

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 0102  
**COMPANY NAME** : ConnectCounty Holdings Berhad  
**FINANCIAL YEAR** : December 31, 2018

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board of Directors ("<b>the Board</b>") is responsible for the leadership, oversight and the long-term success of the Company and its subsidiaries ("<b>the Group</b>"). The Board fully understands their collective responsibilities in guiding the business activities of the Group in reaching an optimum balance of a sound and sustainable business operation with an optimal corporate governance framework in order to safeguard shareholders' value.</p> <p>The Board has reserved certain items for its review as provided in its Board Charter. The Board has also delegated certain responsibilities to other Board Committees, which operate within clearly their respective defined Terms of Reference. Standing Board Committees include the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee. The Board receives reports at its meetings from the Chairman of each Board Committee on current activities. It is the general policy of the Company that all major decisions be considered by the Board as a whole.</p> <p>The Board is responsible for the overall corporate governance, strategic direction, and corporate goals and therefore, monitors the achievement of these goals. It provides effective leadership and manages overall control of the Group's affairs through the discharge of the following principal duties and responsibilities:-</p> <p><b>(a) <u>Reviewing and adopting a strategic plan for the Company</u></b></p> <p>The Board noted that the Company has established its "Vision" as follows:-</p> <div data-bbox="502 1691 1476 1926" style="border: 1px solid black; padding: 5px;"> <p><b>Vision:-</b></p> <p><i>"To be a leading global interconnect solutions provider, harnessing the vast experience and expertise of our research and development team, offering the most innovative, yet cost effective, vertically integrated solutions at competitive pricing and quality."</i></p> </div> <p>In order to realise its Vision, the Board noted that the Management has set the following strategic mission:-</p> <div data-bbox="502 2060 1476 2128" style="border: 1px solid black; padding: 5px;"> <p><b>Mission:-</b></p> </div>

*“To be a fully vertical integrated solution provider.”*

The Board plays an active role in the monitoring of the development of the Group’s strategic plan.

Mr. Ang Chuang Juay, the Executive Deputy Chairman updates the Board on the progress of the implementation of the strategic initiatives by the Management at every quarterly Board Meetings.

In those sessions, the Board reviews and deliberates on the progress towards achieving the strategic initiatives, as well as providing guidance to Management’s methods to deliver the best outcomes.

During the financial under review, the Board has reviewed and approved the following strategic business activities of the Group:-

1. Proposed diversification of the existing business of the Company and its subsidiaries to include the business of cyber security;
2. Operation updates and challenges faced by the Group from the Executive Deputy Chairman on quarterly basis;
3. Potential projects in pipeline;
4. Business directions of the Group; and
5. Annual budget for the financial year ending 31 December 2019.

**(b) Overseeing the conduct of the Company’s business**

The Board monitors the performance of the Management on a regular basis by having the following regular agenda items in the Board Meetings, whereby the Management would present the financial performance and highlights of the Group and the Executive Deputy Chairman would present the operation updates and challenges of the Group on quarterly basis.

**(c) Identification of principal risks and implementation of appropriate internal control and mitigation measures**

Mindful of its duties in terms of identification of principal risks as well as the need to institute risk management and internal control measures, the Board has adopted an Enterprise Risk Management (“**ERM**”) Framework to manage its risk and opportunities.

The Risk Management Committee, which reports directly to the Board, was established by the Board with the primary responsibility of ensuring the effective functioning of the adopted ERM Framework.

The Risk Management Committee advises the Board on a regular basis on areas of high risk and the adequacy of compliance and control procedures throughout the Group.

For the financial year ended 31 December 2018 (“**FYE 2018**”), Risk Management Committee has convened one (1) meeting to review all the risk inputs given through all quarters of the year, together with the impact recorded for risk-ranking purpose.

	<p><b>(d) <u>Succession planning</u></b></p> <p>The Board recognises that succession planning is an ongoing process designed to ensure that the Group identifies and develops a talent pool of employees through mentoring and training for high level management positions that become vacant due to retirement, resignation, death or disability and/or new business opportunities.</p> <p>All the strategic business units within the Group are located in Peoples' Republic of China, United States of America and Singapore. In Malaysia, it is mostly headed by locally-domiciled executives to minimise the need for frequent flying and continuity in leadership for key positions.</p> <p><b>(e) <u>Overseeing the development and implementation of a shareholder communications policy for the Company</u></b></p> <p>In ensuring the effective communication with the Company's shareholders and stakeholders, the Board has adopted a Shareholders' Communication Policy since 19 November 2015 in order to provide guidance as well as ensuring a consistent approach towards the Company's communication with the shareholders, and to ensure that all shareholders have ready and timely access to all publicly available information of the Company, to fairly and accurately represent the Company so that investors and potential investors can make properly informed investment decisions and others can have a balanced understanding of the Company and its objectives.</p> <p><b>(f) <u>Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems</u></b></p> <p>The Board has established key control processes to ensure that there is a sound framework of reporting on internal controls and regulatory compliance.</p> <p>The <i>Statement on Risk Management and Internal Control</i> as set out in the Annual Report 2018, provides an overview of the state of risk management and internal controls within the Group.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>Tan Sri Dato' Ahmad Fuzi Bin Abdul Razak ("<b>Tan Sri Fuzi</b>") was the Non-Independent Non-Executive Chairman of the Company throughout the FYE 2018 and had subsequently resigned on 8 March 2019. Subsequent to that, Major General Dato' Mamat Ariffin Bin Abdullah ("<b>Dato' Mamat</b>") was appointed to the Board as an Independent Non-Executive Chairman with effect from 20 March 2019.</p> <p>The Chairman is primarily responsible for overall matters of the Board and conduct of the Group.</p> <p>The key roles and responsibilities of the Chairman as set out in the Board Charter of the Company include the following:-</p> <ul style="list-style-type: none"><li>• Ensuring the Board's effectiveness in all aspects of its roles and setting of its agenda;</li><li>• Leading the Company in its relationship with shareholders, financial institutions and media;</li><li>• Chairing Board and General Meetings;</li><li>• Ensuring relevant and/or significant issues are on the agenda;</li><li>• Ensuring all Directors, Executive and Non-Executive, are provided with accurate, timely and clear information/reports to enable and encourage them to play their roles in the Board meeting. This includes making certain that Directors, especially Non-Executive are advised of all likely future developments and trends, provided with relevant information tailored to their needs and they are properly briefed on issues arising at Board meetings to enable the Board to make sound decisions, monitor effectively and to promote the success of the Company;</li><li>• Ensuring the Executive Directors look beyond their executive functions and accept their full share of responsibilities of governance;</li><li>• Encouraging healthy debate on all issues and maintain independency;</li><li>• Ensuring Board resolution is put to vote should there be any objection to ensure that it is the will of the majority;</li><li>• Running the Board and ensuring its effectiveness in all aspects of its roles, including regularity and frequency of meetings;</li><li>• Ensuring there is appropriate delegation of authority from the Board to executive management;</li><li>• Ensuring all Directors have sufficient time to consider critical issues and obtain answers to any questions or concerns they may have and are not faced with unrealistic deadlines for decision making;</li><li>• Upholding the highest standards of integrity and probity;</li><li>• Ensuring all the Directors are fully informed about all issues on which the Board will have to make a decision, through briefings with the Group Accountant and the Company Secretary, and</li><li>• Ensuring effective implementation of Board policies and decisions;</li><li>• Maintaining effective communication that enables the Board to</li></ul>

	<p>communicate effectively with shareholders;</p> <ul style="list-style-type: none"> <li>• Interpreting the operations of the Company to the shareholders and accommodate feedback from shareholders; and</li> <li>• Interaction with shareholders and give sufficient opportunity to shareholders to enquire about the Group's activities and performance, and to relate their expectations and concerns. Facilitating questions and answers sessions pertaining to resolution(s) proposed in the General Meeting or during any meeting with shareholders.</li> </ul>	
<b>Explanation for departure</b> :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.3

The positions of Chairman and CEO are held by different individuals.

<b>Application</b> :	Applied	
<b>Explanation on application of the practice</b> :	<p>The positions of Chairman and Chief Executive Officer (“CEO”) of the Company are held by different individuals.</p> <p>Throughout FYE 2018, the Board was chaired by Tan Sri Fuzi, and subsequent to his resignation on 8 March 2019, Dato’ Mamat was appointed as an Independent Non-Executive Chairman on 20 March 2019. On the other hand, Mr. Ang Chuang Juay is the Executive Deputy Chairman, the de facto CEO of the Group.</p> <p>The roles and responsibilities of the Chairman and the Executive Deputy Chairman are segregated and clearly defined in the Board Charter of the Company.</p> <p>The Chairman is responsible for leading the Board, while the de facto CEO focuses on the business and day-to-day management of the Group.</p> <p>The current arrangement is to provide strong leadership with the ability to marshal the Board’s priorities objectively and to propel the Group to the next level, in tune with the operational requirements of the Group.</p> <p>The Board recognises the importance of having a clearly accepted division of power and responsibilities at the head of the Company to ensure a balance of power and authority.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.4

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board is supported by two (2) suitably qualified and competent Company Secretaries as follows:-</p> <ul style="list-style-type: none"><li>• Ms. Chua Siew Chuan, FCIS</li><li>• Mr. Cheng Chia Ping, ACIS</li></ul> <p>Both of the Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators (“<b>MAICSA</b>”) and are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016.</p> <p>The brief profiles of the company secretaries are as follows:-</p> <p><b>(1) Ms. Chua Siew Chuan, FCIS</b></p> <p>Ms. Chua has been elected as a Fellow Member of the MAICSA since 1997. She has more than 35 years of experience in handling corporate secretarial matters, with working knowledge of many industries and government services. She is the Immediate Past President of MAICSA and currently is the Chairman of the Technical &amp; Professional Practice Committee and Deputy Chairman of the Membership Committee of MAICSA.</p> <p>Ms. Chua is a Chartered Secretary by profession. She is the Managing Director of Securities Services (Holdings) Sdn. Bhd., a prominent corporate secretarial service provider in Malaysia. Ms. Chua is also the named company secretary for a number of public listed companies, public companies, private limited companies and societies.</p> <p>Ms. Chua has been appointed as a company secretary to the Company with effect from 12 December 2014.</p> <p><b>(2) Mr. Cheng Chia Ping, ACIS</b></p> <p>Mr. Cheng has been elected as an Associate Member of the MAICSA since 2012. He has more than 10 years of experience in handling corporate secretarial matters, with working knowledge of many industries and non-profit organisations.</p> <p>Mr. Cheng is a Chartered Secretary by profession. He is a Manager (Corporate Secretarial) of Securities Services (Holdings) Sdn. Bhd., a prominent corporate secretarial service provider in Malaysia. Mr. Cheng is also the named company secretary for a number of public listed companies, public companies, private limited companies and societies.</p>

	<p>Mr. Cheng has been appointed as a company secretary to the Company with effect from 12 December 2014.</p> <p>For the FYE 2018, the Company Secretaries had attended relevant continuous professional development programmes as required by MAICSA for practising company secretaries. Both the Company Secretaries possessed a valid Practising Certificate issued by MAICSA.</p> <p>All Directors have access to the advice and services of the Company Secretaries, who are responsible for providing advice on corporate governance best practices, ensuring that the Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretaries would ensure that the deliberations at the Board's and Board Committees' meetings are well captured and minuted. The Company Secretaries also play a key role to facilitate communication between the Board and Management.</p> <p>In performing their duties, the Company Secretaries carry out, amongst others, the following tasks:-</p> <ul style="list-style-type: none"> <li>• Statutory duties as required under the Companies Act 2016, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("<b>Bursa Securities</b>"), Capital Market and Services Act, 2007;</li> <li>• Facilitating and attending Board Meetings and Board Committee Meetings, respectively;</li> <li>• Ensuring that Board Meetings and Board Committee Meetings, respectively are properly convened and the proceedings are properly recorded;</li> <li>• Ensuring timely communication of the Board level decisions to the Management for further action;</li> <li>• Ensuring that all appointments to the Board and/or Board Committees are properly made in accordance with the relevant regulations and/or legislations;</li> <li>• Maintaining records for the purpose of meeting statutory obligations;</li> <li>• Facilitating the provision of information as may be requested by the Directors from time to time on a timely manner and ensuring adherence to Board policies and procedures;</li> <li>• Facilitating the conduct of the assessments to be undertaken by the Board and/or Board Committees as well as to compile the results of the assessments for the Board and/or Board Committee's notation;</li> <li>• Assisting the Board with the preparation of announcements for release to Bursa Securities; and</li> <li>• Rendering advice and support to the Board and Management.</li> </ul> <p>For FYE 2018, the Board is satisfied with the performance and support rendered by the Company Secretaries in discharging its functions.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.5

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Prior to each Board meeting, the agenda together with the detailed reports, relevant documentation and supplementary papers are circulated to the Directors at least three (3) business days in advance. This is to enable the Directors to obtain further explanations, where necessary, in order to be adequately informed before the meeting.</p> <p>The Directors may also interact directly with, or request further explanation, information or updates, on any aspect of the Company's operations or business concerns from the Management to enable the Board to discharge its duties in relation to the matters being deliberated at the meeting.</p> <p>The Company Secretaries present at the meeting would ensure that the Minutes of meeting are recorded in such way that had transpired at the meeting, including deliberations and decisions made by the Board, declaration of interests by the interested Director and record on abstention of deliberations and voting by the interested Director.</p> <p>During the FYE 2018, the Minutes of meetings are circulated to the Directors in a timely manner after conclusion of the meetings.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

### Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board has adopted a Board Charter which governs the conducts of the Company's affairs. The Board Charter is applicable to all Directors of the Company and, amongst other things, provides that all Directors must avoid conflicts of interest between their private financial activities and their part in the conduct of Company's business.</p> <p>The Board Charter sets out the authority, responsibilities, membership and operation of the Board of the Company, adopting principles of good corporate governance and practices, in accordance with applicable rules and regulations in Malaysia. The Board Charter entails the following:-</p> <ul style="list-style-type: none"><li>• Objectives;</li><li>• Overview of Directors' Functions;</li><li>• Composition of the Board;</li><li>• Role of the Board;</li><li>• Appointment and Tenure of Office;</li><li>• Remuneration Framework;</li><li>• Induction for New Directors;</li><li>• Board Procedures;</li><li>• Rights of Directors;</li><li>• Matters Reserved for Board's Decision;</li><li>• Internal Control including Risk Management;</li><li>• Time Commitment of Directors;</li><li>• Directors' Training;</li><li>• Board Committees;</li><li>• Investor Relations and Shareholders' Communication;</li><li>• Company Secretary;</li><li>• Changes to the Board Charter;</li><li>• Code of Conduct and Ethics for Directors;</li><li>• Conflict of Interest Policy;</li><li>• Corporate Disclosure Policy;</li><li>• Terms of Reference of the Audit Committee;</li><li>• Terms of Reference of the Nomination Committee;</li><li>• Terms of Reference of the Remuneration Committee; and</li><li>• Terms of Reference of the Risk Management Committee.</li></ul> <p>The Board Charter will be reviewed annually or on an ad-hoc basis by the Board and make any necessary amendments to ensure they remain consistent with the Board's objectives, current laws and practices. The Board Charter was last reviewed by the Board in March 2018.</p>

	The Board Charter is available on the Company's website at <a href="http://www.connectcounty.com">www.connectcounty.com</a> .	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a Code of Conduct and Ethics for Directors (“<b>the Code</b>”) which sets forth the values, expectations and standards of business ethics and conduct to guide the Board, in attaining the best corporate governance practices as well as compliance with the relevant legislations.</p> <p>The Code is established based on the principles in relation to the Board's duty of care, integrity, responsibilities as well as corporate social responsibilities. It applies to both executive and non-executive Directors of the Company.</p> <p>The Code has been entrenched into the Board Charter and is available on the Company's website at <a href="http://www.connectcounty.com">www.connectcounty.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

**Practice 3.2**

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

<b>Application</b> :	Applied	
<b>Explanation on application of the practice</b> :	<p>The Board has adopted a Whistle Blowing Policy since 19 November 2015, with subsequent review and update on 5 April 2019. The Whistle Blowing Policy has the following objectives:-</p> <ul style="list-style-type: none"> <li>• Provide an avenue for all employees and member of the public to disclose any improper conduct or any action that is or could be harmful to the reputation of the Company and/or compromise the interest of stakeholders;</li> <li>• Provide proper internal reporting channel to disclose any improper or unlawful conduct in accordance with the procedures as provided for under this policy;</li> <li>• Address a disclosure in an appropriate and timely manner;</li> <li>• Provide protection for the whistle-blower from reprisal as a direct consequence of making a disclosure and to safeguard such person’s confidentiality; and</li> <li>• Treat both the whistle-blower and the alleged wrongdoer fairly.</li> </ul> <p>This policy is also similarly applied to any vendors, partners, associates or any individuals, including the general public, in the performance of their assignment or conducting the business for or on behalf of the Company.</p> <p>For the FYE 2018, none of the designated persons have received any report or concerns vide the abovementioned communication and feedback channels.</p> <p>A copy of the Whistle Blowing Policy is available for viewing on the Company’s website at <a href="http://www.connectcounty.com">www.connectcounty.com</a>.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 4.1

At least half of the board comprises independent directors. For Large Companies, the board comprises majority independent directors.

<b>Application</b>	: Applied																																														
<b>Explanation on application of the practice</b>	<p>This practice is in place from 1 January 2018 up to 30 October 2018, of which half of the Board comprised Independent Directors and the Board composition was as follows:-</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>Tan Sri Dato' Ahmad Fuzi Bin Abdul Razak</td><td>Non-Independent Non-Executive Chairman</td></tr><tr><td>Ang Chuang Juay</td><td>Executive Deputy Chairman</td></tr><tr><td>Chang Choon Ming</td><td>Non-Independent Non-Executive Director</td></tr><tr><td>Mok Shiaw Hang</td><td>Independent Non-Executive Director</td></tr><tr><td>Lim Bee San</td><td>Independent Non-Executive Director</td></tr><tr><td>Thong Mei Mei</td><td>Independent Non-Executive Director</td></tr></tbody></table> <p>Subsequent to the appointment of Mr. Tan Sze Chong, a Non-Independent Non-Executive Director on 1 November 2018, the Company had departed from this practice as at 31 December 2018 and the Board composition was as follows:-</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>Tan Sri Dato' Ahmad Fuzi Bin Abdul Razak</td><td>Non-Independent Non-Executive Chairman</td></tr><tr><td>Ang Chuang Juay</td><td>Executive Deputy Chairman</td></tr><tr><td>Chang Choon Ming</td><td>Non-Independent Non-Executive Director</td></tr><tr><td>Mok Shiaw Hang</td><td>Independent Non-Executive Director</td></tr><tr><td>Lim Bee San</td><td>Independent Non-Executive Director</td></tr><tr><td>Thong Mei Mei</td><td>Independent Non-Executive Director</td></tr><tr><td>Tan Sze Chong</td><td>Non-Independent Non-Executive Director</td></tr></tbody></table> <p>Subsequent to the substantial changes in the Board composition in March 2019 and as at 29 March 2019, being the latest practicable date ("LPD") of this Report, the Board consists of four (4) Independent Non-Executive Directors and three (3) Executive Directors with majority of them as Independent Directors as indicated in the table below:-</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>Major General Dato' Mamat Ariffin Bin Abdullah</td><td>Independent Non-Executive Chairman</td></tr><tr><td>Ang Chuang Juay</td><td>Executive Deputy Chairman</td></tr><tr><td>Wong Pooi Fatt</td><td>Executive Director</td></tr><tr><td>Lee Su Lin</td><td>Executive Director</td></tr><tr><td>Lim Bee San</td><td>Independent Non-Executive Director</td></tr><tr><td>Thong Mei Mei</td><td>Independent Non-Executive Director</td></tr><tr><td>Ng Keok Chai</td><td>Independent Non-Executive Director</td></tr></tbody></table>	Name	Designation	Tan Sri Dato' Ahmad Fuzi Bin Abdul Razak	Non-Independent Non-Executive Chairman	Ang Chuang Juay	Executive Deputy Chairman	Chang Choon Ming	Non-Independent Non-Executive Director	Mok Shiaw Hang	Independent Non-Executive Director	Lim Bee San	Independent Non-Executive Director	Thong Mei Mei	Independent Non-Executive Director	Name	Designation	Tan Sri Dato' Ahmad Fuzi Bin Abdul Razak	Non-Independent Non-Executive Chairman	Ang Chuang Juay	Executive Deputy Chairman	Chang Choon Ming	Non-Independent Non-Executive Director	Mok Shiaw Hang	Independent Non-Executive Director	Lim Bee San	Independent Non-Executive Director	Thong Mei Mei	Independent Non-Executive Director	Tan Sze Chong	Non-Independent Non-Executive Director	Name	Designation	Major General Dato' Mamat Ariffin Bin Abdullah	Independent Non-Executive Chairman	Ang Chuang Juay	Executive Deputy Chairman	Wong Pooi Fatt	Executive Director	Lee Su Lin	Executive Director	Lim Bee San	Independent Non-Executive Director	Thong Mei Mei	Independent Non-Executive Director	Ng Keok Chai	Independent Non-Executive Director
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	Therefore, this practice has been duly complied with.	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 4.2

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

<b>Application</b> :	Not applicable - No independent director(s) serving beyond 9 years	
<b>Explanation on application of the practice</b> :	There are no Independent Directors whose tenure exceeds a cumulative term of nine (9) years in the Company.	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 4.3 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years.

<b>Application</b>	:	Not Adopted	
<b>Explanation on adoption of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 4.4**

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In relation to appointment of Board member, the Board, vide the Nomination Committee, would undergo the three-staged nomination process as follows:-</p> <ul style="list-style-type: none"> <li>• <b>Stage 1: Review of the potential candidates based on the criteria as follows:-</b> <ul style="list-style-type: none"> <li>- Qualifications;</li> <li>- Skills and competence;</li> <li>- Functional knowledge;</li> <li>- Experience;</li> <li>- Character;</li> <li>- Gender diversity;</li> <li>- Integrity and professionalism; and</li> <li>- Time commitment.</li> </ul> </li> <li>• <b>Stage 2: Board gaps review</b> <ul style="list-style-type: none"> <li>- The overall composition of the Board;</li> <li>- Combination of skills of existing Directors; and</li> <li>- Any regulatory requirements and/or best practices available.</li> </ul> </li> <li>• <b>Stage 3: Recommendation to the Board</b> <ul style="list-style-type: none"> <li>- The Board approves the appointment of Director</li> </ul> </li> </ul> <p>The new appointment of senior management would be reviewed by the Nomination Committee based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 4.5**

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As at 31 December 2018, the women Directors' representation on the Board stood at 28.57%.</p> <p>As at the LPD, there was a substantial change in the Board composition as mentioned in Practice 4.1 of this Report, the Board then consists of three (3) female Directors out of seven (7) Directors, namely Ms. Lim Bee San, Ms. Thong Mei Mei and Ms. Lee Su Lin, representing 43% of female representatives on Board, which has achieved the target of at least 30% women Directors.</p> <p>The Board is supportive of boardroom and senior management level gender diversity to promote constructive debates and add vibrancy to its decision-making process.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 4.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>In identifying new Directors for appointment, the Board would consider recommendation from the existing Board members, Management, or major shareholders.</p> <p>In view of cost consideration and effectiveness, taking into account the operational requirement of the Group, the Board did not utilise independent sources to identify suitably qualified candidates.</p> <p>Alternate Practice:</p> <p>Notwithstanding the above, all the appointment of Directors would need to undergo the three-staged nomination process by the Nomination Committee as mentioned in Practice 4.4 above, to ensure that the candidate is fit to close the gap in the Board.</p> <p>During the FYE 2018, the Board had appointed Mr. Tan Sze Chong as a Non-Independent Non-Executive Director. The appointment of Mr. Tan was nominated by the substantial shareholder i.e. ACE Credit (M) Sdn. Bhd.</p> <p>As at the LPD, four (4) new Directors had been appointed to the Board. The appointment of Mr. Wong Pooi Fatt and Ms. Lee Su Lin were nominated by the current substantial shareholder, Nexus Creative (Mal) Sdn. Bhd., whilst Dato' Mamat and Mr. Ng Keok Chai were recommended by the existing Board members.</p> <p>In reviewing the above candidates for appointment as Directors, the Nomination Committee had carried out the nomination process.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 4.7**

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During the FYE 2018, the Nomination Committee was chaired by Mr. Mok Shiaw Hang, an Independent Non-Executive Director.</p> <p>Subsequently on 29 March 2019, Mr. Mok Shiaw Hang had resigned as the Director of the Company and his chairmanship in the Nomination Committee had ceased accordingly. Dato' Mamat, the Independent Non-Executive Chairman of the Company was appointed as the Chairman of the Nomination Committee on the same day.</p> <p>The duties and responsibilities of the Chairman of the Nomination Committee have been outlined in its Terms of Reference.</p> <p>The Terms of Reference of the Nomination Committee is available on the Company's corporate website at <a href="http://www.connectcounty.com">www.connectcounty.com</a>.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

### Practice 5.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board has delegated to the Nomination Committee to carry out an annual assessment on effectiveness of the Board, its Committees and each individual Director.</p> <p>During the FYE 2018, the Nomination Committee had conducted the following annual assessments in respect of the financial year ended 31 December 2017 (“<b>FYE 2017</b>”) and FYE 2018 and reported the same to the Board for notation:-</p> <p><b>(a) Contribution and performance of each Individual Director</b></p> <p>This assessment was conducted by way of self and peer assessment and the results were compiled by the Company Secretaries and tabled at the Nomination Committee meeting for review.</p> <p>In conducting the evaluation, the following main criteria were adopted by the Nomination Committee:-</p> <ul style="list-style-type: none"><li>• Fit and proper;</li><li>• Contribution and performance; and</li><li>• Calibre and personality.</li></ul> <p>Based on the evaluation conducted for the FYE 2017 and FYE 2018, the Nomination Committee is satisfied with the performance of the individual Board of Directors.</p> <p><b>(b) Effectiveness of the Board, as a whole, and the Committees of the Board</b></p> <p>This assessment was conducted by each Nomination Committee member and the results were compiled by the Company Secretaries and tabled at the Nomination Committee meeting for review.</p> <p>In conducting the evaluation, the following main criteria were adopted by the Nomination Committee:-</p> <p><u>Board as a whole</u></p> <ul style="list-style-type: none"><li>(i) Board mix and composition;</li><li>(ii) Quality of information and decision making;</li><li>(iii) Boardroom activities;</li></ul>

### Board Committees' Performance

- (i) Mix and composition;
- (ii) Roles and responsibilities;
- (iii) Contribution to Board's decision making; and
- (iv) Communication.

Based on the evaluation conducted for the FYE 2017 and FYE 2018, the Nomination Committee is satisfied with the performance of the Board and Committees of the Board.

#### **(c) Term of office and performance of the Audit Committee and each of its members**

This assessment was conducted by each Nomination Committee member and the results were compiled by the Company Secretaries and tabled at the Nomination Committee meeting for review.

In conducting the evaluation, the following main criteria were adopted by the Nomination Committee:-

- Quality and composition;
- Skills and competencies;
- Meeting administration and conduct; and
- Duties and responsibilities stated in the Terms of Reference.

Based on the evaluation conducted for the FYE 2017 and FYE 2018, the Nomination Committee is satisfied with the performance of the Audit Committee.

In order to ensure continuing education for the Board to enhance their knowledge and skills for better Board participation during the meetings, the Nomination Committee had also reviewed the training programmes attended by the Directors during FYE 2018, details of which are as follows:-

#### **Training Programmes**

##### **a) Tan Sri Dato' Ahmad Fuzi Bin Abdul Razak (Resigned w.e.f. 8 March 2019)**

<b>Dates</b>	<b>Description of Training Programmes</b>
5 March 2018	INPUMA Malaysia – Indonesia Conference
19 March 2018	Audit Committee Institute Breakfast Roundtable on KPMG Report on Non-Executive Directors Remuneration
25 July 2018	Corporate Liability Provision: "Exposure of Directors, Partners and Management on Offences committed by Employees or Others
20 September 2018	8th WIEF Global Discourse on Quantum Computing
10 November 2018	WIEF-UEF Chennai Roundtable
10 October 2018	PGPF Dialogue on Yemen Crisis

31 October 2018	PowerTalk 'Effective Boards in a VUCA World'
12-13 November 2018	Group of Strategic Vision "Russia - Islamic World"

**b) Chang Choon Ming** (*Resigned w.e.f. 8 March 2019*)

Dates	Description of Training Programmes
27 March 2018	An Overview on the Malaysian Code on Corporate Governance 2017
21 August 2018	The New Constitution under the Companies Act 2016

**c) Mok Shiao Hang** (*Resigned w.e.f. 29 March 2019*)

Dates	Description of Training Programmes
5 July 2018	Sustainability Reporting Workshop for Practitioners
28 August 2018	International Professional Practices Framework for Audit Committee

**d) Lim Bee San**

Dates	Description of Training Programmes
19 April 2018	Workshop on Current Issues Affecting Conveyancing Practice by Johor Bar
24 April 2018, 23 July 2018 & 23 October 2018	Series on Traditional and Islamic and Financial Banking: Practical Perspective by Bar Council
29 August 2018	2nd Strata Management Seminar by Logic Plus

**e) Thong Mei Mei**

Dates	Description of Training Programmes
5-6 July 2018	Mandatory Accreditation Programme

**f) Tan Sze Chong** (*Resigned w.e.f. 8 March 2019*)

Dates	Description of Training Programmes
27 March 2018	An Overview on the Malaysian Code on Corporate Governance 2017
21 August 2018	The New Constitution under the Companies Act 2016

**Internal Briefings**

All of the Directors had received briefings by the Company Secretaries, Internal Auditors and External Auditors during the following Board of Directors' Meeting held in FYE 2018 in relation to the changes and amendments to regulatory requirements and laws and accounting

	standards:-									
	<table border="1"> <thead> <tr> <th>Date of Board Meeting</th> <th>Subject Matters</th> </tr> </thead> <tbody> <tr> <td>23 February 2018</td> <td> <ol style="list-style-type: none"> <li>1. ACE Market Listing Requirements (“<b>ACE LR</b>”) amendments relating to Companies Act 2016, Corporate Governance and Codification of Financial Disclosures</li> <li>2. Corporate Governance Guide – 3rd Edition</li> <li>3. Consequential Amendments to ACE LR relating to Certain Definitions</li> </ol> </td> </tr> <tr> <td>27 August 2018</td> <td> <ol style="list-style-type: none"> <li>1. Survey on Implementation of MFRS 16 Leases</li> <li>2. Statutory requirement to establish a system of internal control pursuant to Section 246 of the Companies Act 2016</li> </ol> </td> </tr> <tr> <td>28 November 2018</td> <td> <ol style="list-style-type: none"> <li>1. Consultation Papers Nos. 3 and 4 of 2018 on Review of the Listing Requirements and Interim Reporting</li> <li>2. Issuers Communication No. 1/2018 – Corporate Website for Listed Issuer</li> </ol> </td> </tr> </tbody> </table>		Date of Board Meeting	Subject Matters	23 February 2018	<ol style="list-style-type: none"> <li>1. ACE Market Listing Requirements (“<b>ACE LR</b>”) amendments relating to Companies Act 2016, Corporate Governance and Codification of Financial Disclosures</li> <li>2. Corporate Governance Guide – 3rd Edition</li> <li>3. Consequential Amendments to ACE LR relating to Certain Definitions</li> </ol>	27 August 2018	<ol style="list-style-type: none"> <li>1. Survey on Implementation of MFRS 16 Leases</li> <li>2. Statutory requirement to establish a system of internal control pursuant to Section 246 of the Companies Act 2016</li> </ol>	28 November 2018	<ol style="list-style-type: none"> <li>1. Consultation Papers Nos. 3 and 4 of 2018 on Review of the Listing Requirements and Interim Reporting</li> <li>2. Issuers Communication No. 1/2018 – Corporate Website for Listed Issuer</li> </ol>
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<b>Explanation for departure</b> :										
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>										
<b>Measure</b> :										
<b>Timeframe</b> :										

**Intended Outcome**

The level and composition of remuneration of directors and senior management take into account the company’s desire to attract and retain the right talent in the board and senior management to drive the company’s long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

**Practice 6.1**

The board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company’s website.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board has adopted a formalised Remuneration Policy for Directors and Senior Management in November 2018, which sets out the criteria to be used in recommending the remuneration package of Executive Directors and Senior Management, and designed to ensure that the Directors and Senior Management are paid a remuneration commensurate with the responsibilities of their positions.</p> <p>This policy sets out the criteria to be used in recommending the remuneration package of Executive Directors and Senior Management of the Company which is in line with the best practice provisions of Malaysian Code on Corporate Governance (“<b>MCCG</b>”).</p> <p>The Executive Director plays no part in deciding their own remuneration and the respective Board members shall abstain from all discussions and voting pertaining to their remuneration or fee. It is the ultimate responsibility of the Board to approve the remuneration packages, Directors’ fees, benefits or allowance of the Directors.</p> <p>This policy will be reviewed biennially by the Remuneration Committee or as and when it is required to ensure the information remains current and updated.</p> <p>The Remuneration Policy for Directors and Senior Management is available on the Company’s corporate website at <a href="http://www.connectcounty.com">www.connectcounty.com</a>.</p>
<b>Explanation for departure</b>	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:
<b>Timeframe</b>	:

## Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

## Practice 6.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board has a Remuneration Committee to recommend to the Board the framework and remuneration packages of the Non-Executive Directors and Executive Directors, as well as Senior Management in all forms.</p> <p>The Remuneration Committee is governed by its Terms of Reference of Remuneration Committee which outlines its remit, duties and responsibilities.</p> <p>As at 31 December 2018, the composition of the Remuneration Committee is as follows:-</p> <div style="border: 1px solid black; padding: 5px;"><p><b>Chairperson:</b> Ms. Lim Bee San (Chairperson/Independent Non-Executive Director)</p><p><b>Members:</b> Mr. Mok Shiao Hang (Independent Non-Executive Director) Ms. Thong Mei Mei (Independent Non-Executive Director)</p></div> <p>Subsequently, Mr. Mok Shiao Hang had resigned as a Director of the Company on 29 March 2019 and consequently thereof, he had also ceased as a member of the Remuneration Committee. The composition of the Remuneration Committee as at LPD is as follows:-</p> <div style="border: 1px solid black; padding: 5px;"><p><b>Chairperson:</b> Lim Bee San (Independent Non-Executive Director)</p><p><b>Members:</b> Major General Dato' Mamat Ariffin Bin Abdullah (Independent Non-Executive Chairman) Thong Mei Mei (Independent Non-Executive Director) Ng Keok Chai (Independent Non-Executive Director)</p></div> <p>The Terms of Reference of the Remuneration Committee is available for viewing on the Company's corporate website at <a href="http://www.connectcountry.com">www.connectcountry.com</a>.</p>

<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

## Practice 7.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

<b>Application</b>	: Applied					
<b>Explanation on application of the practice</b>	: The details of the remuneration for Directors during the FYE 2018 are as follows:-  <b><u>Company</u></b>					
	<b>Directors' Fees (RM)</b>	<b>Salaries (RM)</b>	<b>Allowance (RM)</b>	<b>Benefits-in-kind (RM)</b>	<b>Others Emoluments (RM)</b>	<b>Total (RM)</b>
<b>Independent Non-Executive Director</b>						
Lim Bee San	24,000	-	-	-	-	24,000
Mok Shiaw Hang	24,000	-	-	-	-	24,000
Thong Mei Mei	36,000	-	-	-	-	36,000
<b>Subtotal</b>	<b>84,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,000</b>
<b>Executive Director</b>						
Ang Chuang Juay	12,000	-	-	-	-	12,000
<b>Subtotal</b>	<b>12,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,000</b>
<b>Non-Independent Non-Executive Director</b>						
Tan Sri Fuzi	24,000	-	-	-	-	24,000
Chang Choon Ming	24,000	-	-	-	-	24,000
Tan Sze Chong <i>(Appointed w.e.f. 01/11/2018)</i>	4,000	-	-	-	-	4,000
<b>Subtotal</b>	<b>52,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,000</b>
<b>Total</b>	<b>148,000</b>			<b>-</b>		<b>148,000</b>

		<b>Group</b>					
		<b>Directors' Fees (RM)</b>	<b>Salaries (RM)</b>	<b>Allowance (RM)</b>	<b>Benefits -in-kind (RM)</b>	<b>Others Emolu-ments (RM)</b>	<b>Total (RM)</b>
		<b>Independent Non-Executive Director</b>					
	Lim Bee San	24,000	-	-	-	-	24,000
	Mok Shiaw Hang	24,000	-	-	-	-	24,000
	Thong Mei Mei	36,000	-	-	-	-	36,000
	<b>Subtotal</b>	<b>84,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,000</b>
		<b>Executive Director</b>					
	Ang Chuang Juay	60,421	975,276	-	4,125	32,345	1,072,167
	<b>Subtotal</b>	<b>60,421</b>	<b>975,276</b>	<b>-</b>	<b>4,125</b>	<b>32,345</b>	<b>1,072,167</b>
		<b>Non-Independent Non-Executive Director</b>					
	<b>Tan Sri Fuzi</b>	24,000	-	-	-	-	24,000
	<b>Chang Choon Ming</b>	24,000	-	-	-	-	24,000
	<b>Tan Sze Chong</b> <i>(Appointed w.e.f. 1/11/2018)</i>	4,000	-	-	-	-	4,000
	<b>Subtotal</b>	<b>52,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,000</b>
	<b>Total</b>	<b>196,421</b>	<b>975,276</b>	<b>-</b>	<b>4,125</b>	<b>32,345</b>	<b>1,208,167</b>
<b>Explanation for departure</b>	:						
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>							
<b>Measure</b>	:						
<b>Timeframe</b>	:						

## Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

## Practice 7.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

<b>Application</b>	:	Departure								
<b>Explanation on application of the practice</b>	:									
<b>Explanation for departure</b>	:	<p>The top five (5) Senior Management includes one (1) Executive Deputy Chairman, of which his detailed remuneration had been disclosed under Practice 7.1 of this Report.</p> <p>Whilst for the remaining Senior Management, the Board is of that view that the disclosure on named basis would have adverse effect on the Company's talent retention in the competitive industry. All Senior Management are remunerated based on their scope of duties and responsibilities.</p> <p>Alternate Practice:</p> <p>Practice 7.1 has been applied where there is detailed disclosure on named basis for the remuneration of individual Directors. Therefore, the Intended Outcome in respect of the Directors have been met where the stakeholders would be to assess whether the remuneration of Directors is commensurate with their individual performance, taking into consideration the Company's performance.</p> <p>The division of roles and responsibilities between the Board, Board Committees, individual Directors and Management, as advocated under Practice 2.1, has been encapsulated in the Board Charter and duly adopted by the Board. In view thereof, stakeholders should entrust the Board to assess whether the remuneration of Directors and Senior Management is commensurate with their individual performance, taking into consideration the Company's performance.</p> <p>The Remuneration Committee is tasked to review and assess the remuneration package of the top five (5) Senior Management annually and to determine whether their remuneration package is fair and reasonable to retain and reward the talents as guided by the Directors' Remuneration Policy.</p> <p>The remuneration received by the top five (5) Senior Management (including the Executive Deputy Chairman) for the FYE 2018 is as follows:-</p> <table border="1"><thead><tr><th>Remuneration Category</th><th>Group RM'000</th></tr></thead><tbody><tr><td>Director' Fees</td><td>157,263</td></tr><tr><td>Salaries</td><td>2,804,735</td></tr><tr><td>Other emoluments and benefits</td><td>78,690</td></tr></tbody></table>	Remuneration Category	Group RM'000	Director' Fees	157,263	Salaries	2,804,735	Other emoluments and benefits	78,690
Remuneration Category	Group RM'000									
Director' Fees	157,263									
Salaries	2,804,735									
Other emoluments and benefits	78,690									

Allowances	145,264
<b>Total</b>	<b>3,185,952</b>

The number of top five (5) Senior Management (including the Executive Deputy Chairman) whose total remuneration falls with the following bands is as follows:-

Range of remuneration	Number of Top Five (5) Senior Management
RM300,001 – RM350,000	1
RM400,001 – RM450,000	1
RM550,001 – RM600,000	1
RM800,001 – RM850,000	1
RM1,050,001 – RM1,100,000	1
<b>Total</b>	<b>5</b>

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 7.3 - Step Up**

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

**Practice 8.1**

The Chairman of the Audit Committee is not the Chairman of the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As at 31 December 2018 and up to the LPD, the Chairperson of the Audit Committee is Ms. Thong Mei Mei, an Independent Non-Executive Director.</p> <p>Whilst the Board is chaired by Tan Sri Fuzi as at 31 December 2018, and subsequent to his resignation on 8 March 2019, Dato' Mamat was appointed as an Independent Non-Executive Chairman on 20 March 2019.</p> <p>The Chairperson of the Audit Committee is not the Chairman of the Board.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

**Practice 8.2**

The Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee did not adopt a policy that requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of Audit Committee.</p> <p>However, the Board had revised the Terms of Reference of the Audit Committee to formalise the above requirement which is in line with Practice 8.2 of the MCCG.</p> <p>For the FYE 2018, there was no new Board member who is a former key audit partner, being appointed to the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Audit Committee has adopted policies and procedures to assess the suitability, objectivity and independence of external auditors and that such assessment has been carried out annually.</p> <p>The outcome of the assessment would form a basis for the Audit Committee in making recommendation to the Board on the re-appointment of the external auditors for the ensuing year at the Annual General Meeting.</p> <p>During the FYE 2018, the Audit Committee has carried out the annual assessment and in its assessment, the Audit Committee has considered, inter alia, the following factors:-</p> <p>For "<b>suitability</b>" assessment:-</p> <ul style="list-style-type: none"><li>• The external auditors have the adequate resources, skills, knowledge and experience to perform their duties with professional competence and due care in accordance with approved professional auditing standards and applicable regulatory and legal requirements;</li><li>• To the knowledge of the Audit Committee, the external auditors do not have any record of disciplinary actions taken against them for unprofessional conduct by the Malaysian Institute of Accountants ("<b>MIA</b>") which has not been reserved by the Disciplinary Board of MIA;</li><li>• The external auditors firm has the geographical coverage required to audit the Group;</li><li>• The external auditors firm advises the Audit Committee on significant issues and new developments pertaining to risk management, corporate governance, financial reporting standards and internal controls on a timely basis;</li><li>• The external auditors firm consistently meets the deadlines set by the Group;</li><li>• The level of quality control procedures in the external audit firm, including the audit review procedures; and</li><li>• The external auditors' scope is adequate to cover the key financial and operational risks of the Group.</li></ul> <p>For "<b>objectivity</b>" assessment:-</p> <ul style="list-style-type: none"><li>• The nature and extent of the non-audit services rendered and the appropriateness of the level of fees.</li></ul>

	<p>For “<i>independence</i>” assessment:-</p> <ul style="list-style-type: none"> <li>• The engagement partner has not served for a continuous period of more than three (3) years with the Company;</li> <li>• The Audit Committee receives written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; and</li> <li>• Tenure of the current auditors.</li> </ul> <p>The Audit Committee noted for the FYE 2018, Messrs. Moore Stephens Associates PLT, the external auditors of the Company confirmed in writing that the engagement quality control reviewer and members of the engagement team in the course of their audits were and had been independent for the purpose of the audit in accordance with the terms of relevant professional and regulatory requirements.</p> <p>Upon completion of its assessment, the Audit Committee is satisfied with Messrs. Moore Stephens Associates PLT’s technical competency i.e. suitability and independence during the financial year under review and recommended to the Board the re-appointment of Messrs. Moore Stephens Associates PLT as external auditors for the financial year ending 31 December 2019. The Board has in turn, recommended the same for shareholders’ approval at the forthcoming Annual General Meeting of the Company.</p>	
<p><b>Explanation for departure</b> :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b> :</p>		
<p><b>Timeframe</b> :</p>		

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

**Practice 8.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	As at 31 December 2018 and up to the LPD, the Audit Committee comprises solely of Independent Directors.

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

**Practice 8.5**

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The members of the Audit Committee possess the relevant or related experience and expertise in the financial service industry to effectively carry out their duties and responsibilities.</p> <p>The members of the Audit Committee collectively have the necessary skills and experience and expertise in areas such as accounting and auditing, taxation, finance, legal, sales and marketing and information technology and investment.</p> <p>During the FYE 2018, the Nomination Committee assessed the term of office and performance of the Audit Committee in respect of the financial year under review. The Nomination Committee concluded that the skills and competencies of the Audit Committee in respect of FYE 2018 was satisfactory.</p> <p>All the members of the Audit Committee received ongoing training and development during FYE 2018 as detailed in Practice 5.1 of this Report.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

## Practice 9.1

The board should establish an effective risk management and internal control framework.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board has adopted a Group Risk Management Framework to manage its risk and opportunities.</p> <p>The risk management approach adopted by the Group is objective-driven and uses the basic "cause, risk and effect" principle to describe risk (i.e. risk profiling).</p> <p>A risk management process has been adopted by the Group and the details can be found in the <i>Statement on Risk Management and Internal Control</i> contained in the Annual Report 2018.</p> <p>For the FYE 2018, the Board was provided with the assurance from the Executive Deputy Chairman (i.e. the de facto Group's CEO), who is primarily responsible for the Group's operations and the Group Accountant, being the officer primarily responsible for the management of the financial affairs of the Company, that the Group's risk management and internal control systems are operating effectively.</p> <p>The Risk Management Committee has been entrusted by the Board to identify, evaluate, monitor and manage any relevant major risk faced by the Group so that the Group will achieve its business objectives. However, the Board as a whole remains responsible for all the actions of the Risk Management Committee with regard to the execution of the delegated role and this includes the outcome of the review and disclosure on key risks and internal control in the Company's annual reports.</p> <p>The Risk Management Committee has reviewed the key risk areas identified for FYE 2018 and ascertained that there were no major changes in the Group's overall risks profile as compared to the financial year ended 31 December 2017.</p> <p>Further details of the risk profiles of the Group and summary of activities carried out by the Risk Management Committee in respect of FYE 2018 are set out in the <i>Statement on Risk Management and Internal Control</i> of Annual Report 2018.</p> <p>The Group has appointed an outsourced internal audit service provider, Morison AAC Corporate Solutions Sdn. Bhd. ("<b>Morison</b>") to carry out the internal audit function.</p> <p>The purpose of the internal audit function is to provide the Board, through the Audit Committee, reasonable assurance of the effectiveness of the system of internal control in the Group.</p>

	<p>The internal controls are tested for effectiveness and efficiency in two (2) cycles for FYE 2018 by Morison following the risk-based approaches. The reports of the internal audit were tabled for the Audit Committee's review and deliberations, and the audit findings will then be communicated to the Board.</p>	
<p><b>Explanation for departure</b> :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b> :</p>		
<p><b>Timeframe</b> :</p>		

**Intended Outcome**

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

**Practice 9.2**

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The full features of the risk management and internal control framework are set out in the <i>Statement on Risk Management and Internal Control</i> in Annual Report 2018.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 9.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<b>Application</b>	:	Adopted								
<b>Explanation on adoption of the practice</b>	:	<p>The Board has established a Risk Management Committee to identify, evaluate, monitor and manage any relevant major risks faced by the Group so that the Group could achieve its business objectives. The Risk Management Committee reports to the Board directly.</p> <p>As at 31 December 2018 and up to the LPD, the Risk Management Committee is made up of the following members:-</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>Mr. Ang Chuang Juay</td><td>Chairman <i>(Executive Deputy Chairman)</i></td></tr><tr><td>Ms. Thong Mei Mei</td><td>Member <i>(Independent Non- Executive Director)</i></td></tr><tr><td>Mr. Lim Yew Chai</td><td>Member <i>(Group Accountant)</i></td></tr></tbody></table>	Name	Designation	Mr. Ang Chuang Juay	Chairman <i>(Executive Deputy Chairman)</i>	Ms. Thong Mei Mei	Member <i>(Independent Non- Executive Director)</i>	Mr. Lim Yew Chai	Member <i>(Group Accountant)</i>
Name	Designation									
Mr. Ang Chuang Juay	Chairman <i>(Executive Deputy Chairman)</i>									
Ms. Thong Mei Mei	Member <i>(Independent Non- Executive Director)</i>									
Mr. Lim Yew Chai	Member <i>(Group Accountant)</i>									

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 10.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>In order to ensure an effective governance, risk management and internal control framework within the Company, the Group has outsourced its internal audit function to Morison. The outsourced internal auditors report directly to the Audit Committee and provide the Board with a reasonable assurance of adequacy of the scope, functions and resources of the internal audit function.</p> <p>The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.</p> <p>The internal audit review of the Group's operations encompasses an independent assessment of the Company's compliance with its internal controls and recommendations are made for further improvement.</p> <p>The following matters (non-exhaustive), in relation to the internal audit function of the Group, are reserved matters for the Audit Committee:-</p> <ul style="list-style-type: none"><li>(a) Consider the appointment of the internal auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person(s) as auditors.</li><li>(b) review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its works;</li><li>(c) review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;</li><li>(d) review the internal audit plan, consider the internal audit reports and findings of the internal auditors, fraud investigations and actions and steps taken by Management in response to the audit findings;</li><li>(e) review any appraisal or assessment of the performance of members of the internal audit function;</li><li>(f) approve any appointment or termination of senior staff members of the internal audit function; and</li><li>(g) take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reason for resigning;</li></ul> <p>During FYE 2018, the Audit Committee had reviewed and assessed the adequacy of the scope, functions, competency and resources of the outsourced internal auditors and that they have the necessary authority</p>

	<p>to carry out their work.</p> <p>Further details of the internal audit function have been disclosed in the <i>Audit Committee Report</i> of Annual Report 2018.</p> <p>The Audit Committee and Board are satisfied with the performance of the internal auditors, in relation to the provision of outsourced internal audit services to the Group and the Company.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 10.2

The board should disclose—

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The engagement team from Morison AC Corporate Solutions Sdn. Bhd. ('MCS') is headed by Mr. Clement Cheong, the Internal Audit Director of MCS.. Mr. Clement Cheong holds a Master in Business Administration, University of Bath. He is a member of the Malaysian Institute Accountants, Malaysian Institute of Certified Public Accountants, Institute of Chartered Secretaries and Administrators, Institute of Bankers, Malaysia and a Charter Member, Certified Risk Professional. He is assisted by six (6) staff.</p> <p>For the FYE 2018, MCS has confirmed to the Audit Committee that all its engagement team personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence.</p> <p>MCS has informed the Audit Committee that its internal audit works were carried out in accordance with a framework set by a recognised professional body i.e. International Professional Practice Framework issued by Institute of Internal Auditors, of which final communication of internal audit plan, processes and results of the internal audit assessment are supported by sufficient, reliable and relevant information which signifies a satisfactory conclusion of the internal audit work.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 11.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Company acknowledges the importance of the long-term commitment with the shareholders. The Board has adopted a Corporate Disclosure Policy that provides guidance as well as ensuring a consistent approach towards the Company's communication with the shareholder. The Company adopts the practice comprehensive, timely and continuing disclosures of information to its shareholders and stakeholders.</p> <p>A copy of the Corporate Disclosure Policy is available for viewing on the Company's corporate website at <a href="http://www.connectcounty.com">www.connectcounty.com</a>.</p> <p>The Board has adopted the following measures with regards to communication with the Company's shareholders:-</p> <p>(i) <u>Regular announcements to Bursa Securities</u></p> <p>Material information, updates and periodic financial reports are published on a timely basis through announcements to Bursa Securities.</p> <p>Shareholders and investors can obtain the Company's latest announcements such as quarterly financial results in the dedicated website of Bursa Securities at <a href="http://www.bursamalaysia.com.my">www.bursamalaysia.com.my</a>.</p> <p>(ii) <u>Corporate website</u></p> <p>A corporate website, i.e. <a href="http://www.connectcounty.com">www.connectcounty.com</a> is maintained and the said website contains relevant information for the shareholders, potential investors, suppliers and the general public.</p> <p>(iii) <u>Annual reports</u></p> <p>The Company's Annual Report to the shareholders remain the central means of communicating to the shareholders, amongst others, the Company's operations, activities and performance for the past financial year end as well as the status of compliance with applicable rules and regulations.</p> <p>(iv) <u>General meetings</u></p> <p>The Annual General Meetings/Extraordinary General Meetings which are used as the main forum of dialogue for shareholders to raise any issues pertaining to the Company.</p>

	<p>For the convenience of the shareholders, the Board endeavour to ensure the venue of the general meetings be held in Kuala Lumpur area, being the capital city of Malaysia and where majority of the shareholders reside, based on an analysis of the Company's shareholders by locations.</p> <p>(v) <u>Designated contact persons for enquiry</u></p> <p>Any enquiry regarding investor relations from the shareholders may be conveyed to the following designated senior management personnel, the information of which has also been published on the Company's corporate website:-</p> <div data-bbox="587 533 1209 741" style="border: 1px solid black; padding: 5px; margin: 10px auto; width: fit-content;"> <p><b>Mr. Lim Yew Chai</b>, <i>Group Accountant</i>  Email address: yc_lim@connectcounty.com  Telephone No.: 03-2202 3399  Facsimile No : 03-2202 2244</p> </div>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

**Intended Outcome**

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

**Practice 11.2**

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	Not adopted as the Company is not a large company.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 12.1**

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Notice of Annual General Meeting which appended together with the Annual Report 2018, was sent to shareholders at least 28 days prior to the date of the meeting to give sufficient time to shareholders to consider the resolutions that will be discussed and resolved at the Annual General Meeting. The Notice of Annual General Meeting, which sets out the businesses to be transacted at the meeting, was also published in a major local newspaper.</p> <p>The notes to the Notice of Annual General Meeting also provide detailed explanation for better understanding on each resolution proposed to enable shareholders to make informed and proper decisions in exercising their voting rights.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 12.2**

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>All the Directors and Chairperson of the Board Committees were present at the 15th Annual General Meeting of the Company held on 27 June 2018 to engage with the shareholders personally and proactively.</p> <p>All the Directors have committed to attend the forthcoming Annual General Meeting of the Company, scheduled to be held on 29 May 2019.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>Upon review, the Board noted that prior to implementing the voting in absentia and remote shareholders' participation at general meeting(s), there are several factors/conditions that need to be fulfilled prior to making such consideration:-</p> <ul style="list-style-type: none"><li>• Relevant amendments to the Articles of Association/Constitution of the Company to outline the procedures for enabling such voting/participation;</li><li>• Availability of technology and infrastructure;</li><li>• Affordability of the technology and infrastructure;</li><li>• Sufficient number of shareholders residing/locating at particular remote location(s); and</li><li>• Age profile of the shareholders.</li></ul> <p>In view thereof, the Board will not be recommending the adoption such voting/participation format at the forthcoming Annual General Meeting of the Company.</p> <p>As an alternative practice, the Company has made the following arrangements:-</p> <p>(1) <u>Venue of Annual General Meeting at Klang Valley</u></p> <p>Based on an analysis of the shareholders' location as at LPD, the Company noted that 54.25% of the total 1,388 shareholders of the Company are located in the Klang Valley area comprising Kuala Lumpur and the State of Selangor.</p> <p>Therefore, the venue of the forthcoming Annual General Meeting has been fixed at Bandar Sri Petaling, Kuala Lumpur with easily accessible transportation links to enable the shareholders' attendance.</p> <p>(2) <u>Appointment of Proxy(ies)</u></p> <p>For shareholders who are not able to make the journey to the Annual General Meeting venue, they are allowed to appoint any person(s) as their proxies to attend, participate, speak and vote in his stead at the Annual General Meeting.</p>

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT  
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

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