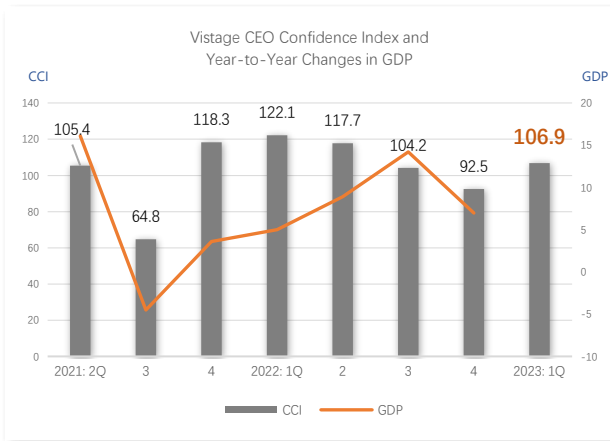


CAUTIOUS OPTIMISM GOING FORWARD

This year, CEOs were optimistic about an economic rebound, but challenges posed by geopolitical tensions, inflation, supply chain fragility, workforce and ESG issues, could stem growth opportunities - all leading to a sense of uncertainty felt in the country. The positive signs observed in the early stages of Q1 2023 are not indicative of the extreme weakness that was present in the same quarter last year. In Q1 2023, the Vistage-MIER CEO Confidence Index (CCI) increased by 14.4 points compared to the previous quarter, reaching a level of 106.9.



	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023
VISTAGE-MIER CEO CONFIDENCE INDEX	105.4	64.8	118.3	122.1	117.7	104.2	92.5	106.9
Current Economic Conditions	112	18	108	138	143	123	97	117
Expected Economic Conditions	129	72	164	152	137	104	77	125
Expected Change in Employment	139	111	156	160	159	150	142	148
Planned Fixed Investment	130	94	145	148	148	137	124	137
Expected Revenue Growth	152	103	170	171	165	146	138	151
Expected Profit Growth	135	92	151	154	138	128	121	130

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.

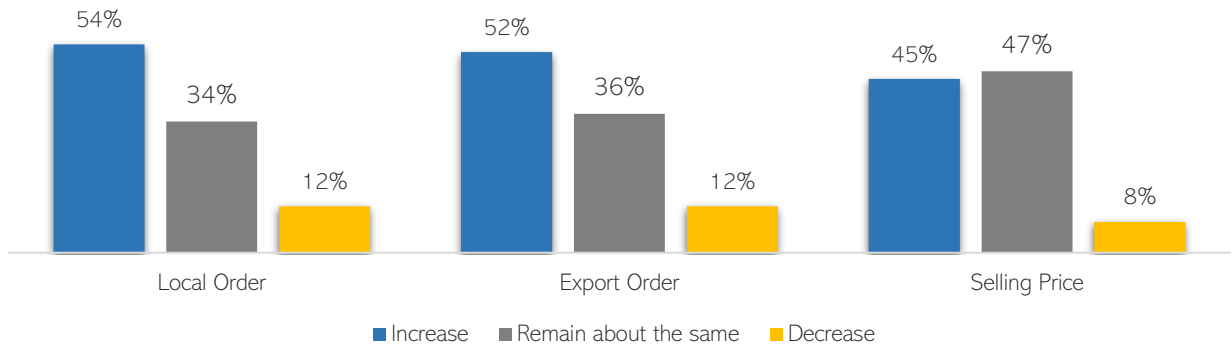
Vistage CEO Confidence Index Highlights

CEOs began the new year of 2023 with a high level of confidence in the growth of the country's economy. This was reflected in the latest Current Economic Condition Index, which increased by 20 points on a quarter-on-quarter basis, reaching 117. Additionally, 38% of the 927 respondents believed that the economy had performed better in 1Q2023, up from 33% in 4Q2022. The proportion of those who rated the economy otherwise also decreased to 21% from the previous quarter's 37%. It does appear most CEOs have a generally positive but cautious outlook on the economy in the coming months. The expected index for economic conditions gained 48 points on the quarter, reaching 125, and 19% of CEOs still replied adversely, but this was down from 46% in 4Q2022. Most CEOs are confident that the economy will continue to steadily recover.

Employment is expected to increase in the coming months, as demonstrated by the rise in the expected index for employment to 148. Approximately 53% of CEOs predict an increase in the number of employee intake, while 40% plan to maintain their current staff for the time being. Meanwhile, the expected index for capital expenditure (CAPEX) has increased to 137, indicating that a boost in CAPEX is in the offing. Almost half of the CEOs surveyed (47%) plan to increase their capital expenditure in the next few months. However, 42% plan to maintain their current level of spending, while only 10% are considering a reduction in CAPEX.

In the most recent survey, all indicators showed overall improvements compared to the prior quarter, reflecting the positive expectations of CEOs for their businesses in 2023. The expected revenue and profitability indexes increased from 138 and 121 in 4Q2022 to 151 and 130, respectively. This suggests that revenues and profits are expected to either improve or remain stable in 2Q2023. The percentage of CEOs who predicted higher revenues this quarter increased to 63% from 52% in the previous quarter. Similarly, 48% of CEOs projected higher profits, a slight increase from the 42% in the previous quarter.

Local Order, Export Order & Prices



As the economy continues on its path of recovery, a surge in new local orders is expected in 1Q2023. Among the CEOs surveyed, 54% anticipate an increase in new local orders, while 52% expect an increase in export orders. On the other hand, 12% of CEOs expect a decrease in both their local and export orders. Additionally, prices are expected to rise, with 45% of CEOs planning to increase their selling prices in the coming months. Meanwhile, 47% have no plans to revise their prices anytime soon, while only 8% are planning to implement price cuts in the near future.

ADDRESSING CHALLENGES OF ECONOMIC UNCERTAINTY

In order to mitigate the potential negative effects of economic uncertainty, initiatives to forge resilience, such as diversification, innovation, and effective risk management, need to be fostered. A recent survey of CEOs found that some 27% anticipate an economic recession in the near future, while almost a third, or 35%, do not expect one. The remaining 38% are uncertain about the possibility of an economic downturn in the coming months.

EXPOSURE OF INFLATION AND VOLATILITY

Virtually all companies are likely to be affected, in varying degrees, by macroeconomic volatility, geopolitical conflicts, cyber risks, health risks, climate change, and social inequality. When asked to identify the factors that posed the greatest threat to their business over the next few months, almost 90% of CEOs identified inflation as a primary concern, while 71% were concerned about macroeconomic volatility. Approximately 40% of CEOs believed that their company would be impacted by recent geopolitical conflicts. These threats can impact the business environment, supply chains, data security, physical interactions, reputation, consumer behaviours, and employee retention.

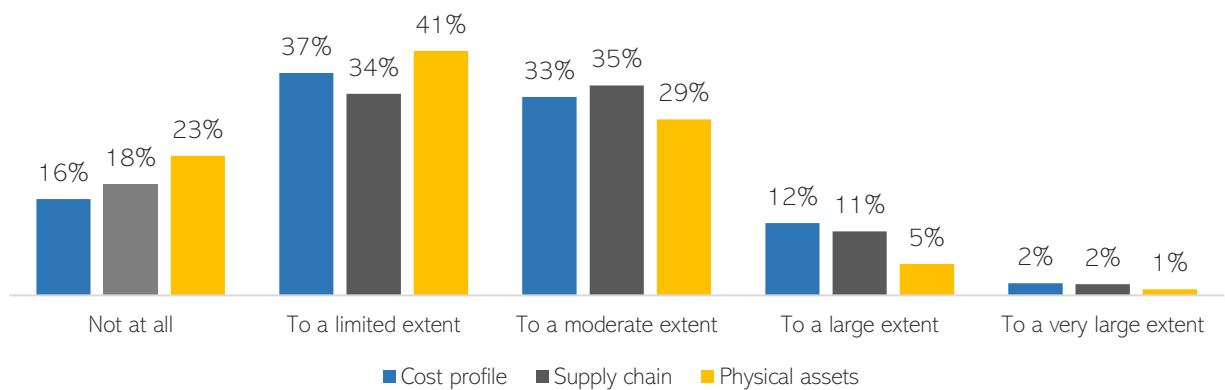
DIGITAL MODALITIES ON DOING BUSINESS

Digital modalities have become essential in today's business world. 69% of CEOs identified Business Administration as one of the primary areas being digitalized, while 61% opined that Business Marketing has also undergone significant digital transformation. Approximately 55% of CEOs reported that they have computerized their Sales function, while 51% had implemented digital Payment Methods. All telling testimony to businesses recognizing the importance of adopting digital technologies in various areas of their operations to improve efficiency, reduce costs, and enhance customer experience.

CLIMATE CHANGES VULNERABILITIES

CEOs were polled to share their perspectives on how climate change risks would impact their cost profiles and supply chains versus the safety of their physical assets. Out of the three factors presented, 41% of CEOs believed that climate risks had a limited impact on their physical assets, and 29% stated that it had a moderate extent impact. Regarding cost profiles, 37% of CEOs recognized the impact of climate risks to a limited extent, while 33% believed it had a moderate extent impact. Moreover, 34% of CEOs stated that climate risks may impact their supply chain to a limited extent, and approximately 35% believed it would have a moderate extent impact of potential risks.

Climate Change Risks



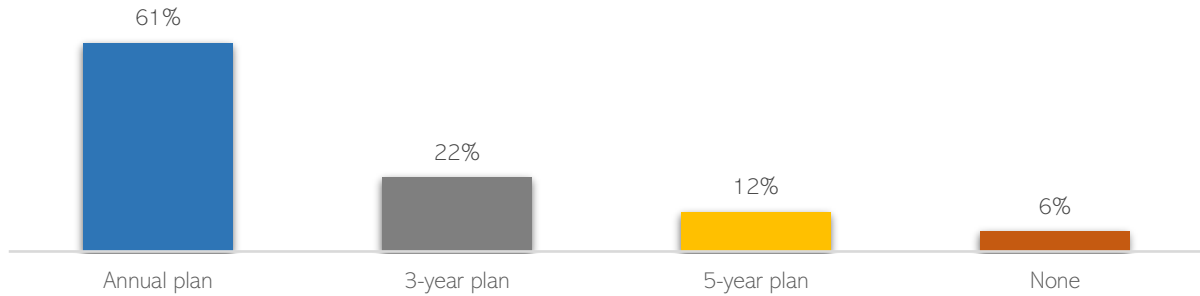
ESG PRACTICES FOR THE FUTURE

ESG practices, which evaluate businesses based on their sustainability and ethical policies and actions, are being adopted by several companies and banks. That said, while the importance of ESG factors in assessing a company's long-term performance and risk profile is acknowledged, more than 50% of CEOs have yet to adopt ESG practices, 44% are partially implementing ESG in their business and only 6% have fully implemented ESG in their operations. Investment decisions are slowly but increasingly embracing ESG, as investors seek to align their portfolios with their values and principles. Companies that perform well on ESG factors are being viewed as more attractive to investors who are looking for long-term sustainable growth.

HUMAN CAPITAL INVESTMENT

Investing in talent development and retention is essential for driving business growth. A recent survey revealed that 38% of CEOs invest between 1 to 2 percent of their total remuneration in training and development for their employees. Meanwhile, 32% invest more than 2% of their total remuneration in employee development, indicating a strong commitment to the professional growth of their workforce. However, 24% of companies invest less than 1% in employee development, while more than 6% invest nothing at all. These statistics highlight the importance of investing in employees to foster their growth and development, which is crucial for long-term success in today's competitive market.

Business Planning



HAVING NO PLAN IS PLANNING TO FAIL

In business, planning is essential and critical to establish direction, set priorities, to give one a higher predictability of achieving one's objectives. The Index survey revealed a majority of CEOs (61%) typically do prepare an annual plan for their businesses. 22% of CEOs undertake a three-year plan, while 12% actually craft out a five-year plan. These figures suggest that many businesses do have a clear understanding of their goals and priorities, and have a robust enough road map to try and achieve long-term success.

ECONOMIC VIABILITY HURDLES

With change being inevitable, it is imperative for companies to adapt and innovate to remain relevant and viable. CEOs were asked how long they expected their business to remain viable if they maintained their current business model without making any changes at all. The results revealed that the majority of CEOs (43%) expect their current ongoing business model to remain viable for another three years, while 32% expect it to last for five years. A smaller percentage (14%) expect their business model could viably sustain for more than 10 years.

ABOUT VISTAGE MALAYSIA AND MIER

Vistage Malaysia is a licensee 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 29 partner locations across 27 countries with more than 29,000 members worldwide.

Vistage Malaysia has more than 1,00 members with combined annual revenue of RM80 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.