<table>
<thead>
<tr>
<th>Event Description</th>
<th>Date</th>
<th>Time</th>
<th>Language</th>
<th>Admission</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>进前进台湾资本市场说明会 Foreign Listings on TWSE (IPO in Taiwan)</td>
<td>16 January 2018</td>
<td>4.30pm to 8.30pm</td>
<td>Mandarin</td>
<td>Free</td>
<td>Nexus, Bangsar South</td>
</tr>
<tr>
<td>长期台湾资本市场说明会 Foreign Listings on TWSE (IPO in Taiwan)</td>
<td>18 January 2018</td>
<td>4.30pm to 8.30pm</td>
<td>Mandarin</td>
<td>Free</td>
<td>SKT Banquet Hall</td>
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<tr>
<td>长期台湾资本市场说明会 Foreign Listings on TWSE (IPO in Taiwan)</td>
<td>22 January 2018</td>
<td>8.30am to 2.00pm</td>
<td>Mandarin</td>
<td>RM159 per pax</td>
<td>Renaissance Johor Bahru Hotel</td>
</tr>
</tbody>
</table>
MESSAGE FROM THE MANAGING PARTNER

S ince Cheng & Co was founded in 1993, every year has been a memorable one. However, 2017 took on added significance. It was the year in which we declared the most crucial growth strategy that Cheng & Co has ever embarked on – Transformation. We aptly themed 2017 as the year of Transformation, however unlike previous years, this theme is going to the mainstay for Cheng & Co until 2020 where we aim to be the leading home-grown international accounting firm with offices in 100 locations, including members firm, local and international branches.

Transformation is crucial in today’s business environment driven by rapid changes in technology and legislations. What’s relevant today, becomes obsolete tomorrow. That’s how fast the world is moving. To remain competitive in a market that will never cease to evolve, we put the right mechanisms in place to ultimately establish Cheng & Co as a One Stop Professional Centre providing businesses with innovative solutions for excellence and this will be the catalyst to our growth and development over the next two years.

Now that 2018 has dawned upon us, everyone in Cheng & Co is fired up to achieve our Vision 2020, even more so that we will be celebrating our 25th anniversary later this year. Leading up to our grand gala dinner to commemorate the occasion will be a host of programmes which will include highly challenging outdoor excursions such as trekking and hiking in, among others, Mount Kinabalu. Looking back, I’m extremely proud of how far we have come since our humble beginnings just under 25 years ago.

The key to our growth is constant innovation and transformation. Yes, our theme for the next three years is Transformation but let’s not forget that every organisation needs to embark on some form of transformation every year to keep up with new trends and developments to stay competitive and profitable. We are no different. With 2020 not far away, our Transformation initiatives have gone into overdrive and we will not rest until all our goals are achieved. Inevitably, our achievements will translate into more world class services for our clients.

To conclude my first message of the year, I’m happy to state that from 2018, The Connection will be adding a monthly digital publication, with this being the inaugural issue. Now everyone can look forward to resourceful and informative content from Cheng & Co every month. Do visit our website, Facebook and LinkedIn pages for all the latest updates and developments in our firm, especially for SMEs, as we constantly organise programmes and initiatives to guide businesses and entrepreneurs towards operational excellence and business success.

I would like wish everyone a very happy and prosperous 2018. Let’s all work towards achieving unparalleled success and a glorious future. Together we Transform, together we Grow and together we Succeed.
LEAP Market
Bridging The Funding Gap for SMEs

Bursa Malaysia’s Leading Entrepreneur Accelerator Platform (Leap) Market was officially launched on 25 July 2017 as an alternative efficient funding platform for SMEs. This development is the first of its kind in the ASEAN Region.

On 5 October 2017, Cheng & Co co-organised a conference on “The Pathway for SMEs Toward Listing – Preparation and Challenges” with the Federation of Malaysia Chinese Guild Association. The response was great with more than 150 SME business owners attending. Ms Hanita Othman, the Vice President, Primary Market, Listing Development Bursa Malaysia was one of the guest speakers and shared her extensive experience and in-depth knowledge about the listing opportunities on Bursa Malaysia.

In Malaysia, SMEs currently represent 97% of business establishments and accounts for more than 52% of total employment.

At present, SMEs in Malaysia are too reliant on financing from banks which makes up almost 96% of their funding, with just 4% from capital market. This has limited their growth and business expansion due to the need for security back-ups, where financing from banks are concerned, which has often deterred SMEs, especially those that are service-based, due to the lack of tangible assets back up from obtaining funds to enhance their business activities.

Why LEAP Market is a Hot Topic Among SMEs

The LEAP Market is Malaysia’s third capital market in addition to the Main Market and ACE Market. The key benefits of the LEAP Market compared to the other two are:-

- **Cost Effectiveness**
  Based on data between 2012 to 2015, the average cost of raising capital from the initial two Markets range from RM2 million to RM3 million. It will now be much lower with the LEAP Market, which is estimated to be below RM1 million mainly due to the lower barrier of entry.

- **The Leap Market does not require a profit track record**
  Its works on light touch basis balanced with prudent standards.

- **Waiver of Initial Listing and Processing Fees**
  For those listed on the LEAP market, if they graduate within three years to the ACE market, the initial fee and processing fee for the listing will be waived.

- **A funding platform for all industries.**
  The LEAP market is open to all industries as long as they display good potential for business growth. The LEAP Market also acts as a springboard for SMEs with plans for listing but not necessarily fulfilling the listing criteria which requires funding for business expansion. It provides a path for SMEs to enter the capital market and lay the foundations for future listing on the ACE or Main Market once they have fulfilled the listing conditions.

**Current Fund Raising Options**

- **Angel Investors**
  investors expecting high returns

- **Venture Capitalists**
  difficult to raise funds due to having to go through a thorough assessment process

- **Bank Financing**
  requires strong credit and collaterals

- **Crowdfunding**
  does not usually satisfy large capital requirements

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**Why Go For Listing?**

**Key reasons to go for Listing (IPO):**

- To raise funds for financing your business and expansion plans
- To grow your business
- As an exit strategy (fully / partly) for investors

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A Platform for Businesses to Move Up To A Higher Level

Listing provides businesses with not just a funding platform, but also allows business owners to grant ESOS (employee share option scheme) to their employees which is a great way to reward excellent and committed performers for their invaluable contribution to the growth of their organisation.

Companies embarking on Mergers and acquisitions too will realise the benefits of being listed on the LEAP market as they will be able to offer shares instead of paying cash in full, in their bid to acquire another company. This creates greater synergy for the business and makes business expansion a lot easier.

If you would like to know more about the LEAP Market or interested in attending seminars on how to list, and get the best out of it, kindly drop us an email at enquiry@cheng-co.com.my.
While cost-cutting exercises can help drive favourable outcomes, it also has potential long-term drawbacks if not dealt with meticulously. Some of the unfavourable consequences faced by companies in this instance are drop in products / service quality, deteriorating customer / after sales servicing, and, one of the toughest blows to recover from taking into account the competitive nature of today’s business environment… the loss of talented personnel.

Rising operating costs are a big concern for businesses, particularly the small and medium-sized enterprises (SMEs). It’s seen as one of the biggest challenges yet in recent years which has forced many businesses to take the cautious route to their overall operations. But trying to maintain a balancing act between remaining profitable and keeping costs low can often be a double-edged sword.

Today’s Business Dilemma

While a company can seek to introduce many staff retention measures to make up for their cost containment approach, it is worth noting that for many employees, their overall wellbeing as a member of an organisation remains one of their biggest concerns, aside from salaries, perks and promotions. This creates a dilemma for businesses in trying to manage costs without compromising employee satisfaction, particularly where health benefits are concerned.

Increasing medical and pharmaceutical costs, rising hospital care charges, spike in illnesses caused by unhealthy lifestyle and environmental degradation are among the key drivers of high medical inflation rates these days. This has created a headache of sorts for businesses trying to keep their employee health insurance costs down without causing a dent in staff welfare which could trigger a chain of dissatisfaction.

So, what are the options on the table for consideration?

The Best Doesn’t Cost a Bomb!

After thoroughly studying the market, understanding the pain points of businesses and carefully balancing their needs and those of their employees, Cheng & Co Risk Management (CCRM) has identified an appropriate business solution for corporate clients to enhance their employee benefits scheme for key talents - the Group Hospitalisation & Surgical

Group Medisecure Plus, better known as the Group Medical COMBO Plan. The Group Medical COMBO Plan, in effect, addresses a company’s concerns about high yearly premiums and providing adequate coverage for its key employees. This, in turn, makes the company an attractive option during the recruitment process, and increases their chances of retaining precious talent. The Group Medical COMBO Plan provides high annual limit coverage for employees and also the portability feature for staff to continue being protected upon retirement.
We Got You Covered!

Many group medical insurance premiums increase through the years disproportionately. As employees grow older and work pressure increases, health concerns too rise particularly due to lifestyle choices as well as difficulties in stress management. The greater the medical claims, the likely the premium increases. There are instances of extremely high claims swallowing employees’ annual limits, leaving them to bear the additional costs.

CCRM’s Group Medical COMBO Plan, underwritten by Lonpac Insurance Berhad, helps companies deal with the challenge of managing their annual group medical premiums as it provides a cost-effective retention plan for their valued employees. From a human resource point of view, the process will be a little less tedious when looking into employees on the verge of retirement and if they can go on to enjoy the medical coverage benefits post-retirement.

Want to know how the Group Medical COMBO Plan can help your organisation? Please call us at +603 7984 8988 and we will guide you accordingly.
PAST EVENTS

Cheng & Co Taiping Branch Official Opening
7 Nov 2017

Partners of Cheng & Co visiting Pan China
17 Nov 2017

Group photo visiting Pan China
17 Nov 2017

Cheng & Co Group photo at Wuzhen
19 Nov 2017

Cheng&Co Partners Group Photo at Visiting Ali Baba Campus
18 Nov 2017

Private Round Table Sharing organised by Xeersoft
13 Dec 2017
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SHOALWATER STREET, NORTH COOGEE

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