



MALAYSIA DEBT VENTURES BERHAD
(578113-A)



ANNUAL REPORT 2018

The background of the entire page is a low-angle photograph of several communication towers against a clear sky. The image is overlaid with a semi-transparent blue filter. The towers are made of metal lattice and are equipped with various antennas and satellite dishes. One tower in the foreground is particularly prominent, extending from the bottom left towards the top right.

THE NATION'S TECHNOLOGY FINANCIER

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**MDV
CORPORATE
PROFILE &
OVERVIEW**

ABOUT US

Malaysia Debt Ventures Berhad (MDV) was established by the Government of Malaysia in 2002 with the objective of providing flexible and innovative financing facilities to develop high-impact and technology-driven sectors of the economy, that are identified and prioritised by the Government as future engines of growth. This segment of Malaysian companies is generally underserved by commercial financial institutions, creating a funding gap faced by companies from within these sectors, particularly for technology-based Small and Medium-Sized Enterprises (SMEs). As the nation progressed, MDV's mandate expanded to eventually cover Information and Communications Technology (ICT), Biotechnology and Green Technology. In 2014, MDV included Emerging Technology as part of its technology mandate. As one of the financing agencies in Malaysia focusing on technology-driven sectors, MDV positions itself as the leading technology financier in Malaysia.

Since its establishment more than a decade ago, MDV has financed numerous technology projects in various sectors as it strives to fulfil its mandate and developmental role including E-Government, Satellite, Enterprise Software, Digital Content, Flight Simulation, Business Intelligence, RFID, Smart Cards, Communication Tower, Wireless Broadband, Fibre Optics, BioFertiliser, Bio-Diversity Research, Bio-Mass and Biogas, Renewable Energy and Solar PV, Green Public Transport, LED, Mini Hydro and Water Treatment and Management. To date, MDV has disbursed RM11.88 billion with an aggregate fund size of RM4.10 billion for more than 882 projects; with financing approvals for more than 762 technology companies in Malaysia. Moving forward, MDV will continue to play a vital role in supporting the Government's aspiration to promote high-value technology and innovation as a path to a high-income nation.



FOCUS AREAS



INFORMATION AND COMMUNICATIONS TECHNOLOGY

Telecommunications & Broadcasting • Digital Content, Services & Infrastructure • Digitalisation • Connectivity



GREEN TECHNOLOGY

Renewable Energy • Energy Efficiency • Green Products & Recycling • Water & Waste Management



ADVANCED TECHNOLOGY

Quantum Computing • DeepTech • New Material Technology • Extended Reality (XR) • Augmented Analytics



BIOTECHNOLOGY

Agriculture • Industrial • Healthcare



STRATEGIC SECTORS / TECHNOLOGY

Oil & Gas • Maintenance, Repair & Overhaul (MRO) • Nanotechnology • Electronics & Semiconductors

MANDATE

To provide financing to technology based companies/ projects/ contracts for their business needs, particularly for companies that have difficulty or are unable to access traditional financing platforms due to their novel business model, lack of track record and/or lack of collateral.

MDV may utilise any financial instrument to provide the required financing to increase the probability of success for the company financed.

VISION

The Nation's Technology Financier

MISSION

To support the Nation's technology agenda and increase Malaysian technology companies' probability of success through:

Providing access to Financing

- Innovative and flexible financing solutions
- Specialised funding programmes
- Industry expertise and advisory services

To remain financially sustainable while fulfilling our developmental role.

CORE VALUES

MDV's core operating values encompass our business philosophy of Transparency, Trustworthiness and Timeliness to ensure good governance, credibility and meeting the needs of clients. This philosophy is complemented by MDV's mindset of 'Harmony' as the foundation of MDV's relationships, 'Think' customer to enhance MDV's commitment to business building and being 'Deliverable Oriented' in its working environment. The final component of MDV's values comprises MDV's corporate identity of being a high performance, highly discipline, highly cohesive, highly innovative and a highly ethical organisation.

MARKETING & STRATEGIC POSITIONING

The Nation's Technology Financier

MDV's strategic role in the technology financing ecosystem in Malaysia is defined by our approach to funding which is different from other financial institutions. Our niche is helping to fund young technology-based companies or startups that are unable to secure financing from commercial financial institutions due to their novel business model, lack of proven operating track record and lack of collaterals.

MDV's approach to funding such companies is to focus on the potential of an applicant and its projects by analysing the viability and suitability of its technology, the quality of their key management and technical personnel as well as the reasonableness of its business plan and cash flow projections as an indicator of their ability to reach their potential.

With the vision of becoming the nation's technology financier, MDV offers innovative and flexible financing solutions and specialised funding programmes to help fund technology project requirements by customising the loan or financing structure based on each customer's business needs.

With the rapid rate of technological and digital advance, and Malaysia's continued push towards becoming an advanced nation, MDV will continue to have a significant role to play in financing emerging technology areas like Internet of Things (IoT), Big Data Analytics, Industry 4.0, the Digital Economy and Fintech, in addition to its existing sectors.



To fulfil its role of spurring and accelerating the growth of technology companies, MDV offers a comprehensive range of financing products from trade financing and guarantees to project and contract financing, working capital and asset financing as well as growth, venture and acquisition financing. To further extend MDV's ability to fund young companies, we also offer cash lines and Islamic factoring facilities, the latter to assist companies that have yet to develop the required credit histories to secure credit lines. Except for factoring, these products are offered in both Islamic and conventional principles to

ensure MDV's ability to finance a wide range of technology financing needs. To serve as a comprehensive financier of technology companies, MDV also offers niche financing solutions that include acquisition financing, convertible financing, venture financing and completed project financing.

In addition to MDV's direct financing solutions, MDV also manages dedicated and targeted financing programmes initiated by the Government. These include the MDV Technology Acceleration and Commercialisation Scheme (MDV-TACT) Programme for the commercialisation of technology products and services and Skim Usahawan Permulaan Bumiputera (SUPERB) programme by Unit Peneraju Agenda Bumiputera (TERAJU) for Bumiputera economic development as well as the Bioeconomy Transformation Programme (BTP) to promote investments and development of the Bioeconomy sector of the national economy.

MDV FINANCING PROGRAMMES 2018

MDV TECHNOLOGY ACCELERATION AND COMMERCIALISATION SCHEME (MDV-TACT)

MDV-TACT was developed and implemented as part of RMK-11 to promote national technology development and increase Malaysia's R&D commercialisation rate over the RMK-11 period, by providing access to financing for commercialisation and growth acceleration activities. MDV-TACT is a continuation of the previous Commercialisation Financing Programme under RMK-10 managed by MDV. However, the RMK-11 allocation has been enhanced to also cover the financing of acquisitions of technologies and complementary companies in order to accelerate the growth and market competitiveness of domestic technology companies. The fund ceiling under the programme over the RMK-11 is RM50.00 million. Applicants will be financed up to RM5.00 million via a hybrid approach where a lower financing rate would be provided but with an equity component provided to MDV via debt conversion provision or warrants. This structure will lower the funding costs to customers. The financial instruments to be utilised by MDV under MDV-TACT will include credit financing and convertible credit financing with debentures attached warrants.

ACQUISITION FINANCING

Consistent with MDV's mandate to support the financing needs of technology companies and enhance the financial solutions available to SME technology companies for their development needs, MDV offers an Acquisition Financing product for technopreneurs. The objective of the financing is to facilitate the acquisition of strategic stakes in other companies to scale up operations, develop their business scope, and pursue management buy-outs. SME technology companies generally do not have access to acquisition financing due to their small size, relatively small financing needs and the lack of investment bank and commercial bank activities in this space. As such, MDV fills the gap in the current ecosystem.

SUITE OF FINANCING PRODUCTS & PROGRAMMES

COMMERCIALISATION FINANCING PROGRAMME

MDV Commercialisation Fund is a Government-funded programme under RMK-10 to enable early stage startup companies to raise funds to match funding requirements for sustainable businesses in the technology sector at early and commercialisation stages. This funding is aimed at companies with good, viable technologies to achieve their maximum potential. This programme is now enhanced as MDV-TACT under RMK-11. Both programmes are currently implemented due to their self-sustaining operations.

ENERGY EFFICIENCY FINANCING

MDV's Energy Efficiency Financing provides financing for Energy Efficiency (EE) and Energy Savings-based projects undertaken by Energy Service Companies (ESCO) in the building sector with the aim to accelerate the growth of ESCO's business in the country and strengthen their financial credit profile. Energy savings-based projects are a cost-effective medium-term option for meeting increasing energy needs, enhancing energy security and the mitigating need for new electricity generation capacity with reduction of greenhouse gas emission. With a specific fund allocation of RM200.00 million, the financing objective is to accelerate the growth of Energy Service Companies in Malaysia. Successful Applicants will enjoy 1.0% profit subsidy; credit profile of the applicants will also be enhanced through 50.0% guarantee from Corporate Guarantee Corporation (CGC).

GREEN TECHNOLOGY FINANCING SCHEME (GTFS)

The Green Technology Financing Scheme (GTFS) was initiated by the Government in 2010 to accelerate the growth of the green technology sector where recipient companies benefit from financial guarantees and the financing interest rebate throughout the financing tenor to help secure better cash flows. Since its inception in 2010, MDV has approved a financing value of RM969.19 million for 69 projects and has provided funding for 48 projects to date with a disbursement value of RM562.20 million. This successful initiative is succeeded by a GTFS 2.0 programme. The Government has emphasised in Budget 2019 to incentivise investments in green technology; there will be a RM2.00 billion Green Technology Financing Scheme (GTFS) made available at selected commercial banks where the Government will subsidise the interest cost by 2.0% for the first 5 years. MDV is also a participating financial institution under GTFS2.0.

PROJECT/CONTRACT FINANCING

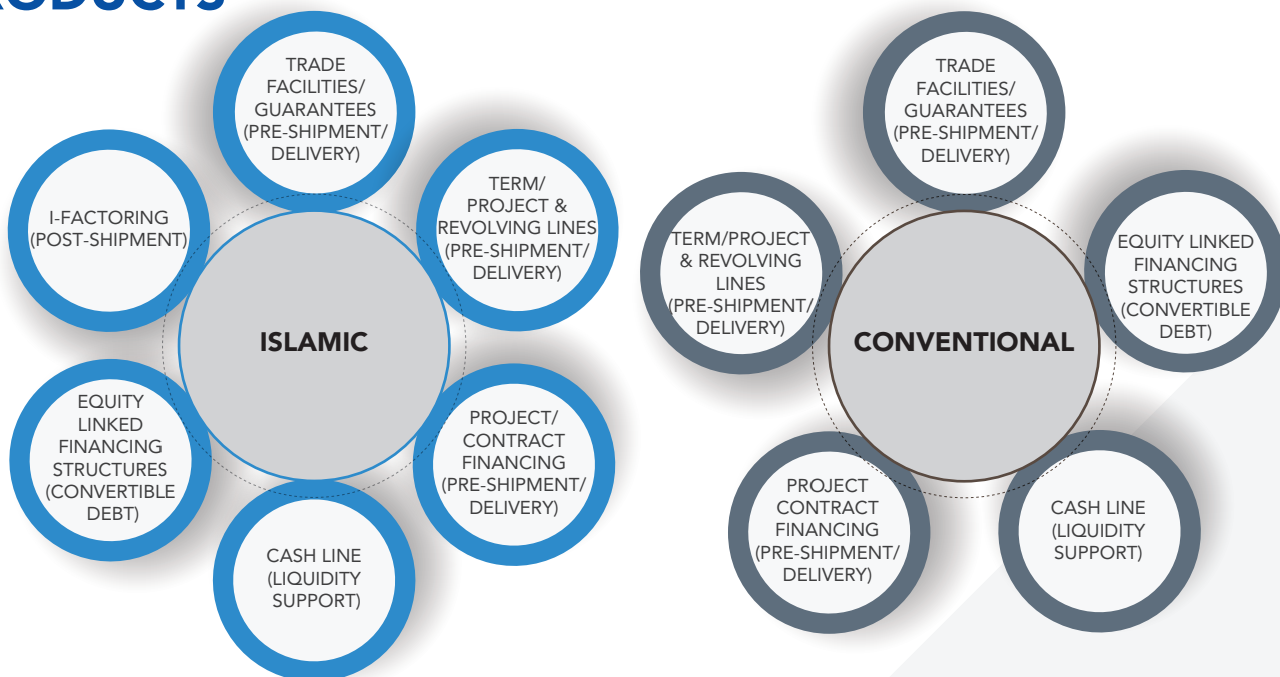
Project financing facility is available to fund long-term public or private technology infrastructure projects, in which project equity and the financing facility will be used to fund the project. Payments are generally secured from cash flow generated by the project, while the project's assets, rights and interests are held as secondary security or collateral. This form of financing includes Build-Operate-Own or Build-Operate-Transfer financing which requires significant upfront investments.

This facility enables project assets to be financed through MDV's term financing, payable over specified amounts based repayment schedule over the project period. Financing tenures up to 15 years are provided subject to overall project period. The project financing facilities provided by MDV are extended to companies or Special Purpose Vehicles that have secured medium to long-term public or private technology infrastructure projects. MDV's contract financing facilities uses a suite of financing instruments such as term loans, and revolving and trade facilities are specifically tailored for specific requirements of an individual contract. The financing structure of Project Financing may include Term Financing, Revolving/Standby Facility and/or Guarantee/Trade Facility.

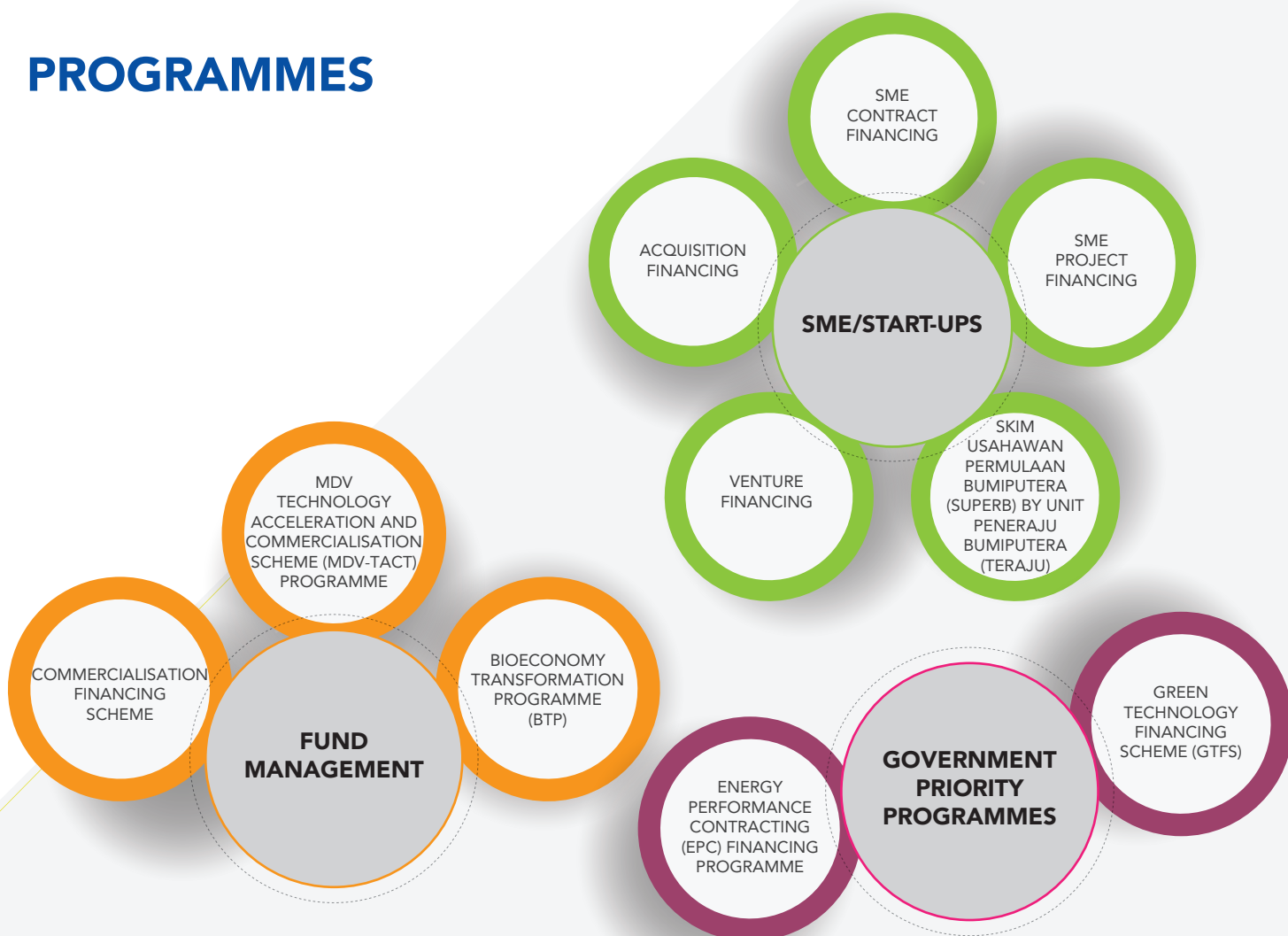
VENTURE FINANCING

MDV's Venture Finance (VF) programme targets to finance high-growth, venture capital backed technology startups, in scaling their business growth and value. With a financing tenure of up to 5 years, the programme offers the startups financed with repayment schedules that are tailored to their business requirements and projections. Venture Financing facilities are all at competitive risk-adjusted financing rates with a warrant cover of up to 25% of the financing amount. This programme is significant for startups who are looking for financing options without incurring relative heavier shareholding dilution from equity fundraisings or for companies who are seeking liquidity to bridge their operations until the next fundraising round.

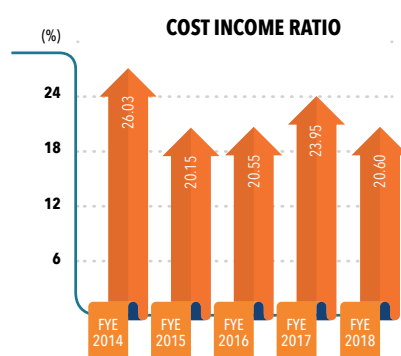
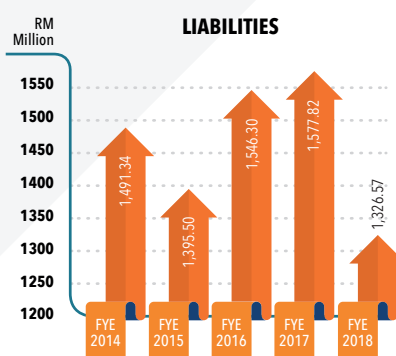
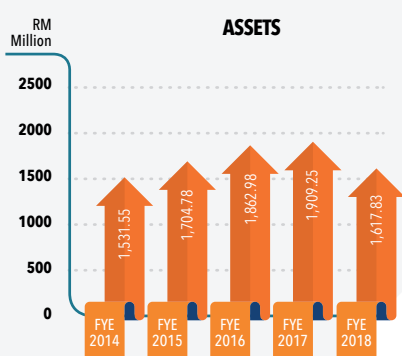
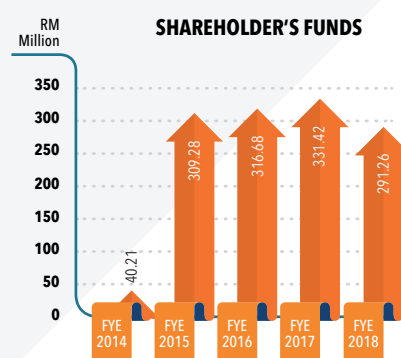
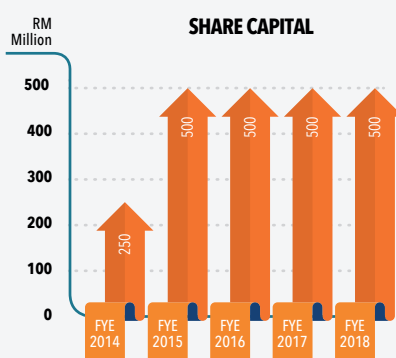
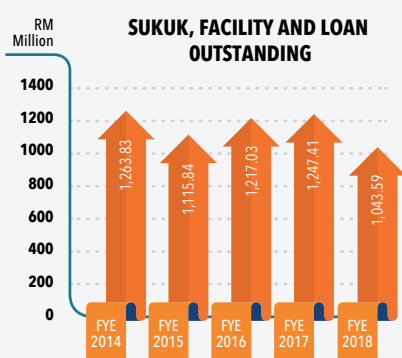
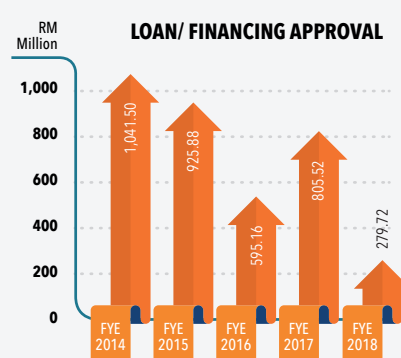
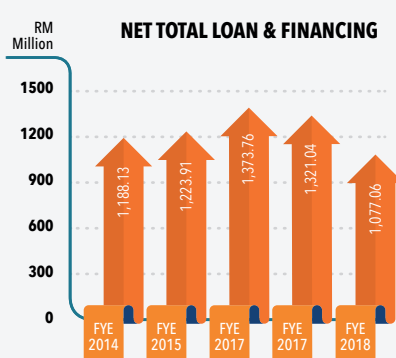
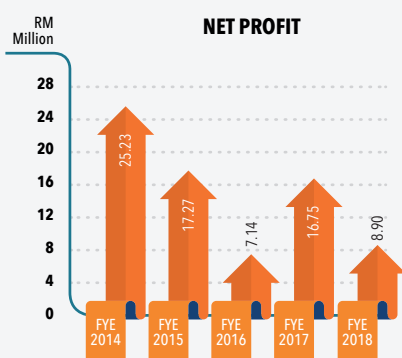
PRODUCTS



PROGRAMMES



FINANCIAL HIGHLIGHTS



HISTORY & MILESTONES

1997

Malaysia's Multimedia Super Corridor (MSC) was launched and it provided an impetus for the growth and development of the nation's Information and Communications Technology (ICT) industry. The MSC zone was fashioned to connect Malaysia to the information and knowledge economy. Notwithstanding the development of a complementary funding infrastructure developed to support the ICT industry's research, development and commercialisation activities, young ICT companies at the growth and expansion stage faced challenges in financing their ICT projects in view of perceived risks of these young companies and ICT technologies.

2002

APRIL

- MDV was established to fill this funding gap to provide Project and Contract Financing facilities to ICT companies to finance procurement of the necessary project inputs, capital expenditure and working capital. To facilitate these financing structures, MDV also provides trade and guarantee facilities as required by the project or contract through MDV's Partner Banks.
- MDV's first fund of RM1.60 billion was sourced from the Japan Bank for International Cooperation (JBIC) through Ministry of Finance (MoF) with the purpose of providing project financing facilities to ICT companies.

2003

MARCH

MDV's financing portfolio reached a size of RM192.00 million.

2006

JUNE

Debt Ventures (MDV's original branding name) was rebranded as Malaysia Debt Ventures Berhad (MDV) as its original name depicts purchase of a company's debt.

2007

MARCH

MoF approved RM2.50 billion for MDV's Second Fund to be raised from the Islamic capital market. Following this, MDV launched its RM1.50 billion Islamic Medium Term Notes (iMTN) to finance technology projects and expanded its focus areas to include Biotechnology in conjunction with the Second Fund.

2008

MAY

MDV's mandate included serving Biotechnology companies following launch of the Government's National Biotechnology Policy.

OCTOBER

The Second Fund was used to expand the depth and breadth of Islamic financing programmes and to support the Government and MoF's objectives of positioning Malaysia as an Islamic Financial Centre. The new fund also necessitated MDV to develop and offer Islamic financing via Commodity Murabahah principles, and established internal Shariah governance and compliance framework.

2009

FEBRUARY

MDV launched its Small Contract Financing to simplify the application process for SMEs with lower financing requirements.

2010

FEBRUARY

Commencement of the Bumiputera, Biotechnology and Bio-Industry Development Fund (B3DF) programme to support the development of Bumiputera SMEs in Biotechnology sector in partnership with Malaysia Biotechnology Development Corporation.

JUNE

MDV collaborated with Telekom Malaysia Berhad on the Jadual Kadar Harga vendor programme to support Bumiputera SME's participation in telecommunications and the nation's High Speed Broadband network.

2011

MAY

MDV expanded its mandated areas into Green Technology financing, in line with the Government's focus on achieving sustainable development.

DECEMBER

Commercialisation Financing Programme was launched under the Tenth Malaysia Plan (RMK-10) to enhance the technology financing ecosystem and improve Malaysia's commercialisation rate, focusing on underserved financing space for commercialisation requirements.

2012

MAY

MDV extended RM41.00 million to one of Malaysia's first Feed in Tariff project with a project scale of 5 megawatts.

2013

APRIL

MDV was inducted into Green Technology Financing Scheme (GTFS) programme and remains the only non-bank financial institution to be included in the programme.

MDV participated in the GTFS to spur financing under the programme and further promote investments in the Green Technology sector.

DECEMBER

The Intellectual Property Financing Scheme (IPFS) was launched to enable companies with IP rights (IPRs) to use their IPRs as an additional source of collateral to obtain funding and spur more investments for companies with technology capabilities, in turn encouraging innovation. The scheme will also help alleviate the difficulties that several technology-focused companies face when attempting to seek funding from financial institutions.

The objective of this scheme is to match customers' funding requirements with good and viable businesses in the technology sectors especially for those who are at the expansion and commercialisation stages for the purpose of financing CAPEX or working capital.

2014

To further support the Government's technology agenda, MDV expanded its financing mandate to also include Emerging Technology which comprises E-Government, Satellite, Enterprise Software, Digital Content, Flight Simulation, Business Intelligence, RFID, Smart Cards, Communication Tower, Wireless Broadband, Fibre Optics, BioFertiliser, Bio-Diversity Research, Bio-Mass and Biogas, Renewable Energy and Solar PV, Green Public Transport, LED, Mini Hydro and Water Treatment and Management.

JULY

Launched the Bioeconomy Transformation Programme (BTP) in collaboration with Malaysian Biotechnology Corporation. This effort was made to channel and maximise commercial opportunities in bio-based industries as well as help transform Malaysia into a high income, inclusive and sustainable economy.

DECEMBER

MDV executed the collaboration agreement with Unit Peneraju Agenda Bumiputera (TERAJU) to manage the Bumiputera Entrepreneurs Startup Scheme (SUPERB) Programme. The New Corporate Strategy was launched to facilitate access to financing new sectors in emerging technology and new high growth sectors. SUPERB provides grants of up to RM500,000.00 to support innovative and creative business ideas. It is a fund to help startup companies with an allocation of RM100.00 million. The programme is open to Bumiputera who aspires to be an entrepreneur, or Bumiputera companies operating for less than 3 years.

2015

MAY

MDV secured approval from the Government for the MDV Technology Acceleration and Commercialisation Scheme (MDV-TACT) as part of the Eleventh Malaysia Plan (RMK-11), to run from 2016 to 2020, in recognition of MDV's expertise in providing sustainable financing for commercialisation of technology-based products and services.

JUNE

- MDV collaborated with Unit Peneraju Bumiputera (TERAJU) to develop and operate a Bumiputera Technology Fund to offer financing to Bumiputera technology entrepreneurs specifically TERAS and SUPERB companies involved in the high-technology sectors of the Malaysian economy.
- Full settlement of RM1.60 billion JBIC loan was made.

2016

AUGUST

MDV launched acquisition financing for technology companies to acquire equity interests in other complementary companies to facilitate the increase of operational scale and scope to improve competitiveness.

OCTOBER

MDV was entrusted by the Government to implement the Technology and Innovation Acceleration Scheme (TIERS) under the 2016 Budget to promote technology exports and overseas expansion by local technology companies towards becoming regional champions.

MAY

- MDV's financing portfolio size exceeded RM1.50 billion.
- MDV launched its first nurturing programme initiative, "Elev8" to showcase MDV's efforts to accelerate and increase the bankability of a technology start-up. Via Elev8, MDV will assist young technology companies to be sustainable and become success stories in their own right. Seven Elev8 companies were selected subsequent to the two-tier assessments. These companies provide a range of innovative and exciting technology services: cloud platforms for various management systems, environment mentoring for buildings and offices, invoice trading marketplace, internet based marketing solutions, Out of Home digital marketing solutions, data analytics, robotics, 3D printing and online marketplace delivery.

Eligible graduates of Elev8 can be extended to specialised funding programmes to build the next generation of Malaysia's technology icons.

SEPTEMBER

- The Energy Efficiency Financing Scheme was developed to finance Energy Efficiency projects, specifically Energy Performance contracting, with funding from MDV and incentives via guarantees and financing rate equalisation from Ministry of Works (KKR), Building Sector Energy Efficiency Project (BSEEP) and Ministry of Energy, Green Technology and Water (KeTTHA). The scheme's targeted outcome is to help Malaysia achieve its international carbon emission commitment and catalyse the incipient Energy Services centre.
- MDV's Third Fund of RM1.00 billion was approved.
- MDV collaborated with Bank Negara Malaysia and IAP Sdn Bhd to promote the Islamic Investment Account Platform (IAP) initiative. Its objective is to further deepen and broaden the Islamic Financial Services sector. MDV signed an MOU with IAP Sdn Bhd to help promote the Investment Account Platform as an alternative means of funding for technology projects, and to provide technical assistance to IAP on technology financing.

2017

- 2017 marked the fifteenth year of MDV in operation, since its inception in 2002. Subsequent to the launch of MDV's nurturing programme Elev8 in 2016, 2017 saw the successful graduation of seven companies from this programme after being nurtured, coached and mentored by MDV within a 12-month timeframe with the objective of strengthening these companies' management, financial and project management capabilities. Out of the seven, four companies met the criteria for financing by MDV with pre-approved maximum financing of RM2.00 million, surpassing MDV's initial target of three companies.
- Subsequent to the launch of Elev8 in 2016, 2017 saw the successful graduation of seven companies from this programme after being nurtured, coached and mentored by MDV within a 12-month timeframe with the objective of strengthening these companies' management, financial and project management capabilities. Out of the seven, four companies met the criteria for financing by MDV with pre-approved maximum financing of RM2.00 million, surpassing MDV's initial target of three companies.

JULY

MDV inked an MOU with Astana International Financial Centre Authority (AIFC) during the Islamic Green Financing Week at the Malaysia Pavilion Astana Expo 2017 in Astana, Republic of Kazakhstan.

The MOU was inked to foster the development and sharing of best practices, expertise and knowledge in the field of Islamic and Green finance, as well as to strengthen mutual efforts in the building of Islamic and Green finance ecosystem of both companies and countries.

AUGUST

Further to our commitment in developing the green sector, MDV launched the Energy Performance Contracting (EPC) Fund with the objective of providing financial assistance to energy service companies (ESCOs) that are undertaking energy-efficient projects in the building sector. MDV's funding will be supported by a credit guarantee fund from the Ministry of Energy, Green Technology and Water (KeTTHA) and funding contributions from the JKR Building Sector Energy Efficiency Project.

2018

SEPTEMBER

MDV launched its Third Fund via a Government Guaranteed Sukuk to continue financing companies that fall under MDV's technology mandate. The Third Fund will serve as a platform for MDV to finance new technology areas and provide complementary financial products. Similar to MDV's Second Fund, the Third Fund also aims to increase awareness of the socio-economic benefits of Islamic financing as an appropriate alternative to conventional financing.

FEBRUARY

- MDV launched its Islamic Venture Financing Programme. This expansion will better enable MDV to finance early-stage companies and fill the gap in the ecosystem for venture-financing for growth. The Venture Financing programme represents a long-term strategy for MDV's business transformation in the effort to ensure continued sustainability of operations and reduce dependency on Government's support.
- MDV launched MDV Technology Acceleration And Commercialisation Programme (MDV-TACT). MDV-TACT is part of the initiatives under RMK-11 to promote the development and adoption of new technologies and increase the success rate of commercialising technologies.

SEPTEMBER

- MDV issued a RM230.00 million Islamic Medium Term Notes (iMTN) from its RM1.00 billion Sukuk Facility (Third Fund). The RM230.00 million was issued on a bought deal basis. The proceeds from the issuance will be used to provide access to financing by SMEs for projects in the ICT, Biotechnology, Green Technology and Emerging Technology sectors in Malaysia.
- MDV made payment of RM200.00 million of its RM1.50 billion Government Guaranteed Sukuk Programme (Second Fund) on 26 September 2018.

DECEMBER

10 companies have been financed under the MDV-TACT programme with a pipeline of more than RM30.00 million. Though still at its introduction year, MDV Venture Financing programme has received encouraging responses from multiple verticals of businesses such as Software-as-a-Service, e-Commerce and others.

As at year-end, MDV has commenced work and is on track in implementing its transformation roadmap. With respect to major initiatives, MDV has initiated and made significant progress in securing a Corporate Credit Rating for issuing unguaranteed debt. MDV also continues to grow its Venture Finance portfolio, which has been well received by the market since its launch. Through its business building initiatives, MDV has initiated relationships with regional funds to promote potential origination and in the long-term, build capacity for potential exits from positions.

As part of MDV's long-term planning, MDV has drafted initial options for participation in the ECF/ P2P space, which is in line with the Government's aim to develop Malaysia's alternative financing platforms. This move also forms an integral part of MDV's Digital Transformation Masterplan, which will see MDV leveraging on the use of advanced technology by automating its core and non-core business processes towards becoming a secure, trusted and efficient digital organisation by the year 2021.



Financial Statement		Unit Price		Quantity	
Item	Value	Unit Price	Quantity	Item	Value
1	1,000.00	2.178	890	2	1,000.00
3	5,540.00		894	4	34,344.00
5	43,232.00		454	6	687,488.00
7	2.178	878		8	1,000.00
9	5,540.00		894	10	34,344.00
11	43,232.00		454	12	687,488.00
13	2.178	878		14	1,000.00
15	5,540.00		894	16	34,344.00
17	43,232.00		454	18	687,488.00
19	2.178	878		20	1,000.00
21	5,540.00		894	22	34,344.00
23	43,232.00		454	24	687,488.00
25	2.178	878		26	1,000.00
27	5,540.00		894	28	34,344.00
29	43,232.00		454	30	687,488.00
31	2.178	878		32	1,000.00
33	5,540.00		894	34	34,344.00
35	43,232.00		454	36	687,488.00
37	2.178	878		38	1,000.00
39	5,540.00		894	40	34,344.00
41	43,232.00		454	42	687,488.00
43	2.178	878		44	1,000.00
45	5,540.00		894	46	34,344.00
47	43,232.00		454	48	687,488.00
49	2.178	878		50	1,000.00

The background is a warm orange color with a diagonal split. The upper-left portion features faint, semi-transparent line graphs and bar charts. The lower-right portion shows a close-up of a black pen resting on a document with a grid and various numerical data points. Three dark grey diamond shapes are positioned around the central text: one in the upper right, one in the lower left, and one in the lower right.

MESSAGE TO STAKEHOLDERS

CHAIRMAN'S STATEMENT



accessibility to funding for technology startups, alternative financing platforms such as equity crowdfunding (ECF) and peer-to-peer (P2P) have gained traction, with RM261.50 million raised by 693 issuers to-date. 2018 also saw encouraging growth in the Venture Capital industry with a 46.8% increase in investment activity amounting to RM613.30 million invested during the year bringing the total cumulative investments to RM3.10 billion.

Towards this end, MDV's contribution to the technology sector includes having disbursed more than RM420.00 million for various technology projects under its portfolio in 2018.

During the year, MDV undertook a review and assessment of technology projects in its portfolio to ensure the continued viability of projects financed. To ensure our cost effectiveness, MDV implemented an aggressive cost optimisation exercise. In this regard, we are pleased to note that MDV recorded its 9th consecutive year of profitability with a commendable net profit of RM8.90 million. As at 31 December 2018, MDV recorded a total financing portfolio of RM1.31 billion in various technological sectors, with Renewable Energy (RE) accounting for the biggest chunk of lending at RM446.90 million or 34.03%, followed by Information Technology (13.10%) and e-Commerce (11.07%).

I am pleased to present the 2018 Annual Report of Malaysia Debt Ventures Berhad.

The year 2018 was indeed a historic year for Malaysia as we experienced a significant change on our political front. On the macro-economic front, uncertainties arose from rising global trade tensions and tightening financial conditions worldwide. Notwithstanding, the Malaysian financial system, firmly supported by well-capitalised financial institutions and strong financial markets, remained resilient, recording a steady GDP growth of 4.7%. Operationally, MDV entered the first of its transformation programme, focusing on building new areas of business and sources of funding.

The technology sector continues to progress and develop. Investor's interest in Malaysia's Digital Economy continues to grow in the areas of Artificial Intelligence (AI), Big Data Analytics (BDA), Internet of Things (IoT) and Cybersecurity. With the Government's push for Malaysia to intensify the adoption of Industry 4.0 related technologies, the technology sector - particularly the Small and Medium Enterprises (SMEs) - is expected to benefit from the various initiatives and incentives that have been rolled out. With respect to

In the year under review, MDV issued Sukuk of RM230.00 million under its RM1.00 billion IMTN programme. The new issuance required MDV to reassess its own pricing structure, where a tiered pricing system was implemented based on inherent credit risk of customers and their projects. The new pricing structure will reward good credit with pricing more reflective of the risks involved. 2018 also saw the full adoption of MFRS9 – a new accounting standard that governs financial instruments – where MDV is required to adopt provisioning and impairment requirements for expected credit losses, which is in line with the practice of other financial institutions.

Moving into the year 2019, MDV is well positioned to support the technology sector's growth, which is further enhanced by the Government's unrelenting commitment to develop the technology sector and ensure an effective and efficient delivery platform for technology-based companies. With MDV's on-going transformation initiatives aimed at strengthening its business and growing its financing assets, the year looks set to be one which will demand our utmost commitment and dedication in ensuring that we can continue to fulfil our prescribed role and mandate. Consistent with the plan to gradually, but significantly

reduce its reliance on the Government's assistance while remaining sustainable over the longer term, MDV is actively exploring alternative funding sources that will match the duration and risk profiles of its portfolio. This, of course, will be challenging given MDV's mandate, but we are confident that we will eventually be able to become self-sustainable while still delivering on our mandate.

MDV's long-term funding plan also includes strategic initiatives such as securing standalone corporate credit rating to enable MDV to issue its own bonds or sukuk, commencing its participation in alternative fund-raising platforms such as P2P and ECF, and continuing to expand and strengthen its Venture Financing portfolio. In this regard, MDV has built a portfolio of technology startups with high growth potential and a pipeline worth more than RM30.00 million—a positive indication that MDV is on course to further deepen its footprint in the startup ecosystem and accelerate the development of the Venture Finance industry in Malaysia.

In retrospect, I am pleased to note that MDV has shown considerable growth and progress in 2018. This would not have been possible without the continued support of all MDV's stakeholders, partners, customers and dedicated employees. I would like to convey my gratitude to the Ministry of Finance (MoF) and the Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC) for continuing to offer MDV their assistance, guidance as well as the opportunities to engage and discuss on MDV's strategic direction and requirements moving forward. Thanks is also due to MDV's Board of Directors and the Management team who have been unfaltering in their commitment to the Company. Likewise, MDV's continued growth and progress would not have been possible without the dedication and diligence of all of its staff. I am also grateful to YBhg. Tan Sri Zarinah Anwar, whom I succeeded in November 2018, for the invaluable leadership that she has bestowed upon MDV throughout her tenure as Chairman, which has seen the Company through many challenges and many successes, ensuring that it continues to grow as one of the nation's leading technology financier.

With the rapid advancement of the digital economy and the increasing impact of Industry 4.0, MDV must always ensure that it remains relevant and able to continue playing an effective role in meeting the funding requirements of technology startups and their new business and revenue models. In this regard, I am confident that MDV will continue to strive to improve in all aspects of its operations and remain focus in its efforts to assist the SMEs in the ICT, Green Technology

and Emerging Technology sectors by offering accessible, competitive and innovative financing facilities. As an organisation entrusted by the Government to spur the development of Malaysia's high value and knowledge intensive technology sector as a growth engine for the Nation, MDV looks forward to continue serving the technology sector better and contribute to the positive growth of the nation's economy for the overall benefit of the people.

Dato' Seri Lee Kah Choon
Non-Executive Chairman

CEO'S REPORT



date to RM11.67 billion. MDV's funding has benefitted more than 700 companies and more than 800 technology related projects since its inception.

MDV's financing of the technology sector and early stage companies is reflected in the composition of our portfolio and their constituents. Of the total loan and financing assets as at 31 December 2018, 43.0% are in the ICT, 46.0% in Green Technology, 4.0% in Biotechnology and 7.0% in Emerging Technology. As at year end, 75.0% of MDV's customers are SMEs in the various mandated technology sectors. In terms of financing and loan asset quality, MDV has reduced its Net NPL from 14.0% to 9.0%. In this regard, MDV will continue to strengthen our asset quality by monitoring and managing our accounts and projects financed, while continuing our role to finance SMEs in the technology sector.

To further enhance our funding capacity, MDV issued RM230.00 million Sukuk under our RM1.00 billion Government-guaranteed IMTN programme in September 2018. The issuance of the Sukuk has allowed MDV to continue supporting existing customers that fall under its technology mandate, particularly newly emerging sectors like eGovernment systems, telecommunications infrastructure, Renewable Energy projects, photonics, cloud computing, education portals and eCommerce. The issuance, being fully guaranteed by the Government, not only demonstrates the Government's strong commitment to the technology sector, but also reflects their confidence in MDV's capabilities as a technology financier.

As part of the overall MDV sustainability roadmap, MDV also plans to issue standalone Sukuk and secure bilateral arrangements with financial institutions to facilitate the Government's aims to consolidate and strengthen its fiscal position.

Financial Review

For the financial year ended 31 December 2018 (FYE 2018), MDV's financial performance continued to be commendable with a net profit of RM8.90 million (FYE 2017: 16.75 million). However, total profit and interest income recorded was 7.3% lower at RM93.71 million against RM101.02 million last year, following moderating financing portfolio growth to RM1.31 billion compared to RM1.57 billion in the previous year, and early settlement of major accounts.

Nevertheless, the lower revenue achieved for FYE 2018 was compensated by lower actual cost of funds and

MDV continued to deliver on our mandate in 2018 by continuing to support the technology sector by financing 174 technology and technology-based companies in delivering their ICT, green technology and emerging technology projects. 2018 was also the year MDV launched and implemented its Venture Financing programme to technology startups, and the commencement of MDV's 5-year transformation programme where MDV will, among others, seek to secure alternate funding sources to manage our liquidity risk and ensure organisational sustainability, develop its digital masterplan and expand further its Venture Financing programme.

In the last sixteen years since MDV first entered the technology-financing scene, MDV has played a vital developmental role in helping to spur the development of Malaysia's high value and knowledge intensive technology sector as one of the growth engines for the Nation. By providing accessible, competitive and innovative project and contract financing facilities, MDV's funding has provided many emerging technology companies the opportunity to grow their businesses further and in turn, develop Malaysia's technology sector's capabilities and talents. In 2018, MDV has disbursed RM420.0 million to the technology sector, bringing the overall disbursement amount to

lower operating expenditure at RM50.57 million (FYE 2017: RM53.53 million) and RM26.05 million (FYE 2017: RM31.16 million) respectively, resulting in a profit before allowances and tax of RM46.51 million (FYE 2017: RM45.41 million). In addition, it was also mitigated by the adoption of a revised pricing methodology for MDV loans and financing that is based on the inherent credit risk of customers and their projects, and the cost of new funding raised by MDV.

In the year under review, MDV undertook a comprehensive review and assessment of technology projects in its portfolio, which, to an extent, affected loan and financing approval for FYE 2018, recording a decrease to RM279.72 million (FYE 2017: 805.52 million), while total loan and financing disbursements also registering a decline to RM421.76 million from RM647.37 million recorded last year.

Notwithstanding, MDV was able to curtail moderating revenue levels through the implementation of several strategic measures including undertaking a cost optimisation exercise and putting in rigorous efforts in improving our operational efficiency, which resulted in significant cost savings for the Company while continuing to fulfil our mandate. The full adoption of MFRS9 in 2018 also has had its impact on MDV's overall financials but the necessary preparations made on MDV's financing loss provisioning policy, classification of impaired accounts and the development of a forward-looking loss model prior to the implementation of the new accounting standard, have facilitated its implementation.

During the year, MDV issued Sukuk of RM230.00 million under its RM1.00 billion IMTN programme. As it stands, MDV has been servicing all its funding obligations on a timely basis namely MDV's First Fund of RM1.60 billion fund from Japan Bank for International Cooperation (JBIC) which has already been fully repaid, and the Second Fund of RM1.50 billion iMTN programme which is being progressively paid and is expected to be fully settled by year 2023. To date, MDV has made payments of RM800.00 million under the Second Fund.

Moving forward, MDV will continue to exercise prudence in every aspect of its business and operations, and to continue to intensify our focus to scale up for growth.

Operational Review

With greater focus on optimising and strengthening its foundations, key operational highlights for 2018 were

centred on MDV's 5-year business strategy with several transformation initiatives already being set in motion. These initiatives are in line with MDV's long-term aim in achieving greater financial independence and sustainability, continued growth and expansion, as well as utilising and capitalising on emerging technologies to improve the Company's overall efficiency.

While continuing to push forward in achieving our targets and delivering our mandate, MDV's commitment to enhancing efforts in strengthening institutional integrity, corporate governance and sustainability remains firmly intact. Advocating transparency, accountability, responsibility and integrity across the organisation have always been amongst MDV's utmost priorities.

The year under review also saw MDV continuing to emphasise on the adoption of best practices across all of its core functions to ensure sustained progress and productivity. These include, among others, the strengthening of MDV's overall risk management, including the enhancement of credit risk management through risk based pricing and policy tightening for higher risk segments, monitoring of market and liquidity risks to match current exposures and the completion of the Shariah Compliance and Governance Framework for end-to-end processing.

Meanwhile, MDV's transformative efforts in the last few years with regard to our Human Capital (HC) strategy and management system, which include a significant revamp of some of the existing HC's processes and procedures, have paved the way towards the creation of a sustainable and dynamic working environment at MDV. Besides continuing to build upon our Talent Management Framework in developing our employees and equipping them with the necessary skills and competencies needed to excel in their role, MDV also worked on improving the Company's benefits and grade structure in keeping with the market's standard.

While placing a lot of emphasis on building our internal strengths, MDV also continued to strengthen collaborations with strategic partners such as the Unit Peneraju Agenda Bumiputera (TERAJU) via the Bumiputera Technology Fund (BTF) and Skim Usahawan Permulaan Bumiputera (SUPERB). Other collaborations include Public Works Department (JKR) in providing credit financing for Energy Efficiency (EE) and Energy Savings-based projects undertaken by Energy Service Companies (ESCO) in the building sector, just to mention a few. MDV also continued to support targeted financing programmes initiated by the Government through our

developmental programmes such as the MDV Technology Acceleration and Commercialisation Scheme (MDV-TACT), which was developed and implemented as part of RMK-11 to promote national technology development and increase Malaysia's R&D commercialisation rate over the RMK-11 period. Furthermore, MDV continues collaborating with Sustainable Energy Development Authority (SEDA) and Malaysia Green Technology Corporation (MGTC) for the Green Technology Financing Scheme (GTFS) as well as MDEC for Project Unity where MDV participates and contributes in MDEC's effort to develop a cohesive funding facilitation platform to serve as a catalyst to support companies in providing a seamless funding ecosystem. In addition, as a show of support and commitment to the advancement of the technology sector, MDV participated in various programmes and speaking engagements organised by our stakeholders and industry peers in 2018 such as the Bumiputera Entrepreneurship Programme (BAHTERA), SEDA Open Day, the Southeast Asia Venture Capital & Private Equity Conference 2018 (SEAVCPE 2018) and many others.

2018 also saw MDV's Venture Financing programme make positive headways thus gaining significant momentum despite only being in its first year of implementation. As the only domestic financier currently offering this programme, it is heartening to note that the programme has been receiving encouraging responses from our targeted segments comprising high-growth technology companies and startups. During the year, MDV has financed a total of 10 companies under the programme in which two of the companies were successful in securing investors' interest for their next round of funding. Having built a current pipeline worth more than RM30.00 million, MDV is set to continue expanding our Venture Financing programme in reaching more high potential companies and startups in accelerating the development of the Venture Finance industry in Malaysia.

Setting the Course for MDV in 2019 and Beyond

With MDV's vision of being the nation's technology financier, the next phase of development for MDV will see us continuing to scale up our operations and moving forward with the next chapter of our transformative plan. Among our main focus areas include focusing on continued asset growth, expansion of venture debt and financing programmes, capital planning and talent management. Emphasis will also be given to value creation, improving our competitive

advantage in the market and regaining our upward growth trajectory.

In support of the Government's efforts to reduce its contingent liability and to reduce reliance on Government's guaranteed funds, MDV has been actively exploring alternative funding sources to sustain its operations, which is in line with our long-term plan to become financially independent and sustainable.

We have also begun to embark on several projects including seeking a corporate credit rating to allow for issuance of bonds or sukuk, leveraging on the capital market to enhance our abilities in providing financing to key segments in Green Technology and Renewable Energy, undertaking corporate finance exercises to realise potential gains from some of our financing assets and exploring new business areas while optimising our existing businesses. Towards realising the Government's aims of accelerating the adoption of Industry 4.0 as a key driver for the country's full transition into a digital economy, MDV will also expand its financing focus in key technology drivers such as Internet of Things (IoT) and Big Data Analytics.

The Global Competitiveness Report 2018-2019, released by the World Economic Forum (WEF), ranked Malaysia 25th out of 140 economies. With this ranking, the country remains one of the most competitive economies, and was the second highest ranked among the nine South East Asia countries. This encouraging result has been attributed, in part, to Malaysia's continued emphasis on the importance of technology and innovation in driving economic growth in the last 20 years. Coupled with the Government's increasing push for the creation of the right ecosystem for Industry 4.0 technologies to be adopted and to nurture innovations for continued growth, MDV remains positive on the growth prospects of Malaysia's technology sector going forward. On MDV's part, we will continue to step up our efforts to ensure that our products and services will remain aligned to customers' changing needs and expectations and that viable projects will continue to have adequate access to financing.

Acknowledgments

The year 2018 marked another year of growth for all in MDV. It was a year where challenges became a bridge to opportunities for continued progression and improvements in all aspects of our business and operations. Notwithstanding our track record and achievements, it has not always been a smooth-sailing

journey for us, but our consistent performances, including in 2018, were achieved as a result of MDV's continued commitment in delivering our mandated role and in our pursuit of achieving long-term sustainability. With Industry 4.0 having rapidly changed the business needs of technology companies in Malaysia and continuing to do so, MDV has begun taking progressive steps in transforming the Company for major changes going forward and in enhancing our products and services. This has led to 2018 being the maiden year for many of our transformative efforts including the implementation of our Venture Financing programme and the rolling out of MDV's 5-year business plan. Indeed, I am most grateful and humbled by all of the support given to me in my first year of leading MDV. My utmost gratitude to the Government of Malaysia, particularly, the Ministry of Finance (MoF) and the Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC) for continuing to believe in MDV's role and potential; our esteemed Chairman and Board of Directors for all the invaluable guidance and direction given in ensuring that MDV continues to progress further; our strategic partners and valued customers for their support and cooperation extended to MDV; and last but not least, to all MDV staff for their diligence and unfaltering commitment in seeing that MDV continues to deliver on its mandate in the pursuit of advancing the technology sector further for the benefit of the Nation.

Nizam Mohamed Nadzri
Chief Executive Officer

The background is a deep blue gradient. It features a faint, stylized cityscape with various building silhouettes. Overlaid on this are several geometric elements: a thin white line and a thin yellow line both extending diagonally from the upper left towards the center; two dark blue diamonds positioned to the right of the main text; and several thin, light blue curved lines that sweep across the lower half of the image, some originating from small circular nodes. The overall aesthetic is modern and corporate.

LEADERSHIP & PEOPLE

BOARD OF DIRECTORS' PROFILE



DATO' SERI LEE KAH CHOON
Non-Executive Chairman

Dato' Seri Lee Kah Choon was appointed as the Chairman of MDV on 13 December 2018.

Dato' Seri Lee Kah Choon is currently a board member of various state government linked companies and corporations as well as private companies. As a Director of Invest-in-Penang Berhad, Penang Development Corporation and Penang Hill Corporation, Dato' Seri Lee is actively involved in deciding the policy direction of these government linked corporations for the State of Penang since 2008.

Dato' Seri Lee is also a member of the Investment Committee of Areca Capital, an associate company of Kuok Group, a licensed fund manager for individuals, corporations and other institutions.

Additionally, he is the chairman of various private companies. Industries covered by these companies/corporations include: trading, packaging, food production, tourism, property development, and wealth management.

Before embarking on his current profession, Dato' Seri Lee has served as the Parliamentary Secretary to the Ministry of Health from 2004 to 2008 and the Member of Parliament for the Jelutong Constituency as a backbencher from 1999 to 2004. Prior to his duties in Kuala Lumpur, Dato' Seri Lee was the Seberang Perai Municipal Councillor from 1997 to 1999.

He was a practicing lawyer with his own private legal practice from 1987 to 2004, after being called to the Bar of Malaya in 1987 and Bar of England & Wales in 1986. Dato' Seri Lee holds a LLB from the Southampton University, UK and a MA from the City University, London.



DATO' RAJADORAI MUTHAN
Non-Executive Director

Dato' Rajadorai Muthan was appointed as Director to the Board of MDV on 26 March 2013.

He is a Fellow of CPA Australia and a Chartered Accountant of Malaysia of the Malaysian Institute of Accountants. He graduated with a Bachelor of Economics (Hons) degree from Universiti Malaya (UM) and a Masters of Business Administration (Distinction) from Manchester Business School, University of Manchester, United Kingdom.

He is currently the Director of Indah Bandaran Sdn Bhd. He has been a Member of the Disciplinary Committee Panel of the Advocates & Solicitors Disciplinary Board, Malaysia since 17 June 2010. Presently he also sits on the Management Committee of the Royal Pahang Golf Club as an appointed representative of Duli Yang Teramat Mulia Tengku Mahkota Pahang.



MR NG CHIH KAYE
Non-Executive Director

Mr Ng Chih Kaye was appointed as Director to the Board of MDV on 18 September 2015.

He began his career at a Chartered Accountants firm in London and later at KPMG, Kuala Lumpur. He then served Maybank for 25 years with his last position as Executive Vice President. Mr Ng is a member of the Malaysian Institute of Accountants (MIA) and a Fellow of the Association of Chartered Certified Accountants (ACCA). He currently sits on the Board of CapitaLand Malaysia Mall REIT Management Sdn Bhd. and Ambank (M) Bhd.



ENCIK JOHARI ABDUL MUID
Non-Executive Director

Encik Johari Bin Abdul Muid was appointed as Director to the Board of MDV on 20 November 2015.

He is currently a Board Member of Nomura Asset Management Malaysia Sdn Bhd and Nomura Islamic Asset Management Malaysia Sdn Bhd. He also serves on the Investment Panel of KWAP. He started his career in investment at CIMB Bank Berhad as Head of Treasury and then joined CIMB Securities Sdn Bhd as Senior Vice President for Institutional Sales.

After serving CIMB for 20 years, he then joined Valuecap Sdn Bhd as Chief Investment Officer for a year before joining the Employees Provident Fund (EPF) as Chief Investment Officer. He was promoted to Deputy CEO Investment Division and later became Deputy CEO of Pension Policy and Corporate Planning. After eight years of serving the EPF, he left to join RHB Bank Berhad as Chief Executive Officer and retired in 2013.

He is a Fellow of the Chartered Institute of Management Accountants, United Kingdom.

He also sits on the Boards of Bursa Malaysia Berhad, Al Rajhi Banking and Investment Corporation (Malaysia) Berhad.



**PUAN KHALIMATUN SAADIAH
MOHD KHALID**
Non-Executive Director

Puan Khalimatun Saadiah Mohd Khalid was appointed as Director to the Board of MDV on 22 November 2016.

Puan Khalimatun obtained her Bachelor of Business Administration (Hons) (First Class) in Finance from Universiti Teknologi MARA in 2001 and a Diploma in Public Administration from the National Institute of Public Administration (INTAN) in 2003. She started her career as the Assistant Secretary of the MoF (Inc.) Coordination, Privatisation and Public Enterprises Division of the Ministry of Finance in 2002. Puan Khalimatun was the Section Head (Commercial Sector) of the Government Investment Companies Division of the Ministry of Finance before she joined the National Budget Office on 1 March 2019. She is currently the Section Head, Performance Management and Evaluation Sector of the National Budget Office of the Ministry of Finance.

She was previously the Board Member of SIRIM Berhad and Kuantan Port Consortium Sdn Bhd.



DATUK GIVANANADAM KALINAN
Non-Executive Director

Datuk Givananadam Kalinan was appointed as the Director to the Board of MDV on 29 November 2017.

Datuk Giva obtained his Bachelor of Science (Hons.) from Universiti Malaya (UM) in 1982 and Diploma in Public Administration from the National Institute of Public Administration (INTAN) in 1984. He started his career in the Public Sector in 1984 as Assistant Secretary in the Ministry of Defence and then in the Ministry of Housing and Local Government.

He obtained his Master in Business Administration (Finance) from Michigan State University (USA) in 1997. He was then posted to the Ministry of Finance (MoF). He continued his career in MoF as Budget Review Officer for nine years after which he served as Deputy Director of Budget for nine years. He was then appointed as Undersecretary of the International Division at MoF where he served for four years before retiring in October 2017.

During his service in MoF he also served in various Boards as Director including Malaysian Highway Authority (LLM), Human Resource Development Fund (HRDF), Kuantan Port Consortium, Aerospace Technology Systems Corporation and SOCSO (Investment Panel).



PUAN NAZIDAH AHMAD AZLI
Non-Executive Director

Puan Nazidah Ahmad Azli was appointed as Director to the Board of MDV on 5 February 2018.

Puan Nazidah obtained her Bachelor of Commerce (Accounting) from University of Western Australia, Perth in 1985. She started her career at Telekom Malaysia Berhad 33 years ago and has held several different positions throughout her years of service from accountant, Project Director for ERP implementation for the whole Group, VP Financial Controller of TM Group to CFO of VADS Berhad; the ICT arm and wholly owned subsidiary of Telekom Malaysia. Currently she heads the Finance division of TM Global; holding the position for the last 4 years. In her capacity as a senior management personnel of TM Group she had also served as Director on the Boards of VADS Berhad and Menara KL. She is a FCPA of CPA Australia.



DR AZURA OTHMAN
Non-Executive Director

Dr Azura Othman was appointed as Director to the Board of MDV on 5 November 2018.

Dr Azura graduated with a degree in Accounting and Finance from the London School of Economics and Political Science. She is also a Fellow of ACCA (UK), a member of Malaysian Institute of Accountant and a chartered member of the Institute of Chartered Islamic Finance Professionals (CIIF). She received her PhD in Islamic Finance from the International Centre of Education in Islamic Finance (INCEIF).

Currently, Dr Azura is the Chief Executive Officer of the Chartered Institute of Islamic Finance Professionals (CIIF), a professional standard setting body for Islamic finance practitioners.

She has been an Independent Non-Executive Director of Bank Muamalat Malaysia Berhad since 2015, where she chaired the Board Audit Committee and is currently the chairman of the Nomination and Remuneration Committee. She was a former Executive Director of PricewaterhouseCoopers Taxation Services, Malaysia with over 19 years of experience as a tax consultant and in engagements relating to Islamic Finance. Among her major assignments include formulating the tax incentives for Malaysia as the International Islamic Financial Centre (MIFC). She has authored a book in Macroeconomic Policy and Islamic Finance as well as various chapters and articles in Islamic finance.

MANAGEMENT TEAM



Nizam Mohamed Nadzri
Chief Executive Officer



Adrian Khor Yew Meng
Executive Vice President,
Finance & Operations



Aimi Aizreen Nasharuddin
Executive Vice President,
Business



Rizal Fauzi
Executive Vice President,
Risk Management



Engku Husain Hazmi Engku Embong
Senior Vice President,
Credit Management



Mohd Nazarul Haizan Md Dom
Senior Vice President,
Business



Abu Hasan Abd Manan
Senior Vice President,
Business



Julinah Abd Hamid
Senior Vice President,
Asset Management



Yashvin Metha Vythy
Senior Vice President,
Corporate Planning



Mohd Az-Zuhry A Rashid
Vice President,
Business & Technology Advisory



Alfian Othman
Vice President,
Finance & Administration



Siti Rashidah Adam
Vice President,
Internal Audit



Hanim Kassim
Vice President,
Human Capital



Amelia Ong Abdullah
Senior Assistant Vice President,
PR & Communications

HUMAN CAPITAL DEPARTMENT'S KEY ACHIEVEMENTS

In an effort to build a more sustainable and dynamic working ecosystem, and to position itself competitively against other organisational Human Resource structures, 2018 saw MDV Human Capital (HC) making further headways in its development activities namely the Competency Framework, complementing other transformational agendas that have been successfully completed in the previous years including Job Description review, Company-wide Job Evaluation, Salary and Benefits review, and Talent Management Framework.

With regard to the implementation of the reviewed benefits, salary and employees' grade structure, MDV has received the approval of the Ministry of Finance (MOF), and therefore, MDV employees' positions will now be determined via a structured job points system that would allow for better placement and pay determination.

In 2018, HC had embarked on a review of all its policies and Standard Operating Procedures (SOP). Following this exercise, the Fit and Proper Policy

was introduced to all employees, with the aim of strengthening governance and risk mitigation within the Company. With the policy having been officially implemented in 2019, the Company expects all employees to be competent, objective, possess integrity and have a sound financial standing, so as to provide MDV with the assurance that those in authority are able to fulfil their obligations and to act effectively, honestly, fairly and in the best interest of the Company at all times.

During the year, HC also continued to develop MDV's in-house talents comprising employees who have been identified to be in the "talent pool". Guided by HC's Talent Management Framework, this initiative will eventually lead to the strengthening of MDV's management line-up and its succession pipeline. The most pronounced of which is the ascension to MDV's leadership; our own home-grown CEO, En. Nizam Mohamed Nadzri. En. Nizam who succeeded YBhg. Datuk Md. Zubir Ansori Yahaya in March 2018 is an example of how MDV is able to produce capable leaders to helm its organisation.

The year 2018 also saw the graduation of the Management Apprentice Programme (MAP) participants after only one year being in the programme. The MAP, which was initially planned to be completed within a two-year period, has met with such success, that the Management was confident to absorb all four of the MAP participants into suitable departments earlier than the expected programme completion period to further contribute to the Company and its future.







PERFORMANCE REVIEW

FINANCIAL REVIEW

In line with the theme for the FYE 2018 Business Plan of “Overcoming the Challenges, Navigating the Future”, MDV achieved a net profit of RM8.90 million for the year, surpassing its target of RM4.50 million. The net profit for the FYE 2018 also marked MDV’s 9th consecutive year of profit since 2009.

FYE 2018 result was even more meaningful and notable as MDV overcame a number of significant challenges in the VUCA world including turbulent global and domestic markets, funding challenges and the adoption of the new Malaysian Financial Reporting Standards (MFRS) 9, particularly with more stringent classification of impaired accounts. MDV continued to fulfil its mandate as the nation’s leading technology financier and managed to record new financing approvals and disbursements of RM279.72 million (FYE 2017: RM805.52 million) and RM421.76 million (FYE2017: RM647.37 million) respectively, particularly for the small and medium sized companies/projects in the ICT, Greentech, Biotech and Emerging technologies sectors. The approvals and disbursements were significantly lower compared to the previous financial year due to the guarded bearish market pre and post the Malaysian General Election in May 2018. More encouragingly, RM28 million in approvals were to technology startups under MDV’s Venture Financing programme.



For FYE 2018, the emphasis was on strengthening MDV’s asset liability management, building up cash reserves to discharge MDV’s various anticipated debt obligations and as part of our risk management practice. Hence, repayment from customers for the year stood at a commendable RM512.27 million (FYE 2017: RM585.04 million) from financing extended to customers as well as significant recoveries from impaired financings to fund new disbursements and repay our Sukuk liabilities. The relatively higher repayment and recoveries substantially eased the pressure on funding and have contributed to an improved asset quality at 23% (FYE2017: 28%) Gross NPF albeit a contraction in gross portfolio to RM1,275.69 million in FYE 2018 (FYE 2017; RM1,577.55 million).

Total income for FYE 2018 decreased by 4.19% to RM124.65 million (FYE 2017: RM130.10 million) in tandem with the lower disbursement but the effects of the lower portfolio was partly mitigated as the average yield increased from 7.80% to 8.40% as MDV embarked on a two-tiered risk based pricing in Q4 2018 onwards. MDV’s cost of funds also decreased by 5.53% to RM50.57 million (FYE2017: RM53.53 million) as MDV consolidated its funding in line with its lower portfolio balances. As part of its strategy to conserve cash and remain vigilant, MDV also embarked on numerous measures to rationalize its operating costs, yielding a 16.41% savings in operating expenditure to RM26.05 million (FYE2017: RM31.16 million) which contributed significantly to its bottom line. This was also reflected in the lower cost income ratio of 21% (FYE2017: 24%) as MDV repositioned itself under a leaner operating structure to ensure that it remains resilient and relevant in light of the disruptive changes across the industry as it embraces the digital economy.

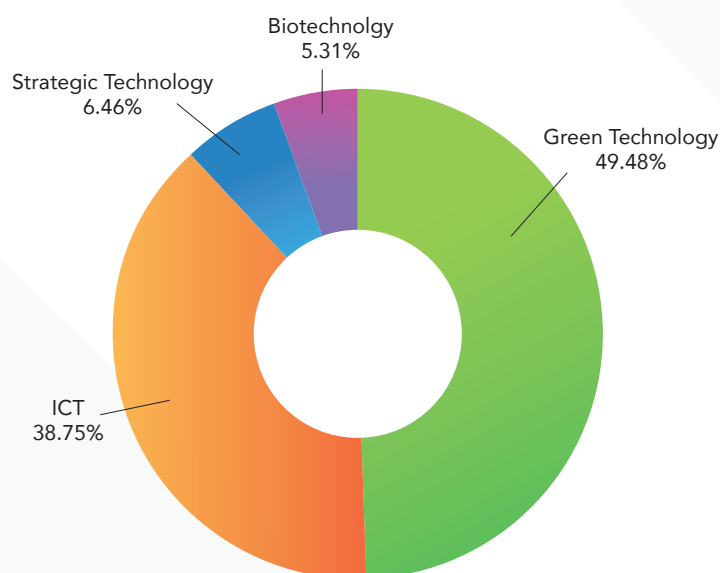
For FYE 2018, MDV recorded a lower net financing loss allowance of RM37.30 million (FYE2017: RM115.73 million) mainly due to mitigation of the accelerated provisioning of a few accounts across various sectors by strong recoveries during the FYE2018 with RM64.51 million cash recovered from impaired accounts contributing to specific provision write-backs of RM14.24 million. The full adoption of MFRS9 in FYE 2018 also had a positive impact on MDV’s overall financials through the write-back of general provisions for accounts that were able to be regularized during the year through constant monitoring of delinquent accounts and aggressive engagement with customers to ensure timely repayment.

MDV’s financial position remains stable with the continued strong support from the Government of Malaysia as reflected by the issuance of the 1st and 2nd IMTN tranches of RM230 million and RM270 million under the Third Fund in Q3 2018 and Q2 2019 respectively. MDV also successfully repaid RM200 million of IMTN under its Second Fund in Q3 2018. Cumulatively, MDV has to-date repaid RM800 million of the RM1,500 million IMTN issued under its Second Fund.

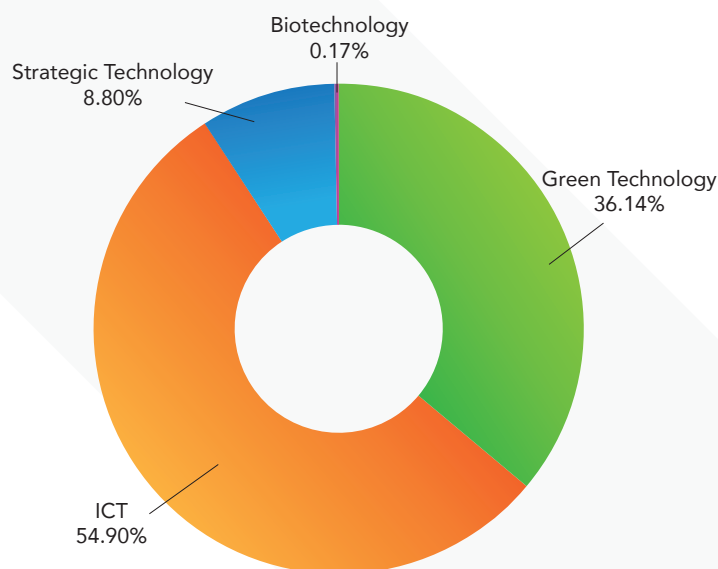
In an effort to secure alternative sources of funding, MDV will secure a standalone Corporate Credit Rating. The results of the rating exercise are expected to be available in 2019 and this will consolidate MDV’s position moving forward as a technology financier as Malaysia gears itself to unlock the vast potential of the digital economy ahead.

DEVELOPMENT FINANCING

Development Facilitation Review



MDV'S PORTFOLIO



MDV'S DISBURSEMENT

In FYE 2018, MDV's portfolio dropped by 16.17% year-on-year to RM1.31 billion; comprises of Green Technology sector at 49.48%, followed by ICT with 38.75%, then Strategic Technology at 6.46% and Biotechnology at 5.31%. Green Technology sector gained momentum due to financing approvals for new renewable energy projects, supported by SEDA Feed-In Approval and Renewal Energy Power Purchase Agreement (REPPAs) with Tenaga Nasional Berhad. Total disbursement for 2018 was at RM421.76 million. ICT sector leads with 54.90%, followed by Green Technology at 36.14%, Strategic Technology with 8.80% and Biotechnology at 0.17%. Across all five of MDV's development programmes comprising the B3DF, GTFS, IPFS, RMK-10 and Biotechnology Transformation Programme, MDV approved RM83.67 million in financing facilities during the year. In FYE 2018, MDV focused efforts on increasing the traction of its development programme with approvals under the MDV-TACT programme worth RM12.60 million and one approval for the "Elev8" programme.

Energy Performance Contracting

As of late, many countries have been operating in a climate of economic uncertainty. They are faced with the challenge of having to provide more while having to work with much less, such as the cutting of operating costs and capital investments. With this in mind, many are focusing on improving energy efficiency in their buildings and facilities by reducing energy usage and cutting greenhouse gas emissions, as existing buildings are responsible for 40.0% of the world's total energy consumption and account for 24.0% of the world's carbon dioxide (CO₂) emissions. While this makes sense economically, there are still obstacles such as facilities that consume energy at unproductive levels, lack of resources to invest in developments, upgrades and maintenance and rising energy costs that increase pressure on over-extended operating budgets.

Therefore, to achieve their objective without increasing expenses, many companies are now adopting energy efficiency via Energy Performance Contracting (EPC). EPC is a model where Energy Services Companies (ESCOs) charge the building owner a fee (a fraction from the total savings) to deliver energy savings on the owner's utility payments via implementation of energy saving measures. ESCOs will usually take on performance risk whereby if no energy is saved, they do not profit. Apart from that, EPCs are designed to omit upfront cost to the building owner with funding provided by a bank or financial institution, or from government grants, loans or financial schemes to implement the measures.

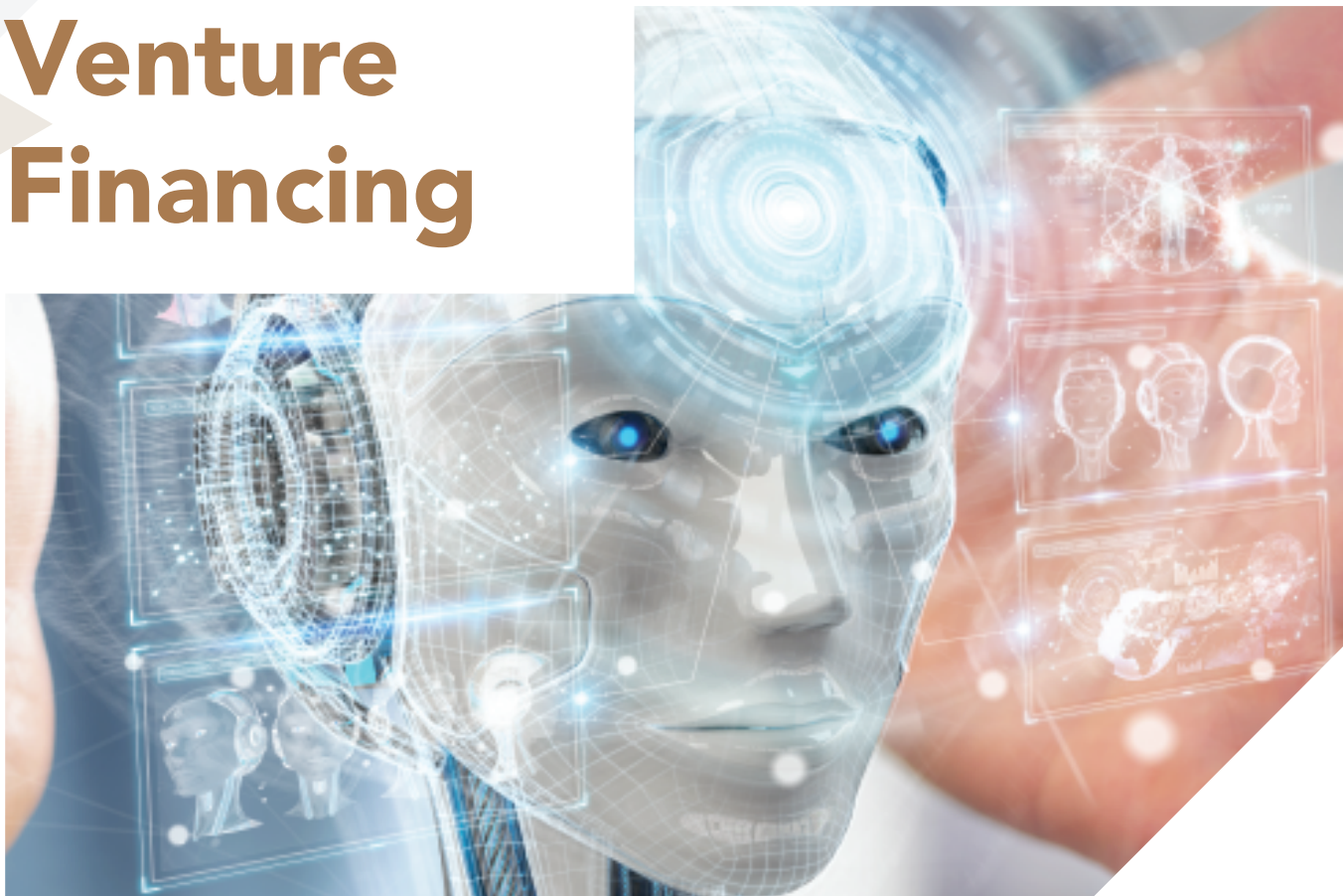
In Malaysia, despite increasing awareness on energy efficiency projects over the years, access to financing remains one of the biggest challenges for market players. There is a lack of dedicated financing schemes for energy efficiency projects from commercial lending institutions, which are mainly due to the institutions not having sufficient capacity and expertise to deal with the overall assessment and evaluation of energy efficiency projects. In addition, weak balance sheets and limited collaterals available for these projects are also affecting lending institutions' interest and confidence.



With the aim of addressing this financing gap that exists for energy efficiency projects, MDV is currently the only financier offering a dedicated fund for EPC. Financing provided by MDV can improve the implementation of energy efficiency projects in the building sector and spur sustainable ESCO growth in the country. The success of the EPC model will further enhance stakeholders' confidence towards ESCOs especially commercial financial institutions in providing financing to ESCOs for implementation of EE projects through EPC method in the country. EPC projects also carry a huge advantage in Malaysia due to the current financing landscape where many lenders are hesitant due to banks operating with single customer limits for financing.

More encouragingly, Malaysia, which currently has an approximately 5,000 Government buildings nationwide, has set a target for retrofit of at least 50 government buildings in 2019 with the total value of EPC projects estimated to be in the range between RM160 million to RM200 million. This positive development is certainly the boost that the energy efficiency industry needed and will become the catalyst for the industry's continued growth moving forward.

Venture Financing



Venture Finance ("VF") showed strong traction during its maiden year in 2018. A total of 10 companies have been financed under MDV's MDV-TACT programme and there is a current pipeline worth more than RM30 million, demonstrating the encouraging responses from high growth technology companies. Through financing the 10 stated companies, MDV has stretched to multiple investment verticals within the digital business model. This includes, but not limited to, e-commerce, software-as-a-service (SaaS), and digital out-of-home advertising. In 2019, VF division will continue to closely observe market trends and identify the key segments that MDV can best support via the MDV-TACT programme.

To further expand MDV's footprint in the startup ecosystem and to build awareness of Venture Financing, VF has taken efforts in nurturing ties with community builders and has also actively taken part in ecosystem-related events. MDV was one of the co-organising partners for WILD Venture Tech 2018, one of the first venture capital and startups pitching event in Malaysia, together with Malaysia Digital Economy Corporation. In May 2018, MDV was enlisted as one of the panelists of international investors for the first ever SEA DRAGON pitching event, organised by the National ICT Association of Malaysia (PIKOM). VF also has taken a step into mentoring and coaching early stage startups, with the objective to cultivate future potential financing opportunities. As an example of this, MDV supported the 4-month intensive accelerator programme, Selangor Accelerator Programme 2018, organized by the Selangor Information Technology & Ecommerce Council by providing coaching sessions and serving as a panel judge to more than 30 startups pitches.

Most of the financed companies under MDV's MDV-TACT programme have demonstrated strong growth over the period, reaching their target milestones with two of them securing investors' interest for their next funding round. Moving ahead to 2019, VF continues to see robust interests for financing from potential new customers and will continue strengthening the current portfolio companies.

MDV's Role in Renewable Energy

Based on recent statistics by the Energy Commission, Malaysia's electricity generation for 2016 was mostly derived from gas (43.5%), followed closely by coal (42.5%) while hydro made up 13.0% of the power generation mix. In September 2018, Energy, Science, Technology, Environment and Climate Change Minister YB Yeo Bee Yin said that she was confident in meeting a 20.0% Renewable Energy (RE) target by 2025, from 2.0% currently.

Geographically, Malaysia's location is advantageous for solar and its extensive plantations can supply large sustainable quantities of biomass, making its potential for renewable energy generation very sizeable. Hydropower already plays a significant part in the nation's energy mix, and mini-hydropower from streams and rivers have boosted the electricity supply in rural areas.

The potential for energy from palm oil waste is also significant. Malaysia produces around 18 million tonnes of palm oil per year, most of which are exported. Oil palm plantations cover 15.0% of the country (4.7 million ha) and produce a significant amount of combustible waste – both biomass, including empty fruit bunches, tree fronds, trunks, fibres and shell; and biogas from methane capture of palm oil mill effluent (POME) – which, according to some estimates, could generate up to 20.0% of the country's electricity by 2020.

Over the years, the Government's continued commitment at developing the RE industry in Malaysia has seen the introduction of several initiatives and incentives such as the Feed-in-Tariff (FiT) and the Net Energy Metering (NEM) schemes under the Sustainable Energy Development Authority (SEDA), and the Green Technology Financing Scheme (GTFS) under the Malaysian Green Technology Corporation (GreenTech Malaysia), just to name a few.

However one critical issue remains, particularly from Malaysia's perspective, which is financing access; the structuring of the best mixed of equity and loan. Most RE projects struggle to compete for investments or find it extremely difficult to obtain loans. These projects are seen as risky and many rely on support from the Government in the form of incentives and subsidies. Nonetheless, this situation is slowly changing as RE projects become more acceptable due to the reduced cost of RE equipment and an increased awareness on sustainability among the industry players, users and the Government.



However, a project would still require extensive capital undertaking, especially large-scale RE projects. Although financial institutions are now relatively more receptive to financing RE projects, their risk appetite for the industry is still quite low and very selective to smaller scale projects. It is in this spectrum that MDV, being an active financier of RE in various sectors and commercial scales, is able to provide its expertise to potential producers giving insight from commercial and technical perspectives to ensure successful implementation and plant sustenance.

Over the years, MDV has participated and financed solar, biogas, biomass and mini-hydro projects. Below is the snapshot of our participation in these sectors.

As Malaysia embarks on the journey to achieve 20.0% RE in the power mix by 2025, MDV will continue to play its active role in supporting the Government's aspiration by financing some of the future RE projects.

	Solar	Biomass	Biogas	Mini hydro
Project Value (RM)	RM356.1mil	RM85.5mil	RM70.45mil	RM168.02 mil
Capacity (MW)	51.40 MW	13.94MW	18.21MW	28.5MW
No of plants	36	2	7	4

Future Technology Landscapes

Much of the technology disruptions today are to provide innovative solutions for current business and societal challenges. The path for future technology landscapes is to address growing concerns of urbanisation; resource scarcity and food waste; increasing food yield for consumption; improving business sustainability and customer experience at optimal or minimal energy; and managing bandwidth wastage at minimal costs.

Recent technologies over the years have been augmented by recent developments in the areas of Internet of Things (IoT), big data, robotics artificial intelligence (AI) and virtual reality (VR). Technology is becoming more intelligent and more converged as both virtual and physical worlds combine, creating a mesh of connections between people, businesses, devices, content and services. These advancements in technology continue to revolutionise various industry wide sectors, providing revolutionary transformation in the way we produce and consume things. Most of the upcoming technology trends have seen rapid development into consumer and enterprise market as prototypes thanks to available platforms such as Kickstarter, crowdfunding and venture capital firms backing great innovative ideas into reality.

Below please find the future technology landscapes in the coming years; sourced and predicted by CES 2019, Deloitte, Gartner and various other technology reports.

Sustainable Technology for a Better Future



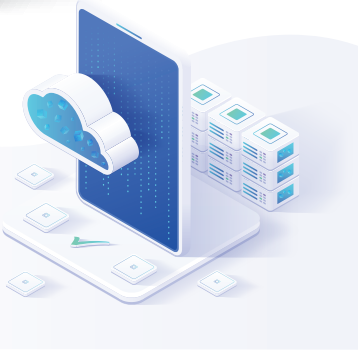
Ultimately, there have been a lot of conscientious effort to enhance and provide a better environment. UN's Intergovernmental Panel on Climate Change's 2018 report serves as a catalyst and a wakeup call on all nations in pursuit of a lot a greener, safer and cleaner environment for everyone. Globally, there has been a conscious effort to drive green and clean technologies for the betterment of the future such as driving policies and taking actions in cutting food waste, provide ride-sharing platforms, electric cars and energy efficiency.

Green projects such as smart grids, energy storage, energy efficiency, electric vehicles and carbon emission reductions have, in recent years, been engaged widely across board and likely to continue to be engaged by various sectors of the public.

Efforts are being made to address various issues: food scarcity and yields to sustain a community, the more efficient use and distribution for energy, eliminating food wastage and non-ecofriendly products and adopting safer and cleaner products and methods.

In agriculture, current technologies allow for better efficient use of space, energy and water to yield greater crop production. Additionally, agro-robots automate labour-incentive crop management as well as provide succinct and efficient data collection for better crop growth. Precision agro utilising GPS, sensors, UAV drones and semi or autonomous vehicles provide better control for crop and livestock management.

Edge Computing



Edge computing is a spillover effect from cloud computing, combined with the availability of devices that is available for mass markets such as self-driving cars, health wearables and robots. Edge computing allows for the devices to do the critical processing and decision making, shifting the processing power out of cloud or network and nearer to the end users. Real time data analysis is done on devices to reduce data transfer volumes and cloud dependencies; businesses can then become more flexible and agile.

Edge computing will create a corresponding growing trend for multi-location data storage to capture all sensors for deeper analysis or machine learning for real time insights. By reducing the volumes of data that must be moved, the consequent traffic, and the distance the data must travel, edge computing minimises latency, reduces transmission costs, conserve network bandwidth while providing fast real-time analysis, collate and secure a wide range of data and storing them for better processing and insights.

The move towards edge computing lies very much on the prolific offerings of smart devices, propagated by the increased reliability and availability of Artificial Intelligence ("AI") capabilities and data processing.

One example is data from intelligent camera or sensors are analysed at the edge and combined with facial analysis/recognition for better customer engagement. Big data analytics which require quantum computing power would also benefit from edge computing especially life science, space industry and environmental science by having communications bandwidth between systems under control.

Smart Community



The overwhelming acceptance of IoT, connectivity and mobile technology allows the community to fully embrace a smart community lifestyle. Smart communities and its corresponding technologies become more human centric and resilient, allowing for communities to produce and consume efficiently. One perfect example would be the City of Columbus which outlined a detailed strategy to upgrade into Smart City for better connection to available services, encourage greater use of sustainable transportation, improve access to jobs, reduce freight truck congestion using smart logistics and provide real-time traffic information to improve commuter mobility. Columbus is now funding 9 projects to achieve the above that are expected to be deployed by 2019-2020.

Intuitive and effective smart products increase community engagement. Smart cities benefit both city and its community, allowing enrichment in the lives of its residents as well as to potentially provide revenue for the city. In the cited example for Columbus above, an app, Citymapper was developed to facilitate mobile payment and more importantly, integrate various transportation services from public transit, parking, ride-sharing and ride-hailing in one system which allows the community to plan its most effective route and ultimately, save money.

By ensuring connectivity and infrastructure, a locality is able to support its community by providing the right support and platform for its various smart-solutions to its residents. Apart from fast data connectivity, the community can also benefit from availability of new mobility offerings such as ride sharing and electric vehicles.

Smart community planning also includes providing the locality smart and environmentally sustaining buildings. There have been various developments for this, including the provision for smart homes.

Mobility



Advancement and change in mobility revolve in automotive technologies known by the acronym ACES— vehicles that are Autonomous, Connected, Electric, and Shared – pushing development in systems and architecture, improving diagnostics and monitoring, streamline electrical systems, better Human Machine Interface and infotainment features as well as ease of use with enhanced security modules.

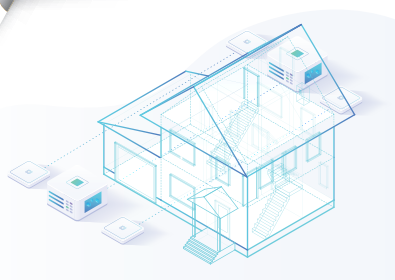
Both IoT and AI provide exciting changes in the automotive industry; AI allows for autonomous vehicles to evolve into becoming a hybrid combination of personal assistant as well as connected to the home ecosystem and vehicle surrounding intelligent road systems and the community.

The combination of fuel efficiency regulations, electric vehicles policies and growing demand for eco-friendly vehicles will continue to spur the growth for electric vehicles. Notably in the recent years, governments in Malaysia, Singapore, Thailand, China and Indonesia have championed the EE car manufacturing and ownership that will surely drive the growth for electric vehicles.

The combination for big data, IoT via edge computing will provide for performance & energy efficiency gains in transportations. There will be a continued interest for companies to invest in renewable energy and EV vehicles and components, especially pushed by Government incentives.

There has also been an overall downtrend growth in automobile vehicle sales globally with the increase of ride sharing, car leasing and growing popularity of modern public transportation, replacing the need for car ownership. Personal transportation is seen evolving with sharing economy and business model quipped as on demand ride service in most urban population.

Smart Homes



As AI reaches full potential, smart homes are predicted to grow in usability in its combination of interoperability and intelligence.

Smart homes technology is no longer a new technology, however, it has since evolved throughout the years. Smart homes appliances are becoming more intuitive and sophisticated.

Another development in this area is also the availability of a virtual personal assistant: a software-based cloud service providing information and performing tasks such as managing schedule and home control.

Smart homes technology is now changing from one brand providing for a “complete ecosystem” for an entire home to allowing differing brands and appliances to “speak” to one another. For example, in the future we would likely see the connectivity between homes and vehicles.

Electrical appliances and fittings would have embedded sensors and software to intelligently provide useful information to home owners for their predictable actions. Local council services have never been much easier with connected apps on their smart homes.

Given the availability of both 5G network infra and advancement in viewing devices, consumers are predicted to spend higher for streaming services. Gen Z and millennials have changed the trend for viewing content – where there’s preference for online streaming; where one can choose content rather than traditional, structured programming of pay-tv or free-TV. For instance, paid subscription services such as Netflix, Hulu, Prime Video etc. are on the rise compared to Pay TV subscriptions.

Intuitive AI technology provides for better viewing recommendations while both AR and VR promise a more interactive viewing in the near future.

Intelligent Interfaces



An intelligent interface (Intelligent UI, IUI, or sometimes Interface Agent) is a user interface (UI) that involves some aspect of artificial intelligence (AI or computational intelligence). There are many modern examples of IUIs, for example, IoT technologies such as machine learning, robotics, augmented reality and virtual reality which leverages on audio visual sensory aided software.

Generally, an IUI involves the computer-side having sophisticated knowledge of the domain and/or a model of the user. These allow the interface to better understand the user's needs and personalise or guide the interaction. For example, IUI can provide the necessary and more succinct feedback for both retailers and product owners, allowing for targeted marketing and customer experience for users.

Additionally, intelligent voice interfaces found in various virtual personal assistant products as well as deployed in retail operations provide enhanced operational efficiencies and increased sales productivity by automation of repetitive tasks which also reduce costs dependencies for physical human interaction in sales.

5G Connectivity



Globally, high speed connectivity is imminently important, seeing how data intensive technology is increasingly reliant on robust high speed connectivity especially in urban populations.

5G will be able to support the growth and demand of Internet of Things ("IoT") and smart devices/appliances. The rolling out and implementation of 5G not only assures gigabit speeds, but also allows the handling and consuming of a lot more data of up to 10Gbps data rate – 10 or 100 times faster than 4G with 90.0% reduction in network energy usage. This provides greater responsiveness and allow for better connectivity to available devices.

In Malaysia, Cyberjaya and Putrajaya have been selected to be the testbed for 5G connection pilot project by top three mobile telecommunication players, subsequently foretelling that 5G-ready mobile phones and devices will likely roll out in the near future.

Resources:

- <https://www2.deloitte.com/insights/us/en/focus/tech-trends.html>
- <https://www.forbes.com/sites/sarwantsingh/2019/02/11/top-automotive-trends-in-2019-a-year-of-wows-and-woes/#a7a936c1be85>
- <https://www.forbes.com/sites/forbestechcouncil/2019/01/17/four-predictions-for-edge-computing-in-2019/#7c7b7124f067>
- <https://www.muvi.com/blogs/ott-industry-trends-in-2019.html>
- <https://internetofthingsagenda.techtarget.com/blog/IoT-Agenda/Will-IoT-edge-computing-be-a-real-trend-in-2019>
- <https://www.machinedesign.com/motion-control/5g-s-important-role-autonomous-car-technology>
- <https://newsroom.nissan-global.com/releases/release-ddbd7a9f7c3b6e2465990d76e100de8e/images/074b20d9e25174eab8146462b7be1932083d9d3a>
- <https://www.theedgemarkets.com/article/tech-trends-whats-store-2019>
- <https://trends.sustainability.com/>
- <https://learn.g2crowd.com/2019-agtech-trends>
- <https://www.gartner.com/smarterwithgartner/gartner-top-10-strategic-technology-trends-for-2019/>
- <https://blogs.cisco.com/government/top-10-smart-city-trends-for-2019>
- <https://www.rfidjournal.com/articles/view?18103/2>
- <https://www.smartcitiesdive.com/news/smart-cities-trends-2019/545092/>
- <https://www.iotworldtoday.com/2016/05/18/world-s-5-smartest-cities/>
- <https://bipartisanpolicy.org/blog/five-innovative-examples-of-smart-cities-in-the-u-s/>
- <https://stateofgreen.com/en/partners/state-of-green/news/10-examples-of-smart-city-solutions/>
- MDV Business & Technology Advisory Division – Consulting Services

The Fourth Industrial Revolution

The Fourth Industrial Revolution, “Industry 4.0”, is the current buzzword, the new kid on the block. Industry 4.0 is the gradual transformation from the Third Industry Revolution; that is the automation of manufacturing processes that allow for better and more efficient outputs. So how is Industry 4.0 any different? The Industrial Revolution 4.0 provides for even better manufacturing process by smart systems platforms utilising on data/machine learning, artificial intelligence (AI) and Internet of Things (IoT). It is an exciting mix of robotics, sensing devices, connectivity, and programming that provide for better, innovative and efficient ways to work processes, specifically in the manufacturing sector. According to the World Economic Forum, Industry 4.0 is expected to create USD\$3.7 trillion in value to global manufacturing.

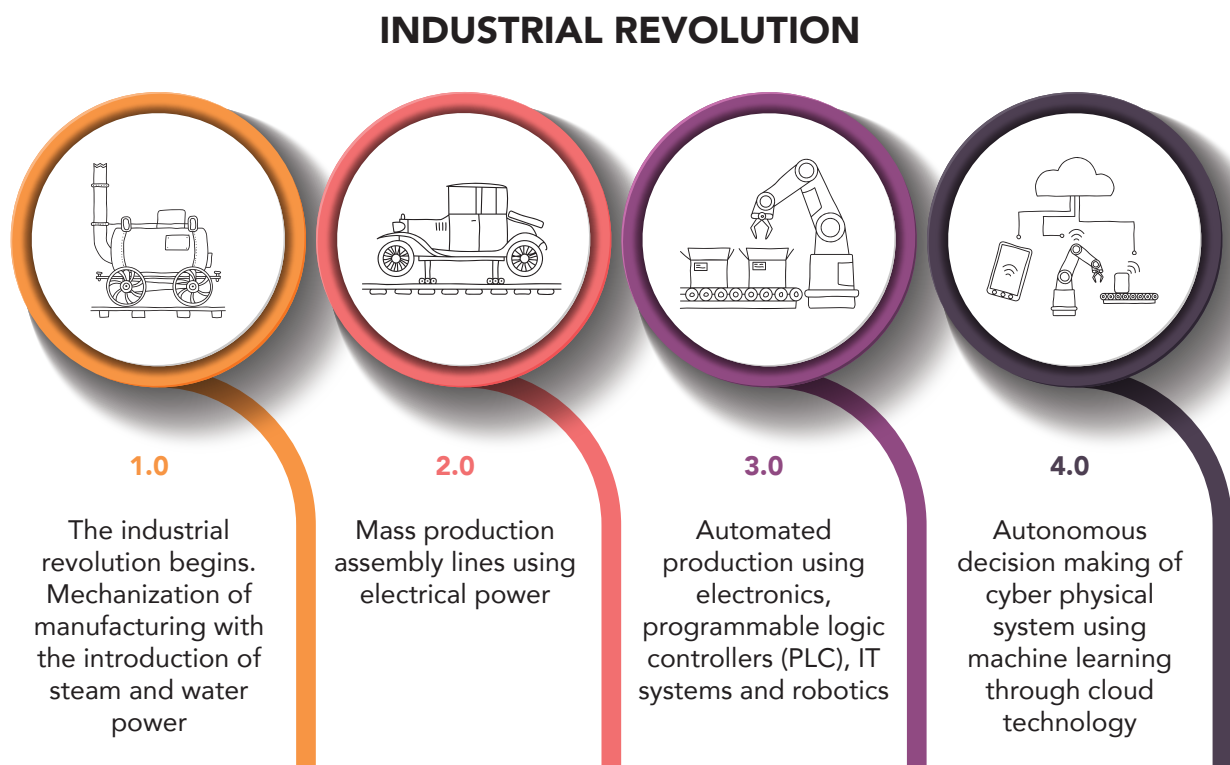


Figure 1.0: The Industrial Revolution Transformation (Credit: StudyMalaysia.com)

In this time and age, businesses are constantly being disrupted by new products and new ways of doing things to cater for the growing speed of digitalisation adoption among the demand markets. To stay relevant, businesses will need to understand and adopt to the Fourth Industrial Revolution, to achieve better capabilities and higher values for sustainable growth via better and faster design, novel and innovative products, reduced risks and elimination and minimisation of wastes and optimisation of their supply chains.

Globally, big corporations understand the need to adopt these changes where constantly evolving consumer demands requires business to step up and provide for a “anytime-anywhere” products and services at competitive costs. The combination of automation, robotics, predictive analytics and AI allows for better distribution of products including provide the better prediction of sales forecast due to greater or more accurate trends and analyses.

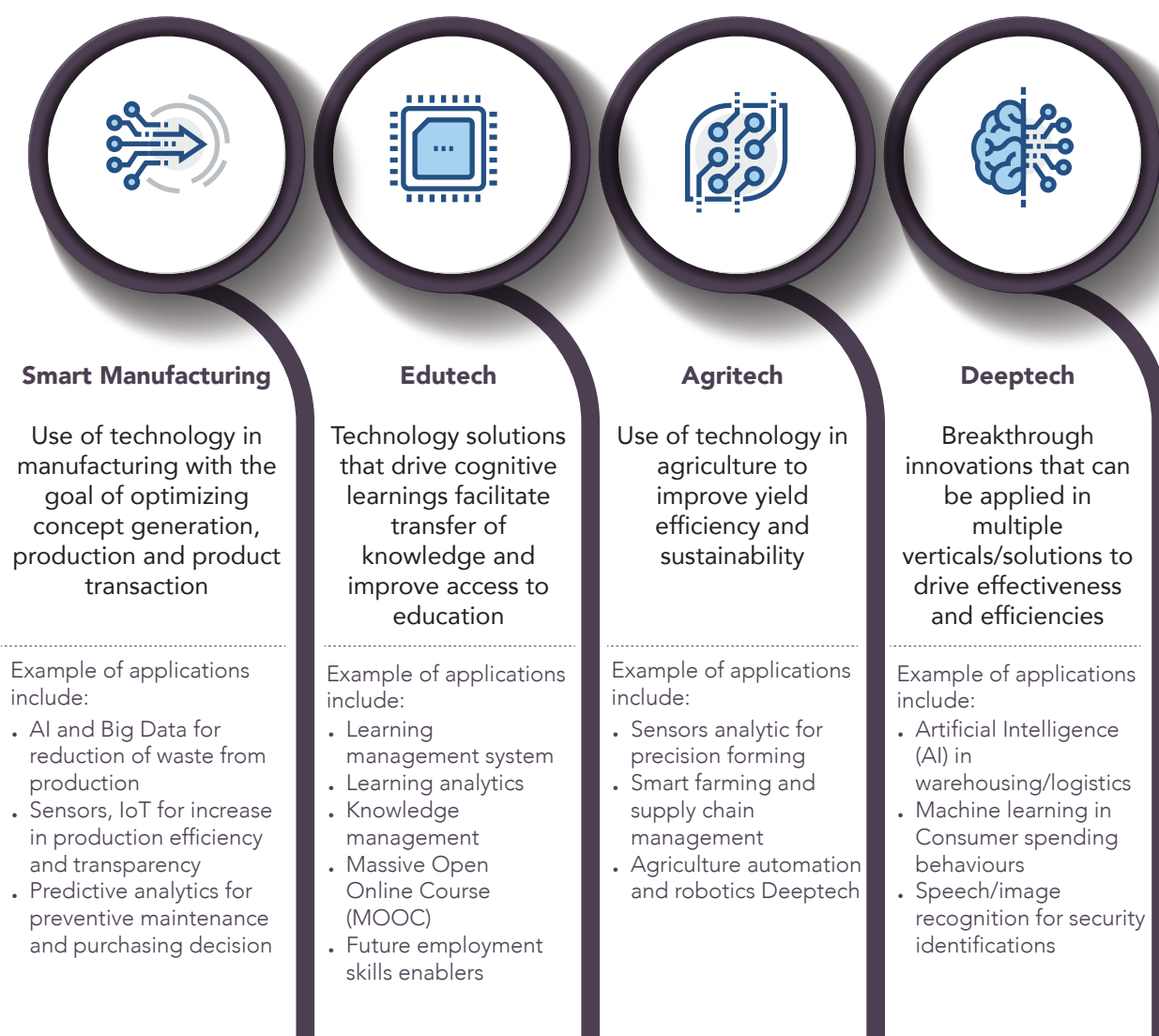
One of such example is P&G’s Rakona Fabric and Home Care manufacturing site in the Czech Republic. By fully adopting Industry 4.0 via implementation of end-to-end supply chain synchronisation through analytical modelling

and simulation, Rakona reduced 35.0% of inventory in three years and increased its inventory efficiency by 7.0%.

Mitsui & Co. Ltd., understanding the need to get everyone in the company on board with Industry 4.0, recruited a Chief Digital Officer ("CDO") to drive the companywide initiatives on digital transformation. The new team led by CDO is to identify new business opportunities utilising AI on existing data and IoT for factory automation, system failure prediction for increased efficiency as well as sales and demand forecasting.

So it is interesting to note that Deloitte, in their study on the readiness of corporate and businesses on Industry 4.0, stipulated that the "Fourth Industrial Revolution enables an increasingly globalised world, one in which advanced technologies can drive new opportunities, diverse ideas can be heard, and new forms of communication may come to the fore." The studies concluded that while there is still apprehension and unpreparedness for the Fourth Industrial Revolution, business leaders are gaining better understanding and therefore more aware of the challenges. A similar study by PWC also corresponded to this, i.e. where only 60.0% of the respondents are only at "dabbling" stage of the technologies.

THE FOURTH INDUSTRIAL REVOLUTION (INDUSTRY 4.0)

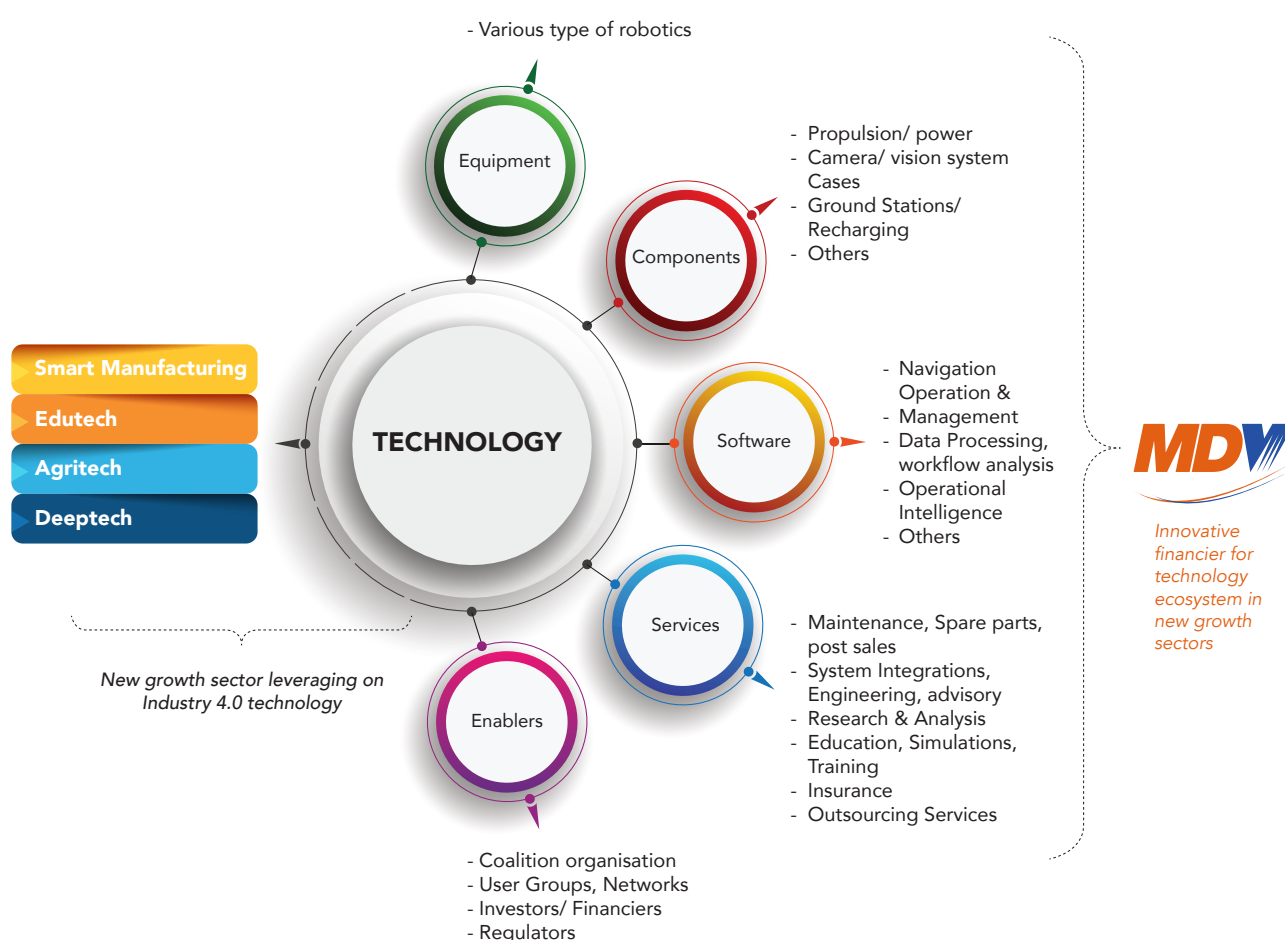


Leapfrogging existing key economic sectors like manufacturing, education, agriculture and in government by using next generation of technology under Industry 4.0

Figure 2.0: Industry Revolution in Various Sectors

MDV has identified key areas that the Fourth Industry Revolution can greatly benefit the industries in the country: Smart Manufacturing, Edutech, Agritech and DeepTech. Technology solutions, for example, can drive cognitive learnings to facilitate greater and clearer knowledge transfer which can provide not only better education system and platform but also create better and relevant human capital resources for the industries. The use of AI, machine learning and data analytics provide for greater and a more precise output that can be tailored to the relevant target market.

MDV can help finance Industry 4.0 initiatives in various ways. As a keen and experienced technology financier, MDV understands the growing significance of adopting and implementing new technologies for businesses to grow as well as the need for businesses to leap forward in creating better, succinct products via innovative and direct platforms to address the sophisticated demands of the current market. We can provide innovative financing to support the technology ecosystem to adopt the Fourth Industrial revolution in new growth sectors.

**Resources:**

- Paysa: Is Industry 4.0 really the Next Industrial Revolution and What Does it Mean for the Future of Work? (<https://www.paysa.com/blog/is-industry-4-0-really-the-next-industrial-revolution-and-what-does-it-mean-for-the-future-of-work/>)
- QGroup International: Industrial 4.0 (<https://www.qgroupinternational.com/industry-4-0-fund/>)
- Chris Daborn (Industrial 4.0 Infographics - <https://www.behance.net/gallery/61690915/Industry-40-Infographics>)
- Deloitte Insights: How leaders are navigating the Fourth Industrial Revolution? (<https://www2.deloitte.com/insights/us/en/deloitte-review/issue-22/industry-4-0-technology-manufacturing-revolution.html>)
- Deloitte Insights: Distinctive Traits of Digital Frontrunners in Manufacturing (<https://www2.deloitte.com/insights/us/en/focus/industry-4-0/digital-leaders-in-manufacturing-fourth-industrial-revolution.html>)
- World Economic Forum: Why strive for Industry 4.0 (<https://www.weforum.org/agenda/2019/01/why-companies-should-strive-for-industry-4-0/>)
- World Economic Forum: The Fourth Industrial Revolution and the factories of the future (<https://www.weforum.org/agenda/2018/08/3-lessons-from-the-lighthouses-beaming-the-way-for-the-4ir/>)

The background is a dark brown gradient with a diagonal split. On the left, there's a lighter brown area with faint, blurry images of hands and papers. On the right, it's a darker brown. Two thin, parallel diagonal lines (one white, one yellow) cross the upper half. Two dark grey diamonds are positioned symmetrically above and below the text.

CORPORATE GOVERNANCE & ACCOUNTABILITY

CORPORATE GOVERNANCE

Governance Framework

The Board of Directors of MDV is committed to upholding good corporate governance by continuously advocating transparency, accountability, responsibility and integrity, in line with the principles and best practices of corporate governance and primary legislative and regulatory provisions.

Board of Directors

Roles and Responsibilities

The Board is charged with leading and managing MDV in an effective and responsible manner. Each Director has a legal duty to act in the best interest of MDV. The Board sets MDV's values and standards and ensures that its obligations to its shareholders and other stakeholders are understood and met. The roles and responsibilities of the Board are governed by the Companies Act 2016, the Memorandum and Articles of Association of MDV, and any relevant guidelines as may be issued by the relevant authorities from time to time.

The Board is also guided by its Board Charter which defines the matters that are specifically reserved for the Board and the delegation of day-to-day management of MDV to Chief Executive Officer (CEO).

Risk Management Function

The Board has established an organisational structure with clearly defined lines of accountability, authority limits and responsibility aligned to business and operational requirements. This has been undertaken within the ambit of supporting the maintenance of a robust control environment while recognising MDV's Nation-building role for growth and the high-risk financing environment in which the Company operates. The Board also outlines the guiding principles and the accountabilities for effective risk-taking by establishing an appropriate control structure and process for identifying, evaluating, monitoring, managing and responding to various significant risk faced by the Company.

The risk governance structure is aligned across all business units through the implementation of an enterprise risk management framework. The framework is implemented across all business and support functions to create continuous risk awareness mindset, understanding of procedures and controls and thus enhance our risk management and risk culture. Risk management principles, policies, procedures and practices are updated regularly to ensure relevance and compliance with current/applicable laws and best practices, and are made available to all employees. MDV has also adopted the code of conduct, the anti-fraud and whistle-blowing policy, providing an avenue for employees to report actual or suspected malpractice, misconduct or violations of the Company's policies and regulations in a safe and confidential manner.

Operationally, MDV manages its risks based on the three lines of defence approach: risk taking functions, risk control functions and internal audit. At the first level, the risk taking functions, which comprise the operating business and support units, are responsible for the day-to-day management of risk inherent in the various business activities. Risk management control functions, at the second level, are responsible for setting the risk management policies and guidelines, including developing relevant tools and methodologies for the identification, measurement, mitigation, monitoring and control of risks. Thirdly, the internal audit function complements the risk management functions by reviewing and evaluating significant exposures to risk and contributing towards the improvement of the risk management and control systems. The internal audit function also provides independent assurance of the adequacy and effectiveness of the Company's risk management framework.

Board Risk Management Committee

The Board has also delegated the responsibility of reviewing the effectiveness of risk management to the Board Risk Management Committee (BRMC). The BRMC primarily assists the Board in:

- ensuring that overall corporate risks are measured and thresholds are controlled within pre-determined limits;
- ensuring that there are sufficient internal controls and clear mitigation plans for major risks and these plans include accountabilities and timeliness; and
- ensuring that a culture of identifying and managing risks exists throughout the organisation.

The BRMC is assisted by the Risk Management Committee (RMC) and supported by the Risk Management Division on an ongoing basis to ensure the effectiveness of the risk management control is monitored and evaluated. Additionally, any approved policy and framework formulated to identify, measure and monitor various risk components will be reviewed and recommended by the RMC to the BRMC and subsequently approved by the Board. Additionally, the RMC reviews and assesses the adequacy of these risk management policies and ensures proper infrastructure, resources and systems for risk management are in place.

Remuneration and Nomination Committee

The role of the Remuneration and Nomination Committee is to recommend to the Board suitable remuneration policies for Directors, evaluate the performance of the CEO and Senior Management, and establish pay-for-performance plans to achieve alignment with the Ministry of Finance's expectations.

The Committee also works with the Chairman to assess the Board's composition and skills, and recommends candidates for the Chairman, CEO and key company positions taking into account the views of the Ministry of Finance.

AUDIT COMMITTEE REPORT

The Board of Directors ("the Board") has the overall responsibility for internal control, and for reviewing its adequacy and integrity. The Board recognizes that MDV's system of internal control is designed to manage the risks within its acceptable risk profile and not to eliminate the risk of failure to achieve MDV's objectives. Hence, it can only provide reasonable and not absolute assurance against material misstatement of management and financial information or against financial losses and fraud.

The Board has appointed the Board Audit Committee ("the Committee") comprising primarily independent directors to provide independent oversight, and equip the directors and the management in effectively discharging their duties and responsibilities in relation to the compliance with the rules and regulations, in particular, compliance with the requirement of the Ministry of Finance, accounting policies and financial reporting. In this regard, the Committee assist the Board to ascertain that the Company's policies and procedures are reasonable and are being adhered to and management is effective and efficient in discharging their duties.

The Committee also plays a valuable role in reviewing all transactions are executed in accordance to the management's general and specific authorisation. In addition, the Committee provides a line of communication between the Board and the auditors by way of regular meetings.

The Committee members are:

1. Encik Abdul Rahim Abdul Hamid
Independent Non-Executive Director
Chairman (Resigned on 15/6/2018)
2. Mr. Ng Chih Kaye
Independent Non-Executive Director
Chairman (Appointed on 23/6/2018)
3. Encik Johari Abdul Muid
Independent Non-Executive Director
Member
4. Puan Khalimatun Saadiah Mohd Khalid
Non-Independent Non-Executive Director
Member
5. Puan Nazidah Ahmad Azli
Independent Non-Executive Director
Member (Appointed on 5/2/2018)

COMPOSITION AND TERMS OF REFERENCE

Composition

The Company must appoint the Committee from amongst its directors who fulfils the following requirements:

- (a) the Committee must be composed of no fewer than 3 members;
- (b) a majority of the Committee must be independent directors;
- (c) the Chairman shall be an independent director;
- (d) at least one member of the Committee;
 - (i) must be a member of the Malaysian Institute of Accountants ("MIA"); or
 - (ii) if he/she is not a member of MIA, he/she must have at least 3 years' working experience and:-
 - (aa) he/she must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or
 - (bb) he/she must be a member of one of the associations of accountants specified in Part 11 of 1st Schedule of the Accountants Act 1967.
- (e) No alternate director is to be appointed as a member of the Committee.

Quorum

No business shall be transacted at any meeting of the Committee unless a quorum is present. Two (2) members of the Committee, of whom at least one is an independent director, shall constitute a quorum.

Frequency of Meeting

Meetings shall be held not less than four times a year. Additional meetings may be convened as and when required.

Attendance of Other Director and Employees

The Company must ensure that other director and employees attend any particular Audit Committee meeting only at the Committee's invitation, specific to the relevant meeting.

Rights of the Committee

The Company must ensure that whatever necessary and reasonable for the performance of its duties, the Committee shall, in accordance with a procedures to be determined by the Board and at the cost of the Company:

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are requires to perform its duties;
- (c) have full and unrestricted access to any information in carrying out its duties and responsibilities;
- (d) have direct communication channels with external auditors and person(s) carrying out the internal audit function or activity(if any);
- (e) be able to obtain independent professional or other advise; and
- (f) be able to convene meetings with external auditors, excluding the attendance of the executives' members of the Committee, wherever deemed necessary.

Reporting of Breaches to the Ministry of Finance

Where the Committee is of the view that a matter reported to the Board of the Company has not been satisfactorily resolved resulting in breach of these requirements, the Committee must promptly report such matters to the Ministry of Finance.

DUTIES AND RESPONSIBILITIES

The primary duties and responsibilities of the Committee amongst others, are:

Internal Audit

The Committee is responsible for supervising the work of internal audit ("IA") and for the remuneration and supervision of the head of IA. The Chairman of the Committee shall be consulted before appointing or terminating the head of IA and shall conduct entry and exit interviews with the head of IA. The appointment or termination of the head of IA must be approved by the Board as a whole.

The Committee shall supervise any internal audit of the Company and its responsibilities include:

- (a) Review the IA function's mandate on an annual basis;
- (b) Assess the capabilities of IA;
- (c) Review the IA function's independence and reporting relationships;
- (d) Review IA's audit plan, quality and quantity of staffing and other resources needed to do its job;
- (e) Review IA's performance against its plans;
- (f) Review IA's reports;
- (g) Monitor the implementation by management of IA's reports and recommendations;
- (h) Ensure coordination of IA's work with the work of the external auditors;
- (i) Review the overall effectiveness of IA in relation to its mandate and IA standards.

External Audit

- (a) Appoint the external auditors and approve their remuneration based on a review of the previous year's work and the current year's work, as well as the experience and independence of the proposed audit team;
- (b) Approve the scope of the audit and how key risk areas are covered by the external auditors in their audit plan;
- (c) Ensure the independence of the external auditors including the rotation of the key audit partner;
- (d) Review the assistance given by the employees of the Company to the external auditors;
- (e) Review the audit findings and recommendations including any disagreements that have occurred with management (by meeting the external auditors without management present) and discusses internal control deficiencies/fraud/illegal acts, if any;
- (f) Review any letter of resignation from the external auditors of the Company;
- (g) Whether there is reason (supported grounds) to believe that the Company's external auditor is not suitable for reappointment.

Financial Reporting

Review year-end financial statement, prior to the approval by the Board, focusing particularly on:

- (a) changes in or implementation of major accounting policy changes;
- (b) significant and unusual events; and
- (c) compliance with accounting standard and other legal requirements.

Related Party Transaction

Any related party transaction and conflict of interest situation that may arise within the Company including any transaction, procedure or course of conduct that raises questions of management integrity.

Ethics

Ensure oversight of ethics and integrity and the preservation of the Company's reputation by receiving from management reports on compliance with the Company's code of conduct and any other matter of conduct or behaviour that could create a liability for the Company by reviewing any report that is received from IA, the external auditors and whistle-blowers.

Investigation

In assisting the Board in discharging its supervisory role, the Committee has the power to investigate on any matter brought to its attention within its terms of reference.

ACTIVITIES OF THE COMMITTEE FOR THE YEAR

During the year under review, the Committee in discharging its duties and functions, carried out the following activities:

Attendances of Meetings

A total of four (4) meetings were held during the year. The details of attendance of each member at the Committee meeting held during the year are as follow:

Name of Committee member	No. of meetings attended
1. Encik Abdul Rahim Abdul Hamid	2/2
2. Mr. Ng Chih Kaye	2/2
3. Encik Johari Abdul Muid	4/4
4. Puan Khalimatun Saadiah Mohd Khalid	4/4
5. Puan Nazidah Ahmad Azli	4/4

The Committee consists of three (3) Independent Non-Executive Director, and one (1) Non-Independent Non-Executive Director who is representing Ministry of Finance.

The Committee met on a quarterly basis. The Chief Executive Officer, Executive Vice Presidents and Head of Internal Audit were invited to attend the meetings. The external auditors were also invited to discuss their management letters, Audit Planning Memorandum and other matters deemed relevant.

The Committee also meet to discuss and review the annual audited financial statements of the Company.

Internal Audit

1. Reviewed and approved the annual IA plan for financial year 2018 to ensure adequacy of the scope, coverage of activities and IA's staff strength in order to carry out its functions.
2. Reviewed IA's reports particularly on the issues raised and the proposed recommendations for enhancement of internal controls. The Committee considered IA's recommendations taking into account management's responses and upon, which approved IA's proposals for rectification and implement agreed remedial actions for improvement.
3. Reviewed the status report on implementation of actions to be taken by the management to rectify the unresolved audit issues to ensure the matters are addressed accordingly within the stipulated deadline.
4. Reviewed IA's reports to ensure the adequacy, performance and progress of the annual IA plan, coverage of IA functions and reasons for the resignation of audit staff.
5. Reviewed minutes of meetings of the Management Audit Committee for an overview of the deliberation and remedial actions taken by management on the internal control lapses and enhancements raised by the internal auditors.

External Audit

1. Discussed with the external auditors before the audit commences, the audit plan, nature and scope of the audit, and area of audit emphasis.
2. Discussed and deliberated on the external auditors' report and recommendations regarding opportunities for improvement to the significant risk areas, internal controls and financial matters areas based on observations made in the course of the audit.
3. Evaluated the performance of the external auditors and made recommendations to the Board on their reappointment.

INTERNAL AUDIT FUNCTION

The IA function is guided by its Internal Audit Charter and reports functionally to the Committee, and administratively to the Chief Executive Officer.

The principal responsibility of IA is to undertake independent reviews of risk management, internal control and governance processes implemented by the management in order to provide reasonable assurance that such processes are sound and adequate, as well as continue to operate effectively and efficiently.

The function of the IA is to provide the Committee with independent and objective reports on the state of internal controls of divisions and departments within the Company and the extent of compliance by such business and support units with the Company's established policies and procedures, as well as relevant regulatory requirements.

The Committee reviews and approves the annual IA plan submitted by the head of IA for the year. IA reports are presented to the Management Audit Committee before tabling to the Committee in its scheduled quarterly meetings. Key control issues, significant risks and recommendations are highlighted, along with management's responses and action plans for improvement and/or rectification, where applicable. This enables the Committee to execute its oversight function by forming an opinion on the adequacy of internal controls and measures undertaken by management to ensure effective implementation.



**CORPORATE SOCIAL
RESPONSIBILITY**

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

MDV continues to contribute to the community by organising several programmes in 2018 as part of its Corporate Social Responsibility (CSR) initiatives for the year.

Ola Bola the Musical

MDV kick-started its CSR initiatives for the year by sponsoring tickets for 30 residents of Rumah Bakti Nur Syaheera (RBNS) to watch the staging of a musical production, "Ola Bola the Musical" at Istana Budaya on 2 March 2018.



This opportunity was a rare treat for the children who were able to witness the biggest musical to ever be staged in Malaysia and to experience the fun and excitement of the night. In addition, MDV also presented RBNS with RM30,000.00 of MDV's zakat fund to assist the home with its monthly expenses.

Majlis Berbuka Puasa MDV Bersama Pertubuhan Baitul Rahmah

In conjunction with the holy month of Ramadhan, MDV hosted the residents of Pertubuhan Baitul Rahmah, comprising 36 children and 8 caretakers, for a Majlis Berbuka Puasa in June at Menara Bank Pembangunan's (BPMB) surau where they were treated to a delectable buka puasa meal by MDV before performing Maghrib, Isya' and Tarawikh prayers together. Interactive Tazkirah sessions were



also conducted by YBhg. Datuk Dr Zaifuddin Bin Md Rasip, the invited ustaz for the night, with the theme "Aku Anak Soleh".

The event was concluded with the presentation of RM30,000.00 of zakat donation to Baitul Rahmah by YBr. Encik Rizal Fauzi, Executive Vice President of MDV, and the distribution of duit raya to all the children and caretakers to assist them in making necessary preparations for the coming Hari Raya celebration.

MDV-BPMB Health Awareness Day & Blood Donation Campaign 2018

Continuing with the positive momentum, MDV & BPMB jointly hosted a Health Awareness Day & Blood Donation Campaign 2018 on 28 June 2018 at BPMB Auditorium. The event, which was a great success, aimed to provide more insights and awareness amongst MDV and BPMB employees on the importance of taking care of one's health and vitality. Several activities were held during the event including blood donation drive, health checks, health-related talks and medical consultation (Flexi Clinic). The blood donation in particular, managed to attract an encouraging number of donors, with a total of 64 blood bags successfully collected at the



end of the event. The success of the event would not have been possible without the assistance of Pusat Darah Negara, Columbia Asia Hospital, Pantai Hospital and UiTM Private Specialist Centre.

Tree Planting Initiative

MDV continued its efforts to contribute to the general well-being of the society through its CSR initiatives when it participated in a tree planting activity at the Forest Research Institute Malaysia (FRIM) on 14 July 2018.



The hosting of the tree planting activity is an ongoing effort by FRIM to encourage the community, particularly corporate bodies, to support the Government's commitment to offset carbon emissions by 40.0 percent by year 2020. It is also to raise public awareness on the importance of the environment and conservation of biodiversity and forest resources. In support of this green initiative and as a manifestation of MDV's belief in global environmental sustainability, about 23 MDV staff including 30 of their family members worked hand-in-hand in planting 30 trees such as Chengal, Balau Laut, Merbau and Giam, whilst enjoying the beautiful flora and fauna that can be found at the forest and learning about various different plant species along the way. In addition to the tree planting activity, MDV, with the assistance of the Sports and Receptions Club 2018 (SRC2018) also organised a few games and activities for the kids

and staff to add to the fun and excitement of the day.

Distribution of Zakat Fund to the Less Fortunate

To conclude MDV's CSR initiatives for the year, MDV distributed its Zakat fund to 4 charity organisations namely Buku Jalan Chow Kit, Madrasah Hashimiah, Yayasan Ikhlas and Rumah Anak Yatim Shifa' totaling more than RM60,000.00. The monetary contributions aimed to assist all four beneficiaries in fulfilling their social obligations, which include the setting up of mobile clinics in remote areas, operating a community school, providing free education to underprivileged children and caring of orphans.

Moving forward, MDV will continue to extend a helping hand to other needful segments of the community through meaningful and impactful CSR activities that may help to empower the society and improve their overall wellbeing.

The background of the entire page is a blurred photograph of bowling pins and a bowling ball. The image is heavily filtered with an orange-brown color. The bowling pins are visible in the background, and a bowling ball is in the foreground, though both are out of focus. The text "SPORTS AND RECREATION CLUB" is overlaid in the center in a bold, white, sans-serif font. There are also some thin, light-colored diagonal lines on the left and right sides of the page.

SPORTS AND RECREATION CLUB

SPORTS AND RECREATION CLUB ACTIVITIES

To start off 2018 with harmony and good spirit, the annual Solat Hajat and Yassin recital followed by Asar prayers for all Muslim staff were organised by Sports and Recreation Club (SRC) 2018 to instill togetherness amongst MDV's Muslim staff.

Inspired by Marvel & DC Comics and with an overall "Superheroes" theme, SRC 2018 divided all staff into Team Avengers, Team Justice League, Team Guardians of the Galaxy and Team X-Men, each spearheaded by a member of the Senior Management Team as per usual practice.

Taking on the guise of "Infinity Wars", SRC started off their sporting activity with the all-time favourite "Darts" in February followed by a movie viewing of Black Panther in the same month. As per all internal sporting events before this, each activity has a first, second, third and fourth place and each team will collect points throughout the year prior to being called the champion. Infinity War continued in March with Ping Pong and Pool tournaments and a newly introduced Treadmill and Skipping Challenge in April, meant to encourage staff to utilise the in-house gym more often.

Also in April, SRC sponsored for several MDV staff to participate in Malaysian Venture Capital & Private Equity Association (MVCA) 2018 Annual Bowling Competition held in Berjaya Times Square and in Pertubuhan Keselamatan Sosial (PERKESO) Run/Ride held in Putrajaya. The activity-packed month wrapped up with a movie viewing of "Avengers: Infinity War" held at the usual GSC Cinemas in Quill Mall.



Prior to the expected hiatus in June due to Ramadhan, SRC hosted a Tea Time session comprising tea and a prize giving ceremony in May for those that participated in the Infinity War thus far. After all the Raya festivities, SRC continued with MDV movie night with the viewing of "Ant Man and the Wasp" in July and a MILO Breakfast Run in August. Opened to public, this run was organised by Nestle Malaysia and held in Putrajaya. Being a "fun run", this event holds overall scores therefore on an SRC perspective, MDV participants brought back equal points and winning factor is how many participants each group managed to be represented for the run.

The next MDV Movie Night was a viewing of “Venom” in October, the same month SRC also organised a bowling tournament at Berjaya Times Square.

The most anticipated event of the year would be the Family Day held at Bangi Wonderland and Waterpark in November, where everyone gathered with their families to spend a whole day together, filled with various activities. It came to no surprise that with the venue being a waterpark, everybody did not waste the opportunity to drench themselves in water activities and was more than happy to be dripping wet the whole time. It is activities like these that can really bring all working levels together in relaxing fun without having that daunting barrier of hierarchy.



Before waving goodbye and relinquishing their post, SRC 2018 organised a last movie night to watch “Aquaman” as well as a little “makan-makan” with all staff to wrap up 2018 SRC with the official announcement of the overall champion being Team Avengers, followed closely by Team X-Men with Team Justice League in third place and Team Guardians of The Galaxy in fourth. As been done in previous years, SRC 2018 also announced the names of their successors, the people that have been selected by all staff in a closed voting process, to take over SRC 2019 and to continue the legacy of providing good, clean (sometimes messy) fun for all to enjoy.



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