officers in key scenario planning discussions to forecast areas of particular interest to investors. Investor Relations teams are becoming proactive in reducing information gaps in times of crisis by providing sufficient contextual information to complement the company's financial disclosures. With this, companies have the opportunity to continue the conversation and inform the market on broader material issues affecting the business's results and prospects.

Further, understanding the value of transparent and consistent communications, Investor Relations teams are becoming proactive with year-round investor engagement. By informing the market year-round, companies are able to build trust and nurture relationships with stakeholder while maintaining control over its corporate narrative. As an example, a company had published its annual report side by side with the full-year results announcements which continues to be a best-proactive investor communications standard emerging in response to the information demand from investors.

Facing the Challenge Head On



No longer passively reacting to adverse news, progressive companies are instead balancing its COVID-19 response reporting with a long-term strategic outlook. Leading companies in Investor Relations are integrating its pandemic impact to the larger strategic picture of their organisations in order to clearly articulate its value-creation to investors. By treating these stories as proof points of strategy and providing an overarching corporate narrative, companies are able to demonstrate how their plans for long-term value creation can help tackle short-term challenges, even those as unpredictable as a pandemic¹.

Categorical Observations from Diagnostic Assessment



Note: In all categories, the number of companies nominated by the investor community has decreased as compared to preceding iteration of the Malaysia Investor Relations Awards and this is in line with tepid capital market vibrancy amongst institutional players in the wake of the COVID-19 pandemic and observed 'online fatigue' limiting participation.

The observations below summarise the findings of the diagnostic assessment according to the categories.

Best Company for Investor Relations

The assessment under this category represents an evaluation on the overall efficiency of investor relations practices across companies. It was observed that the overall high-performing companies in Investor Relations were proactive in its formal disclosures release. For example, shortlisted companies had published its annual and quarterly reports well in advance of the stipulated timeframe by regulatory requirements. To this end, analysts and investors were provided sufficient financial information on a timeously manner.

In line with the theme of proactivity, leading companies in this category were able to quickly respond to queries by analysts and other stakeholders. In revamping the MIRA categories, a mystery shopping element was included whereby companies were presented the following questions posed by an independent analysts:

- 1. When is your next quarterly briefing session?**
- 2. Will your company be hosting an investors open day?**

Impressively, the query was responded by senior individuals of the organisations within a few hours of the email being sent out. More details of the mystery shopping approach can be found in *Appendix 1*.

Further, the leading companies in this category were observed to have gone above and beyond in devising new methods to engage with investors. As an example, conscious of investors and consumers gravitating towards more sustainable businesses, a company had hosted a 'Sustainability Investors Day' to highlights its progress in ESG adopting as well as presenting its strategy to ESG themes.

¹COVID-19 impact Survey 2021, National Investor Relations Institute

Best Chief Executive Officer (“CEO”) for Investor Relations

As the impact of the COVID-19 to business standings were able to be fully captured this year, CEOs were tasked with the monumental role as the primary designated spokesperson to communicate to investors on remedial actions or business strategies. High-performing CEOs in this category was able to understand the most tempestuous investors by articulating resolutions in the company’s long-term direction and initiatives amidst the COVID-19 uncertainties.

Leading CEOs had leveraged on a plethora of company communication platforms including annual reports, corporate websites to introduce a personal touch on its corporate communications. In this regard, CEOs had utilised alternative forms of communication, including having an active social media base to allow ease of communication with the retail investor base.

Best Chief Financial Officer (“CFO”) for Investor Relations

In this category, CFOs at the forefront were observed to conduct regular engagements to be attentive to the needs of investors and analyst. Shortlisted CFOs included a commentary under the ‘Chief Financial Officer Review’ section in Annual Reports to clearly articulate headline financial figures so as to help investors understand and assess the company better. Moreover, leading CFOs were integral in facilitating financial disclosures to be released within the stipulated timeframe as guided by regulators (i.e. 2 months for quarterly reports and 4 months for annual reports).

Notwithstanding, an area of improvement would be to for CFOs to enhance the depth of commentary in quarterly reports as to communicate with investors on company plans to address performance gaps, lay out value-creation plans and identify long-term advantages.

Best Investor Relations Professional

Given the current demanding climate of investors, Investor Relations professionals play a categorically important role in responding to the multifaceted information demands. Investor Relations practitioners take centre stage in understanding the ramifications of the pandemic and changes to the investment thesis of their respective companies to identify efficient platforms of communicating the impact to investors.

A large proportion of companies leading in this category have engaged in at least four IR programmes in the past year (e.g. briefings, roadshows, investors’ open day, general meetings) led by the Investor Relations officer. Further as Investor Relations officers are being included in key meetings to gather their input on shareholder’s sentiments, we have observed this category as the highest uptick in scores as compared to other categories in the preceding year.

Globally, the new Investor Relations Professionals role has added more value to organisations where it has shifted from simply explaining corporate strategy and practices to laying out why the strategy is best positioned to unlock shareholder value, therefore attracting, and keeping long-term investors.

Best Investor Relations Website

Companies that fared well in this category had accelerated its application of digital solutions in adapting to the new virtual reality. Beyond the expected features of email alerts and Investor Relations officer contact details, progressive companies had included in-depth stock information consisting of price tickers, interactive stock charts and information on company’s’ shareholdings. Investor Relations sections on corporate websites of the shortlisted companies have included “Investors FAQs”.

As companies have largely continued with hosting virtual general meetings, it is enlightening to see the quality of AGM disclosures to be heightened including availing AGM podcasts and summary of AGM minutes for the benefit of shareholders and analysts. Further, we have observed an increase in retail-shareholder centric features (e.g. links to social media, stock calculator).

As a noticeable improvement from preceding years, Investor Relations teams are introducing Live Chat Bots on its corporate websites as to ease any preliminary communications between users and Investor Relations functions. While the questions are limited to directing users to other parts of the website, the information may still be useful for investors.

Best Investor Relations for an Initial Public Offering (“IPO”)

Similar to preceding MIRA Awards, the shortlisted companies in this category was observed to have a clear articulation of their respective business proposition reported in their prospectuses. Leading companies were able to capture concisely statements on key risks and mitigation actions as well as key financial comparators (e.g. industry benchmarks and analytical overview).

Further, the prospectuses of the nominees in this category contained direct contact information of the Investor Relations representatives and a clear overview of the IPO process. Investor relations materials during this stage also typically include two forms of deck (i.e. a company presentation deck and earnings presentation deck).

Companies that did not fare well in this category were commonly observed to have removed the investor relations contact information from the company site and had re-directed the queries to external parties which elongated the process to obtain essential information. Such companies also failed to maintain the momentum with limited investor relations interaction post-IPO.

Best Innovation and Use of Technology for Investor Relations

As a newly introduced category for the MIRA Awards 2021, the Diagnostic Assessment of the shortlisted companies captured interesting observations. Leading companies were able to adopt innovative digital solutions for the ease and benefit of analysts and investors including an Artificial Intelligence Chat Bot and alternate data sources (i.e. innovative platforms to extract data). An “Investor Relations Toolkit” was also regularly present among the shortlisted companies as to provide investors with a one-click solution including an Investor relations calendar, live investment calculators and summarised financial information.

Separately, leading international companies have leveraged on a wide range of tools and technology to help with wording choices and evaluate the effectiveness of communication. For example, machine learning and natural language processing tools allows companies to test the potential impact of its language before dissemination and advanced customer relationship management technologies track and manage stakeholder interactions with the goal of making engagement with key stakeholders more strategic.

However, the observations on local practices on this digital practice have been identified to be largely lagging behind. To suit Malaysia’s investors climate, companies may consider embarking on sentiment analytics tool that could help in measuring ‘brand health’ by analysing key performance indicators like brand awareness and brand reputation. By using natural language processors, companies can gauge investors satisfaction levels and opinions on the company.

Best Quality of Annual Reports

In this category, leading companies had provided meaningful explanations of financial and non-financial considerations. A heightened quality of ESG disclosures were noticeable present for the shortlisted companies. To manage investors explanations, companies had included explanations on responses to the pandemic such as

financial relief, moratorium, restructuring and rescheduling of debt. Progressive companies capitalised on this opportunity to link with the company’s long-term strategy including risk levels and movements, key risk indicators and strategic responses.



Analysis from the Perspective of Company Size

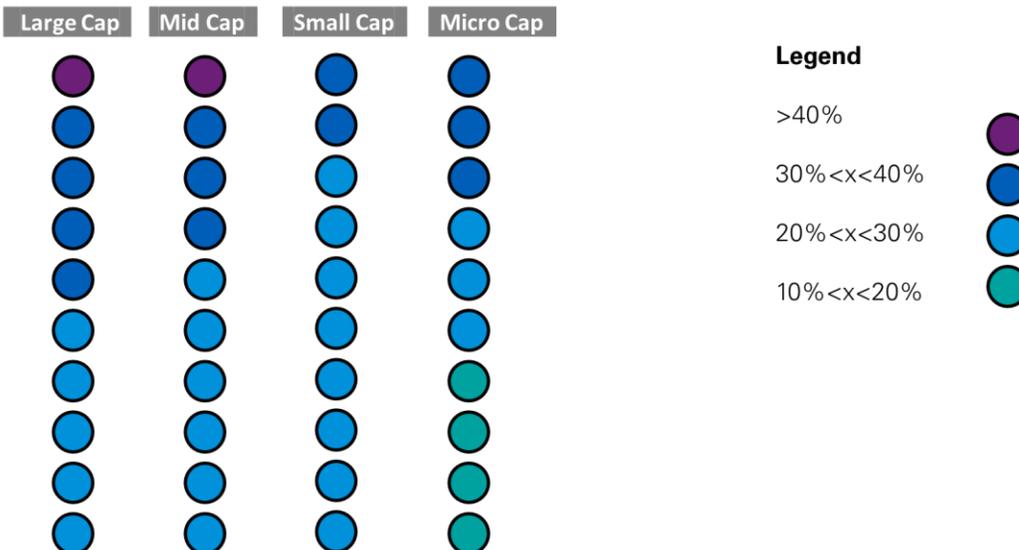
The ensuing heat-maps provide a visual perspective on the total points garnered by the nominees in the market-capitalisation stratified categories of Best Company for Investor Relations, Best Chief Officer for Investor Relations, Best Chief Financial Officer for Investor Relations and Best Investor Relations Professional.

Note: The remaining categories of the Malaysia Investor Relations Award are unidimensional (i.e. they are not stratified by market capitalisation). The stratification of nominees into the different clusters of market capitalisation are premised on the following parameters:

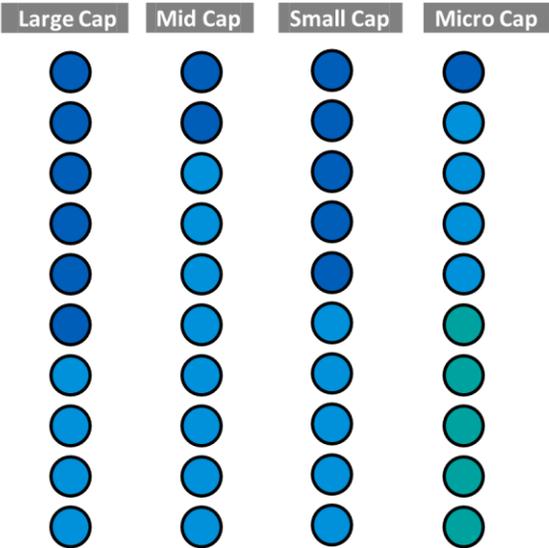
- Large Cap are companies within the FTSE Bursa Malaysia KLCI or otherwise known as the largest 30 companies listed on the Main Market of the Bursa Malaysia Stock Exchange;
- Mid Cap companies comprise companies in the FTSE Bursa Malaysia Mid 70 Index which are of the next 70 after the FTSE Bursa Malaysia KLCI companies by full market capitalisation in the FTSE Bursa Malaysia EMAS Index;
- Small Cap companies are after the FTSE Bursa Malaysia Mid 70 Index and stocks higher than RM200 million market cap; and
- Micro Cap companies are stocks below the RM200 million threshold to the lowest market cap stock on the Bursa Malaysia Stock Exchange.

The ensuing illustrations depict the total scores garnered by the nominees in their respective categories as guided by the value description outlined in the “Legend”.

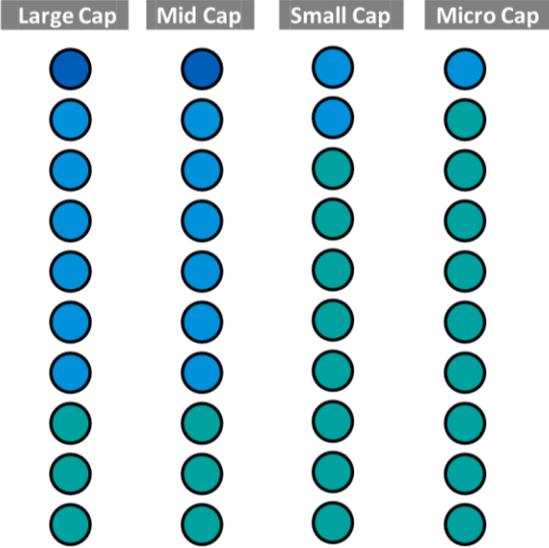
Best Company for Investor Relations



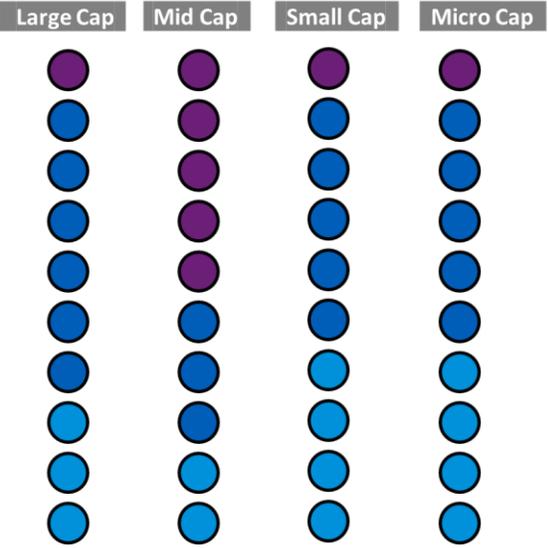
Best Chief Executive Officer for Investor Relations



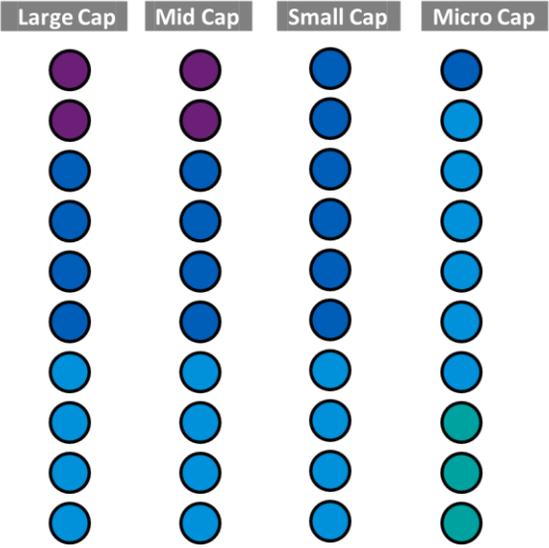
Best Chief Finance Officer for Investor Relations



Best Investor Relations Professional



Best Investor Relations Website



Analytical Review from the Heat Maps

As illustrated in the heat maps above, companies in the Large Cap categories had accumulated points that represent the top-end spectrum, indicating a better overall IR functions practices as compared to companies in other market caps. The size of the company continues to be a key factor in driving the efficacy of the Investor Relations functions. As an example, a large company recorded almost a “perfect score” in the Best Company for IR category due to its high-level IR practices.

As an overall improvement observation, the differences in scores between company sizes in almost all categories had reduced, indicating that smaller companies are leveraging on innovative practices to keep investors well informed. Gathered from the diagnostic assessment, companies of varying sizes are starting to adopt FinTech platforms which innovates and enhances the communication between investors.



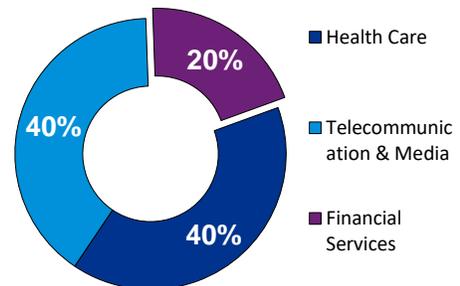
Sectorial Analysis of Award Recipients in 2021

Note: The following analysis is performed by dissecting the winning companies based on the sectorial classification by Bursa Malaysia Berhad. The analysis for micro cap companies is excluded due to its limited sectorial dispersion.

Large Cap

As illustrated in **Chart 1**, companies in both the “Telecommunications & Media” and “Health Care” sectors had received the highest share of awards with a recorded proportion at 40%. This is followed by the “Financial Services” industry at 20%. Similar to preceding MIRA Awards, the technology sector had leveraged digital solutions, including a wide range of FinTech to elevate their IR programmes. It is also unsurprising in the midst of the global health pandemic, Health Care companies took centre stage in enhancing its IR practices to accommodate rising stakeholder demands.

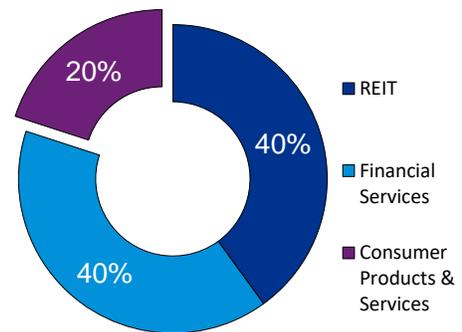
Chart 1: Winners in the Large Cap by Sector



Mid Cap

In the Mid Cap categories, companies across the “*Real Estate Investment Trusts*” and “*Financial Services*” sector jointly achieved a 40% share of the total awards (refer to **Chart 2**). It should be noted that companies representing the Real Estate Investor Investment Trusts sector in the Mid Cap categories received the highest share of stakeholder voting indicating their valued services and popularity to the investment fraternity. The “*Consumer Products & Services*” industry meanwhile emerged second with a 20% representation. The representatives from this industry had demonstrated innovative practices including availing investors long-term benefits programme.

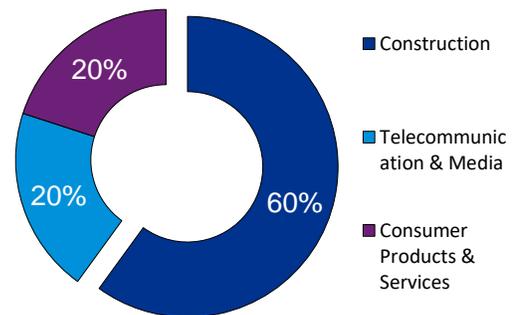
Chart 2: Winners in the Mid Cap by Sector



Small Cap

As for the Small Cap companies, the “*Construction*” sector recorded proportion of 27% (refer to **Chart 3**). Considering the backdrop of the construction industry experienced high degree of impacts due massive supply chain issues, it is encouraging to see a higher-degree of investor relations practices from the companies. This is evident reflected in the sector representative receiving a bulk of the award categories.

Chart 3: Winners in the Small cap by Sector



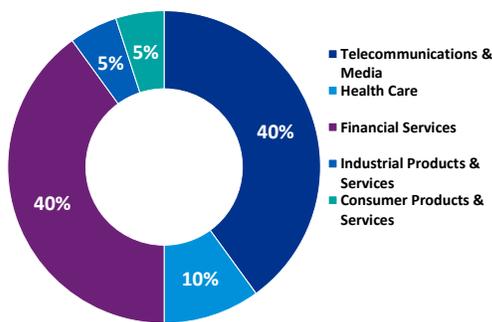


Exploring Historical Trends of MIRA Awards Recipients

Note: The information below captures the award recipients by market cap for the MIRA Awards for the past 4 years. The analysis for micro cap companies are excluded due to comparability constraints as the introduction of awards across this stratification is relatively new.

Large Cap

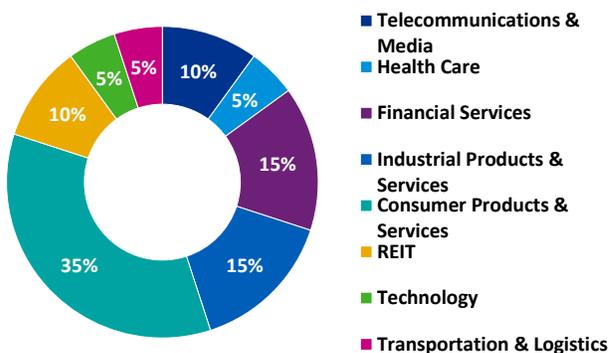
Chart 4: Winners in the Large Cap by Sector



Companies across both the “Financial Services” sector and the “Telecommunications & Media” sector have received the highest share of awards at 40%, followed by companies in the “Industrial Products & Services” sector at 10% (refer to **Chart 4**).

Mid Cap

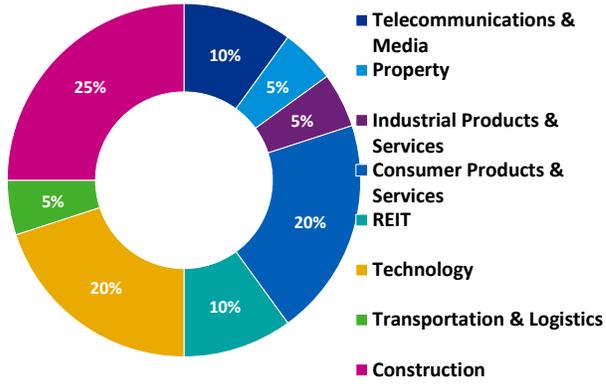
Chart 5: Winners in the Mid Cap by Sector



In the Mid Cap stratification, companies in the “Consumer Products and Services” have been observed to be the typical recurring award recipients and this is closely followed by the “Financial Services” sector (refer to **Chart 5**).

Small Cap

Chart 6: Winners in the Small Cap by Sector



Due to the sporadic nominations of companies in the small cap categories, the percentage of winners according to sector is more fragmented. In recent years, companies in the "Construction" sector have been identified to be leading (refer to **Chart 6**) due to the variety of investor relations channels deployed including general meetings and participation in investor relations events.

Appendix 1

Malaysia Investor Relations Awards 2021 Scoring Guide

Total votes from Diagnostic Assessment shall account for 40% of the overall weightage per award category

Total votes from online survey shall account for 60% of the overall weightage per award category

Diagnostic Assessment (40%)



Best Company for IR

- Presence of a dedicated IR function
- Frequency of engagement sessions with investors and analysts
- Timing of analyst briefings
- Conduct of Annual General Meeting ("AGM"): -

Presence of independent moderators during AGM, explanatory notes in AGM Notice, availability of operational booths during AGMs, availability of AGM Video/Podcast, availability of AGM minutes with a focus on the question and answer session, reasonable duration of AGM

- High-level corporate governance practices
- Response to adverse company performance/news
- Mystery shopping



Best IR Professionals

- Variety of IR channels deployed: -

Channels include AGM, analyst briefings, private sessions, participation in investor relations event organised by Bursa, website, social media, press releases.

- Availability & quality of IR presentation materials
- Stature/Reporting line of IR professional (i.e. direct reporting line to the CEO or CFO & IR Head is a senior management personnel)



Best CEOs for IR

- Frequency of CEO engagement sessions with investors/analysts
- CEO's response to major Company-related events
- Low share price volatility during the course of the CEO's tenure
- Quality of CEO's articulation to the investment community



Best CFOs for IR

- Presence of calendar on scheduled release of quarterly results
- Timeliness in releasing annual report
- Low share price volatility during the course of the CEO's tenure
- Investor/analysts testimonials and reports
- Presence of commentary on key variances noted in the quarterly results
- Quality of CFO's articulation to stakeholders/Responses to company related crisis

Stakeholder Voting (60%)

Best Company for IR

- Informative meetings
- Clear communications on company strategy
- Frequency of road-shows
- Transparency
- Access to senior management
- Quality of disclosures

Best IR Professionals

- Proactivity
- Industry Knowledge
- Accessibility
- Honesty
- Communication Skills

Best CEOs for IR

- Accessibility
- Execution
- Strategic Vision
- Credibility
- Articulation of strategy

Best CFOs for IR

- Accessibility
- Execution
- Strategic Vision
- Credibility
- Articulation of strategy

Diagnostic Assessment (40%)



Best IR Website

- Availability of background investor relations presentation slides on Company website
- AGM related documents
- Availability of IR contact information
- Highlights of key financial and non-financial data
- Availability of live chat platform with company representatives or Artificial Intelligence software.
- Ability to view desired metrics over a quarterly or annual time period
- Dedicated IR section on the company website



Best IR for an IPO in 2020

- Clarity of communication with investment community:-
- Accessibility to IR Officers
- Quality of prospectus



Best Innovation & Use of Technology for IR

- Harnessing financial technology platforms to provide investors with multiple avenues of information about the company:-

Comprehensive corporate presentations including tracking of progress from preceding meetings from a financial and non-financial perspective, presence of company information on multiple FinTech platforms

- New initiatives undertaken by the IR team to enhance the company's communication with the investors



Best Quality of Annual Reports / Formal Disclosures

- Meaningful explanation of financial & non-financial considerations (e.g. economic, environment, social considerations) in the Annual Report
- Timely updates - Bursa Announcements are posted on the website within an elapsed period of 1 day
- Cogency of narrative on future business outlook

Stakeholder Voting (60%)

Best IR Website

- Presentations
- Webcasts
- Email alerts
- Financial Models
- Calendar synchronisations

Best IR for an IPO in 2020

- Informative meetings
- Communicating clear strategy
- Transparency
- Access to senior management
- Quality of disclosures

Best Innovation & Use of Technology for IR

- Innovative Technology
- Progress Tracking
- FinTech platforms
- New initiatives for communication enhancement

Best Quality of Annual Reports / Formal Disclosures

- Clarity; ease of finding information
- Granularity; clear exposure of the value drivers
- Cover design; impact & immediacy
- Expression of the "Corporate Story"