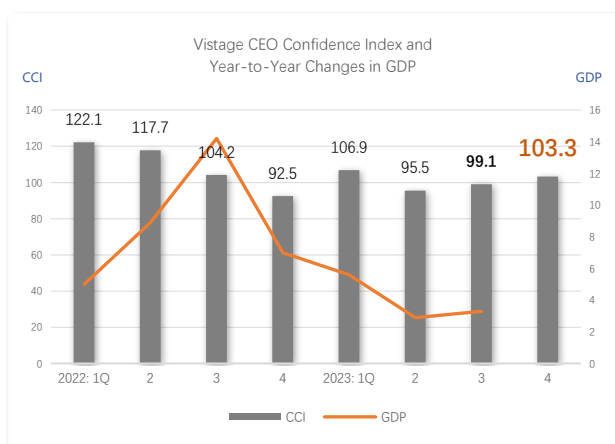


CONFIDENCE PICKS UP CAUTIOUSLY

CEOs have expressed growing optimism regarding the current state of the Malaysian economy, as the nation embraced the anniversary of the change in government. However, their enthusiasm is tempered with caution as they assessed the prospects of their firms. This sentiment is mirrored in the latest Vistage-MIER CEO Confidence Index, which has rebounded to 103.3 after experiencing declines in the second and third quarters of 2023. CEOs are optimistic about the current state of the economy, and they are equally eager about the prospects of both the economy and their companies. The concurrent growth in the Gross Domestic Product (GDP) further reinforces this positive trend, with a notable increase of 3.3%. The rise in the Vistage-MIER CCI and the growth in GDP underscore a promising economic landscape, setting the stage for continued prosperity in the quarters ahead.



	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023
VISTAGE-MIER CEO CONFIDENCE INDEX	122.1	117.7	104.2	92.5	106.9	95.5	99.1	103.3
Current Economic Conditions	138	143	123	97	117	90	87	89
Expected Economic Conditions	152	137	104	77	125	102	114	117
Expected Change in Employment	160	159	150	142	148	139	142	145
Planned Fixed Investment	148	148	137	124	137	128	131	135
Expected Revenue Growth	171	165	146	138	151	141	144	154
Expected Profit Growth	154	138	128	121	130	122	131	141

Note: All component questions are scored as the percent giving favorable replies minus the percent for unfavorable plus 100. The VISTAGE-MIER CEO Confidence Index is the sum of the components calculated as a percentage of the level recorded in 2nd quarter 2003 survey.

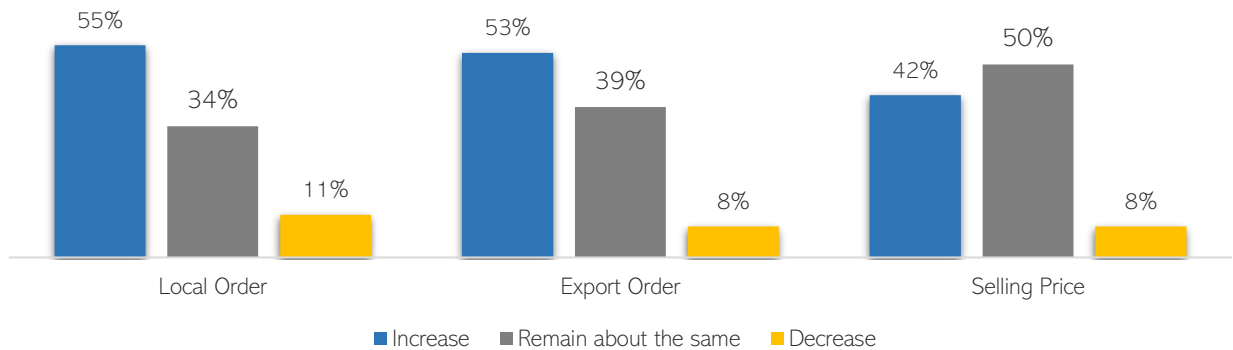
Vistage CEO Confidence Index Highlights

The latest index for current economic conditions rose to 89, marking an increase of only 2 points from the third quarter of 2023. This improvement, however, stands in contrast to the preceding year, specifically 4Q2022, during which the economic index experienced a decrease from 97 points to 89 points. This indicates the dynamic nature of economic fluctuations, showcasing some stabilization in the later part of 2023 after a period of decline. Expected Economic Conditions reveal a positive trajectory, as evidenced by a notable upswing from 77 points in 4Q2022 to 117 points in 4Q2023. This growth is particularly noteworthy given the rise observed from 114 points in 3Q2023 to 117 points in the subsequent fourth quarter. Such a consistent upward trend underscores the strengthening economic landscape, suggesting increased economic activity and overall optimism within the specified time frame.

The upswing in the expected change in employment data indicates a positive trajectory, with the Expected Change in Employment index rising from 142 points in 4Q2022 to 145 points in 4Q2023. This reflects a modest uptick from the preceding quarter of 2023, maintaining a continual upward momentum in employment figures. Additionally, the Planned Fixed Investment exhibits significant growth, increasing from 124 points in 4Q2022 to 135 points in 4Q2023, marking an encouraging upward trend. This positive trajectory clearly indicates positive economic momentum and heightened investor confidence.

The expected revenue growth in 4Q2023 is poised for a significant increase compared to the same period in 2022, indicating robust performance. The data shows a notable advancement from 3Q2023, with an anticipated achievement of 154 points in 4Q2023, emphasizing revenue expansion and companies' continued success in the market. Additionally, the projected surge in profit growth from 121 points in 4Q2022 to an anticipated 141 points in 4Q2023 marked a considerable increase. This spike, seen in comparison to the 131 points recorded in 3Q2023, suggests an optimistic outlook and potential for sustained improvement in the business landscape during the specified period.

Local Order, Export Order & Prices



55% of respondents in 4Q2023 are expecting an increase in local orders soon, up from 47% in 2Q2023 and 49% in 3Q2023. Increased orders from abroad are also expected in the next 6 months by 53% of exporters, up from 14% in the previous quarter. 39% expect export orders to remain unchanged and 50% expect the selling price to be maintained. 8% are pessimistic, expecting a decline in export orders and the selling price.

IMPACT OF SUBSIDY RATIONALIZATION POLICIES ON ENTERPRISES

The proposition of subsidy rationalization, involving actions such as increasing electricity tariffs and decreasing fuel subsidies, has been brought to attention. Out of the total respondents, a notable 56% agreed that these policies have tangible implications on their businesses. The consensus suggests a widespread acknowledgment of the impact of subsidy rationalization on various sectors, highlighting the need for nuanced approaches and strategic considerations in crafting and implementing such policies. This statistical representation highlights the importance of gauging the sentiment and concerns of businesses when designing subsidy rationalization frameworks. It is necessary to be sensitive to feedback in designing the right mechanisms to ensure a balanced and sustainable economic environment for both enterprises and the broader populace.

R&D AND INNOVATION

In our recent survey, where 35% of respondents emphasized a focus on Research and Development (R&D) and Innovation in their resource allocation, key areas of involvement were identified. A significant 61% of participants are engaged in Product Development and Process Optimization, highlighting efforts to create and enhance products while improving internal processes for efficiency. Additionally, 44% are actively participating in Customer Experience Innovation, aiming to elevate customer satisfaction through digital tools and personalized services. Furthermore, 43% are dedicated to Data Analytics, leveraging insights into business operations, customer behavior, and market trends. These findings underscore a comprehensive and diverse approach to R&D and Innovation, showcasing the multifaceted strategies employed by businesses to stay competitive and responsive to evolving market dynamics.

IMPLEMENTATION OF E-INVOICE SYSTEM

Our findings on the readiness of companies to implement e-invoices for 2024 reveals a notable trend, with 40% of the total respondents expressing a lack of readiness to adopt this digital transformation by the expected years—2024 for large companies and 2025 for others. 34% revealed that they are somewhat ready, 22% are ready and 4% are not aware of the impending changes.

HR & FINANCE FUNCTIONARIES

In the 4Q2023 survey, we revisited the organizational landscape by inquiring about the presence of a proficient Finance & Accounting team to guide companies toward profitability, growth, and performance accountability. The responses revealed that 48% of participants affirmed having a solid complement of Finance & Accounting functionaries. Conversely, 36% indicated the absence of such a team, suggesting potential gaps in financial management capabilities. Additionally, 16% expressed that they do not currently prioritize establishing this function. These findings shed light on the varied approaches companies are taking concerning their financial infrastructure, emphasizing the diverse strategies employed in navigating the complex terrain of finance and accounting for sustained organizational success.

EASE OF DOING BUSINESS

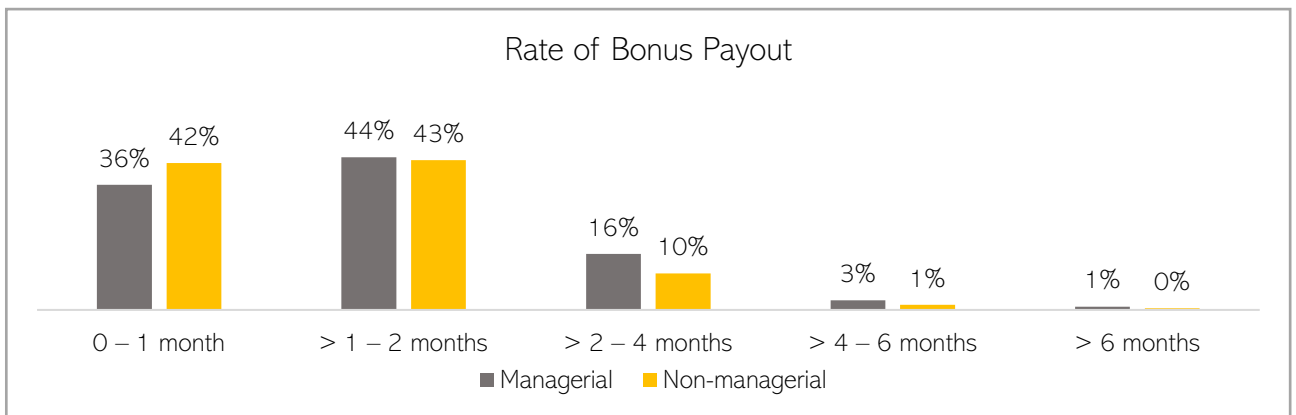
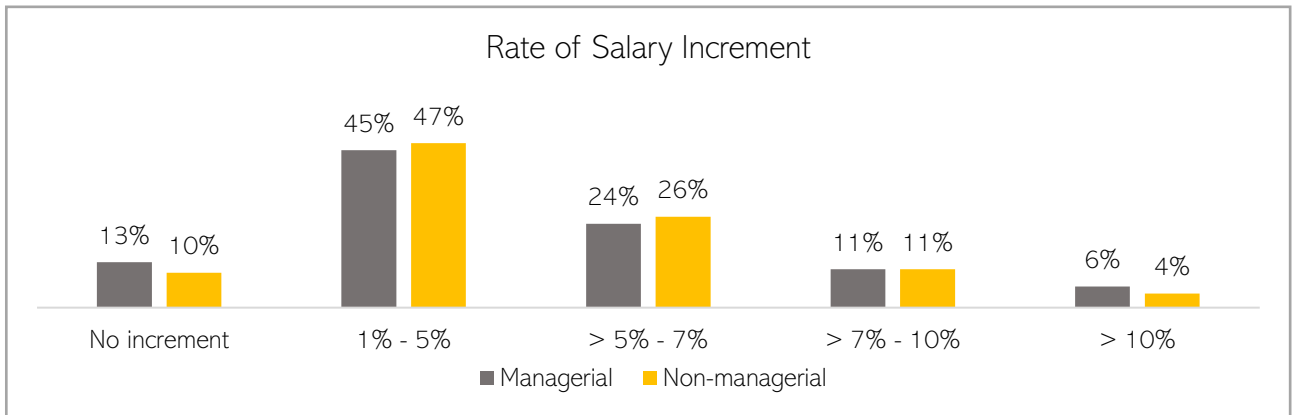
Business owners have casted their votes on the Ease of Doing Business in the country, with a majority of 43% expressing that conditions have improved slightly. This majority response indicates a general confidence in the direction Malaysia is taking to enhance the Ease of Doing Business. On the other hand, 4% of respondents believed that the Ease of Doing Business had improved significantly, while 38% felt that it remained unchanged. This suggests that a significant portion of respondents see either substantial or maintained progress in the business environment. However, concerns were noted, with 6% perceiving a significant deterioration and 9% indicating a slight deterioration, emphasizing the importance of addressing challenges in managing businesses.

USE OF EVs

Budget 2024 has provided several major incentives for Electric Vehicle (EV) users and the New Industrialization Plan also identified EV development as one of the new clusters to promote. In our recent survey, 63% of respondents currently do not use EVs, reflecting a prevailing reliance on conventional vehicles. However, there is substantial interest in transitioning to EVs, with 21% expressing intentions for future adoption. Moreover, 16% of participants currently use EVs, indicating a modest yet existing presence of these eco-friendly vehicles in personal and business contexts.

SALARY INCREMENT AND BONUS PAYOUTS 2023

In the year 2024, CEOs intend to increase the number of both Managerial and Non-Managerial staff. For the managerial division, 45% of respondents expressed plans for salary increments falling within the 1%-5% range, with an additional 6% anticipating increments exceeding 10%. Similarly, within the non-managerial division, 47% of respondents indicated intentions for increments within the 1%-5% range, while 4% revealed plans for increments surpassing 10%. Interestingly, a majority of respondents in both divisions favored a broader range, with intentions centered around increments falling within the 5%-7% range. These findings highlight the diverse salary increment strategies employed by organizations, emphasizing the need for tailored approaches based on the distinct roles and responsibilities within the workforce. The intended rate of bonus distribution is expected to be higher than last year. For financial year ending 31 December 2023, most CEOs are considering bonus payouts of up to >1-2 months, for both their managers and non-managers. 44% and 43% of the CEOs are planning on this rate for their managers and non-managers, respectively up from 39% in 4Q2022 for both.



HEALTH STATUS OF CEOs

As health is wealth, the survey sought to obtain a scorecard on CEOs personal health. When asked to assess their current level of fitness and health, the top three health issues most CEOs are currently experiencing include being overweight, high cholesterol and mental stress, as shown in the chart below. These health challenges not only pose personal risks to business owners but also have broader implications for the overall success and sustainability of their enterprises. Recognizing and addressing these issues is crucial for fostering a healthier, more resilient business community.



REFLECTION ON VISTAGE'S MISSION

According to the latest feedback from CEOs, Vistage has achieved significant success in enhancing the effectiveness and quality of life for CEOs and their key executives. This is supported by the fact that 94% of CEOs believe they have developed improved strategic thinking skills since joining Vistage, while 91% have seen enhancements in their leadership effectiveness, both professionally and in family/social relationships. Moreover, 88% now can empower their teams, 87% are better listeners to both their teams and family members and are more capable of holding their teams accountable. Additionally, 84% lead by example, embodying the culture they aim to create for their companies. Furthermore, 70% have improved their time management skills, while 68% report a positive impact on their work-life balance.

Vistage Mission & Members Value



ABOUT VISTAGE MALAYSIA AND MIER

Vistage Malaysia is a fully owned subsidiary of Vistage International, USA, the world's most trusted resource for CEOs, business owners, and key executives of small and medium-sized businesses to help them become better leaders, make better decisions, and deliver better results, providing unparalleled access to issue resolution and better performance through monthly peer advisory group meetings, one-on-one business coaching, expert speaker presentations, and extensive online connectivity spread over across 35 countries with more than 45,000 members worldwide.

Vistage Malaysia has more than 1,300 members with a combined annual revenue of RM90 billion and employing over 130,000 employees. Vistage member companies grow, on average, 2.2 times faster than they did prior to joining Vistage. In 4Q2005, Vistage Malaysia entered into a strategic alliance with the Malaysian Institute of Economic Research (MIER) to co-brand the CEO Confidence Index. MIER is an independent, private, non-profit organization, devoted to economic, financial, and business research that would serve as a think-tank for the government and private sector by providing an objective and impartial understanding of socioeconomic issues of national, regional and global importance.