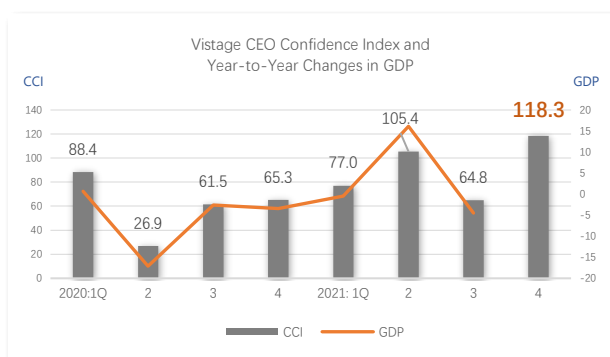


CONFIDENCE RETURNING

CEOs are looking euphoric once again as economic activities resume, amid the progressive relaxation of the coronavirus containment measures in recent months. This is shown by the latest Vistage-MIER CEO Confidence Index (CCI) which soared to more than a decade-high of 118.3, reflecting CEOs' confidence with the country's current state of economic affairs and business outlook of their firms moving forward.



	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021
VISTAGE-MIER CEO CONFIDENCE INDEX	88.4	26.9	61.5	65.3	77.0	105.4	64.8	118.3
Current Economic Conditions	66	6	14	15	39	112	18	108
Expected Economic Conditions	88	15	65	62	79	129	72	164
Expected Change in Employment	126	65	109	115	121	139	111	156
Planned Fixed Investment	123	46	91	96	108	130	94	145
Expected Revenue Growth	139	35	97	107	122	152	103	170
Expected Profit Growth	126	36	89	99	113	135	92	151

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

Economy

CEOs have rated the overall economic conditions in Malaysia higher in 4Q2021, as indicated by the current index of economic conditions which, at 108, had risen 90 points from 3Q2021. 37% of the 817 CEOs voted in favour of the economy this time, far exceeding the 3% who replied similarly a quarter ago. Those who believed that the economy had performed worse in 4Q2021 had also dwindled to 29% from 85% in 3Q2021. CEOs' economic prognosis for the coming quarter is equally positive.

With the expected economic conditions index scoring 164 in 4Q2021, compared to 3Q2021's 72, and almost three-quarters of the CEOs responding favourably, it shows that economic confidence amongst CEOs has grown substantially lately.

Prospects

CEOs have also upgraded their projections for their firms in the near term. The expected index for revenue gained 45 points on quarter to 170 in 4Q2021, an indication that higher revenues are expected in early 2022.

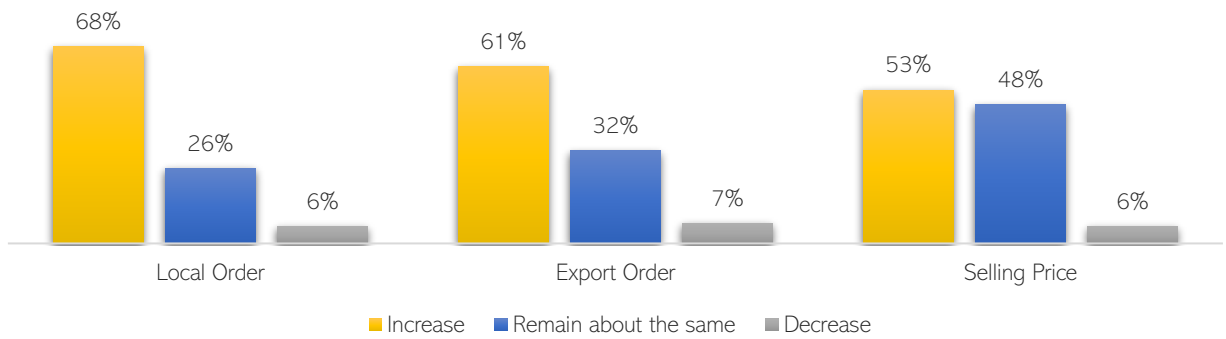
Another increase was recorded by the index for expected profitability which climbed to 151 from 92 previously, implying that profits are expected to gain momentum in the coming months as well. 76% and 62% of the CEOs are looking forward to higher revenues and profits soon, respectively, up from 37% and 30% in 3Q2021, respectively.

Expansion

New recruitment is expected to beef up in 1Q2022, as reflected by the index for expected employment which rose to 156 from 111 last quarter. 61% of the CEOs are planning to increase their headcount soon, doubling last quarter's 30%. Only 5% are contemplating downsizing their workforce, down from 19% in 3Q2021.

The index for expected capital expenditure (CAPEX) gained 51 points quarter-on-quarter to 145 in 4Q2021, postulating that an additional injection of CAPEX is likely in the months ahead. An increase in CAPEX is being considered by 54% of the CEOs in 4Q2021, up from 25% in 3Q2021.

Order Forecast & Selling Price

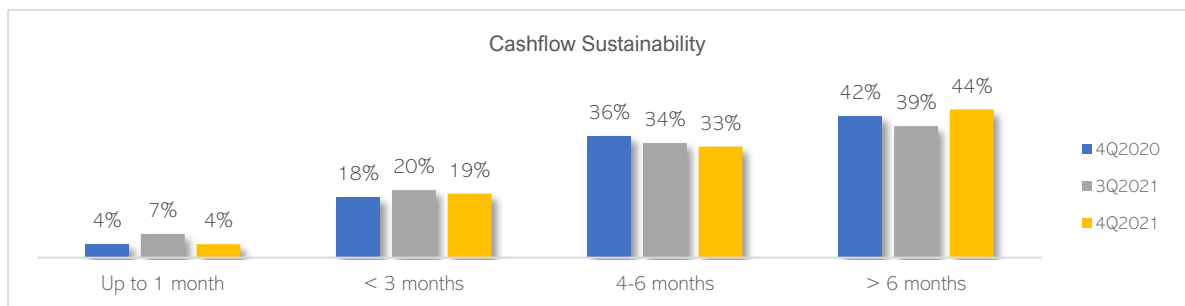


A pick-up in new local and export orders is expected in 1Q2022. 68% of the CEOs are forecasting higher local orders soon, up significantly from the 33% in 3Q2021. More orders from abroad are also anticipated by 61% of those who export, up from 42% a quarter ago. Prices are also trending up, with 53% of the CEOs planning to increase their selling prices soon, while 41% will maintain theirs for now. Only 6% are slashing their prices this time, which is in sharp contrast to the 48% who planned likewise last quarter.

CASHFLOW TO SUSTAIN BUSINESS OPERATIONS

The latest cash flow situation of CEOs has improved from the prior quarter and a year ago, with more CEOs saying their cash flow can sustain their business operations by more than six months, and fewer CEOs estimating theirs at up to a month only.

In 4Q2021, 44% of the CEOs assessed the cashflow sustainability of their business operations at more than six months, up from 39% and 42% in 3Q2021 and 4Q2020, respectively. 33% evaluated their current sustainability at 4-6 months, little changed from the prior quarter's 34%. Another 4% of the CEOs projected a duration of up to one month, down from 7% last quarter.

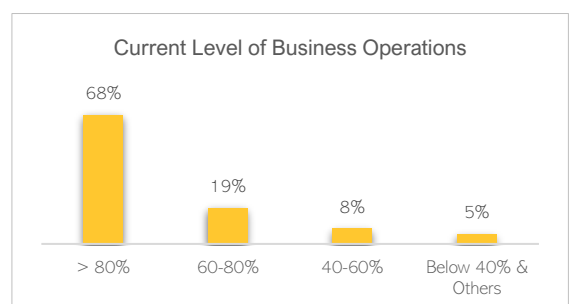


MEASURES TO IMPROVE BUSINESS

Findings of the 3Q2021 survey show that freight costs, supply chain disruption and logistics inefficiencies have been of great concern to CEOs' businesses. Of the measures undertaken by CEOs to address these issues, better planning and monitoring was the most popular, with three-quarters of the CEOs having implemented them in 4Q2021. This was followed by digitalization and warehouse management, as disclosed by 33% and 30% of the CEOs, respectively. ERP systems was the choice of 18% of the CEOs, while 7% implemented Robotic Process Automation (RPA).

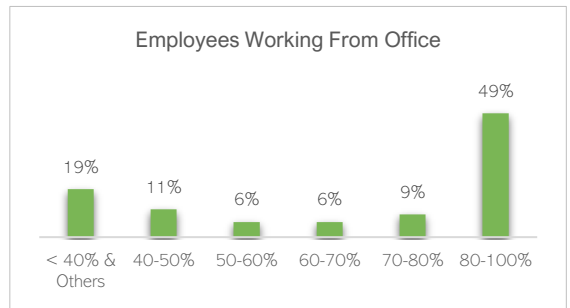
CURRENT LEVEL OF BUSINESS OPERATIONS

With the more relaxed Standard Operating Procedures (SOPs) for work, almost 95% of the CEOs are operating their businesses at 40% to more than 80% capacities presently. Among them, 68% are operating more than 80% of their businesses in 4Q2021. While 19% are operating at 60-80% levels, business operations of 8% of the CEOs are at 40-60% currently.



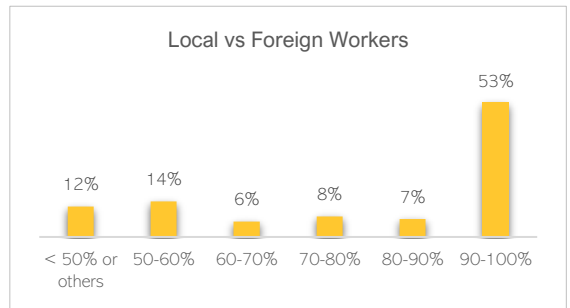
EMPLOYEES WORKING FROM OFFICE (WFO)

Effective 1 October 2021, almost 81% of the CEOs confirmed that 40-100% of their employees are back to work in the office (WFO) in 4Q2021. Among them, 49% have 80-100% of their staff working from the office, while 17% required 40-60% of their employees to WFO. 50-80% of the staff of 21% of the CEOs are also required to WFO.



LOCAL VS FOREIGN WORKERS

As at end-September 2021, most CEOs (53%) estimated the proportion of their local workers vis-à-vis foreign workers at 90-100%. According to another 14% of the CEOs, their assessment on this is 50-60%, while it is 60-80% and 80-90% for 14% and 7% of the CEOs, respectively.



VACCINATION MANDATE FOR EMPLOYEES

When asked if they plan to, or have already, set a policy mandating all their employees to be fully vaccinated, a clear majority of 78% replied positively, while 8% are planning to, and 14% do not have such policy.

12MP TARGETS

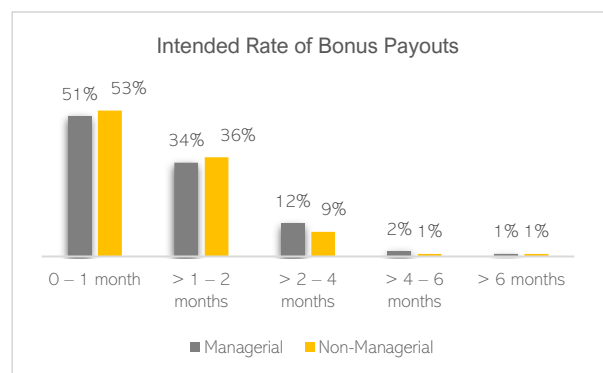
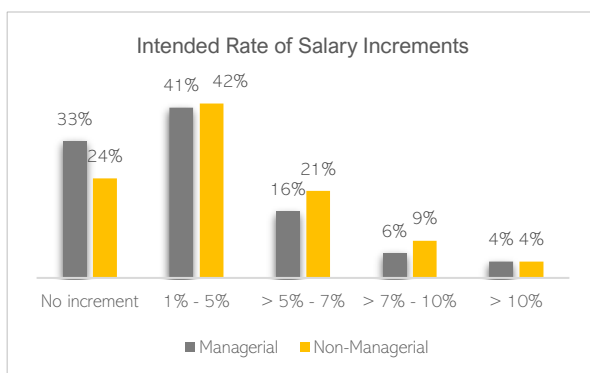
One of the targets of the 12th Malaysia Plan (12MP) is to increase the contributions of micro, small- and medium-sized enterprises (MSMEs) to 45% of GDP and 25% of total exports by 2025. The 2019 figures were 38% for GDP and 19% for exports. These targets, according to 48% of the CEOs, are achievable, but 22% believed that they are too ambitious and not achievable. Only 4% are optimistic that the targets are highly achievable.

SALARY INCREMENT AND BONUS PAYOUT 2021

For financial year ending 31 December 2021 (FYE 2021), salary increments are expected to be better than the same period last year. While 50-60% of the CEOs did not plan to increase the salaries of all their employees in 4Q2020, the proportions of those who have similar plans this year have declined to 24-32%.

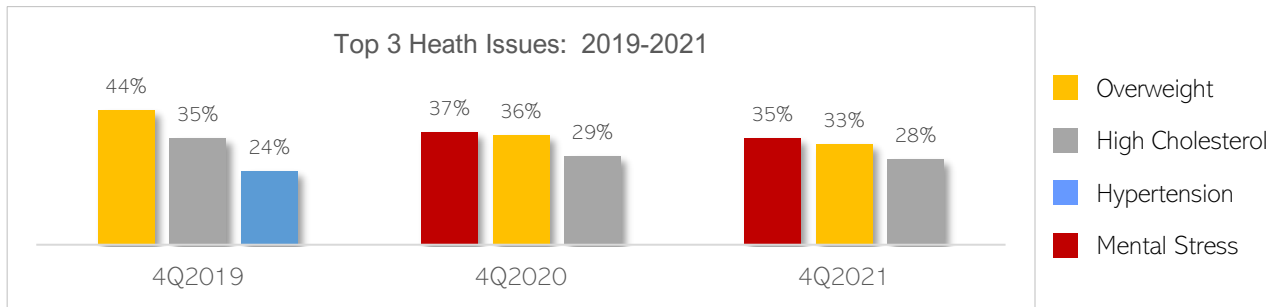
For managerial staff in 2021, the highest quantum of salary increment will be in the range of 1-5% which 41% of the CEOs are considering, up from 28% in 4Q2020. Non-managers of 42% of the CEOs may also expect the same rate this year, up from 34% a year ago. Another 22% and 30% of the CEOs are currently contemplating increments of >5-10% for their managers and non-managers, respectively.

The same situation may be expected of bonus payouts for FYE 2021. Like salary increment, the highest bonus payout, if any, will also be up to one month only. 51% and 53% of the CEOs are planning on this rate for their managers and non-managers, respectively, up from 23% and 24% in 4Q2020, respectively. Bonus payouts of >1-4 months are in the plans of 46% of the CEOs for their managers, and 45% for their non-managers this year.



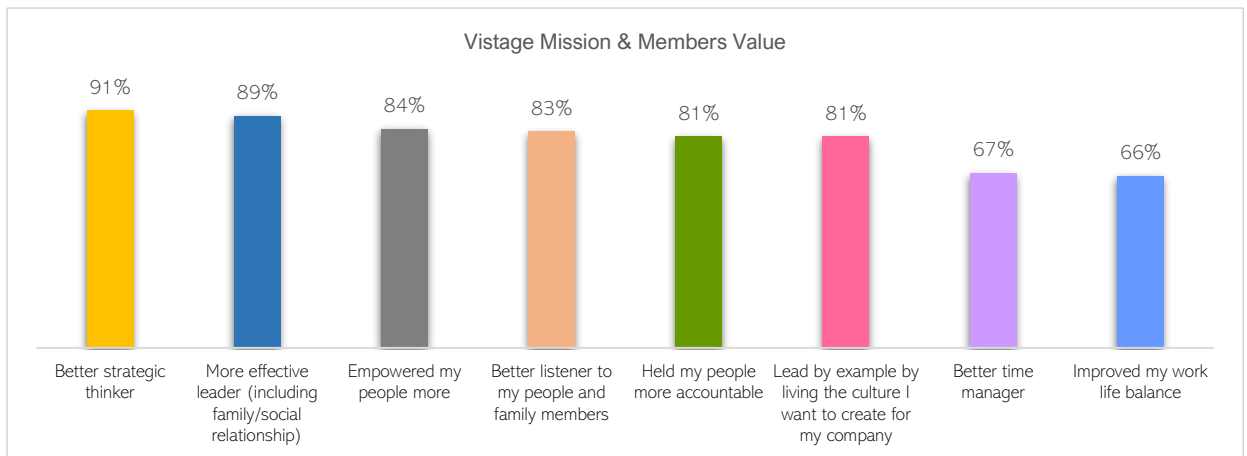
PERSONAL HEALTH SCORECARD OF CEOs

As health is wealth, a scorecard on CEOs personal health was included in the latest survey. For the second year in a row, mental stress topped the list, followed by overweight and high cholesterol issues. Hypertension was revealed by 19% of the CEOs, while almost 17% have fatty liver.



REFLECTION ON VISTAGE'S MISSION

Vistage has continued to accomplish its mission of increasing the effectiveness and enhancing the lives of CEOs and their key executives. As in 4Q2020, most CEOs considered themselves better strategic thinkers (91%) and more effective leaders (89%) since joining Vistage. There are also more CEOs this time (81-84%) than 4Q2020 (80-83%) who opined that they are now able to empower their people further, hold their people more accountable, and have become better listeners to their people and family members. Currently, 81% of the CEOs are leading by example by living the culture they want to create for their companies, while 67% are better time managers and 66% have improved their work life balance as well.



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 1,800 cities in 24 countries with more than 23,000 members worldwide.

Vistage Malaysia has more than 980 members with combined annual revenue of RM70 billion and employing over 120,000 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.