

**SLP RESOURCES BERHAD [663862-H]  
(Incorporated in Malaysia)**

**ERRATA TO THE ANNUAL REPORT 2016**

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Reference is made to the Annual Report 2016 of SLP Resources Berhad wherein there were typographical errors with details as follows: -

- a) Table of Contents: page 19 should be read as “Corporate Governance Statement”; and
- b) Header of pages 19 to 30 should be read as “Corporate Governance Statement”

This Errata is dated 2<sup>nd</sup> day of May 2017

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# Corporate Governance Statement

The Board of Directors (“the Board”) of SLP Resources Berhad (“the Company” or “SLP”) recognises that good corporate governance is important to the success of the Company and its subsidiaries (“the Group”) in carrying out its business operations while safeguarding stakeholders’ interest and in enhancing shareholders’ value. The Board strives to ensure that the appropriate standard for good corporate governance is being practised throughout the Group and that the recommendations as set by the Malaysian Code of Corporate Governance 2012 (“MCCG 2012” or “the Code”) issued by the Securities Commission of Malaysia are being complied with.

Pursuant to Paragraph 15.25 of the Listing Requirements of Bursa Malaysia Securities Berhad, the disclosure statement below sets out the manner in which the Company has applied the principles of the Code and the extent of compliance with Best Practices advocated therein pursuant to the Main Market Listing Requirements (“MMLR”) of Bursa Securities throughout the financial year ended 31 December 2016. Where there are gaps in the Company’s observation of any of the recommendations of the Code, these are disclosed herein with explanations.

## 1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

### 1.1 Clear Functions of the Board and Management

The Board is responsible for the overall performance of the Group by setting goals, policies and targets while Management is responsible for managing the day-to-day running of the Group’s business activities in accordance with the direction and delegation of the Board. The Managing Director briefs the Board on business operations and management initiatives during board meetings. Management meets regularly to discuss and resolve operational issues.

In discharging its duties, the Board delegates certain of its responsibilities to Board Committees namely Audit Committee (“AC”), Nomination Committee (“NC”) and Remuneration Committee (“RC”) which operate within their respective clearly defined terms of reference. The Board is briefed at board meetings on matters deliberated by the Committees.

### 1.2 Clear Roles and Responsibilities

In line with its overall responsibility for the proper conduct of the Group’s business, the Board is responsible for establishing the Group’s goals and strategic directions, setting targets for Management and monitoring the achievement of those goals and targets. The Board also oversees the process of evaluating the adequacy and effectiveness of the system of internal controls and risk management processes.

The roles and responsibilities of the Board are clearly defined in the Board Charter, which is available on the Company’s website. The Board Charter further defines the roles and responsibilities of the Chairman, Managing Director and Non-Executive Directors.

The following are the principal responsibilities of the Board in discharging its fiduciary and leadership functions:

- (i) to review and approve strategies, business plans and significant policies and ensure that the Group’s goals are clearly established, and to monitor the implementation and performance of the strategies, policies, plans, legal and fiduciary obligations that affect the business by adopting performance appraisal measures;
- (ii) to ensure a competent management by establishing policies for strengthening the performance of the Group with a view to proactively build the business through innovation, initiative, technology, new products and the development of its business capital;
- (iii) to evaluate whether the business is being properly managed and to ensure that the solvency of the Group and the ability of the Group to meet its contractual obligations and to safeguard the Group’s assets;
- (iv) to ensure that the Group has appropriate business risk management process, including adequate control environment be it the internal control systems and management information systems, systems for compliance with applicable laws, regulations, rules, directives and guidelines and controls in areas of significant financial and business risks;
- (v) to establish various Board Committees and ensure their effectiveness to address specific issues, by considering recommendations of the various board committees and acting on their reports;
- (vi) to ensure that the statutory financial statements of the Company and the Group are fairly stated and otherwise conform with the relevant regulations including acceptable accounting policies and standards that result in balanced and understandable financial statements;
- (vii) To put succession planning in place by ensuring that all candidates appointed to senior management positions are of sufficient calibre and that there are structured and unstructured programmes to provide for the orderly succession of senior management;



# Corporate Governance Statement (Cont'd)

## 1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (Cont'd)

### 1.2 Clear Roles and Responsibilities (Cont'd)

- (viii) to ensure that the Group adheres to high standards of ethics and corporate behaviour including transparency in the conduct of business. Directors are required to comply with the Directors' Code of Best Practice which amongst others includes the declaration of any personal, professional or business interests, direct or indirect which may conflict with directors' responsibilities as a Board Member and to refrain from voting on such transaction with the Group; and
- (ix) to ensure that there is in place an appropriate investor relations and communications policy. The Board has a formal schedule of matters reserved to itself for decision, which includes the overall Group strategy and direction, acquisition and investment, approval of major capital expenditure, consideration of significant financial matters and the review of the financial and operating performance of the Group. The schedule ensures that the governance of the Group is firmly in the Board's hand.

### 1.3 Code of Ethics and Code of Conduct

The Company's Code of Ethics for Directors and employees govern the standards of ethics and good conduct expected of Directors and employees, respectively. The Code of Ethics serves as a road map to guide actions and behaviours while working for and/or dealing with the Company and the Group to maintain high standards of corporate governance and corporate behaviour with the intention of achieving the following:

- to establish a standard of ethical behaviour for Directors, Senior Management and employees of the Group based on trustworthiness and values that can be accepted, are held or upheld by any one person; and
- to uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administering the company and the Group.

All employees are required to read, understand, accept and abide by the terms of this code and all new staff are briefed on the requirements of the code and provided with a copy of the Code of Conduct on the commencement of their employment in the course of new employees' induction programme.

The Code of Ethics for Directors includes principles relating to their duties, confidentiality of information, conflict of interest and dealings in securities. For employees, the Code of Conduct covers all aspects of the Group's business operations, such as confidentiality of information, dealings in securities, protecting the Group's assets and intellectual properties, conflict of interest, gifts, gratuities or bribes, dishonest conduct and sexual harassment.

### 1.4 Strategies Promoting Sustainability

The Group acknowledges that sustainability is an important aspect of its business and therefore continues to undertake responsible practices that impact the society and environment in a positive manner and to inculcate a culture of responsibility in all aspects of our business. It therefore adopts a business approach to create shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments.

The Group's commitments in promoting good governance and sustainability for the manufacture of quality polybags and polyfilms to all its customers in food, non-food, pharmaceutical, healthcare and other sectors are evidenced by the achievement of the internationally accredited food safety management system ISO 22000 and the most recent accreditation of BRC/IoP Global Standard For Packaging And Packaging Materials.

The Board ensures that its long-term financial viability, loyalty of key stakeholders and preservation of the environment are achieved. The details of sustainability activities are set out in the Sustainability Statement on pages 31 to 32 of the Annual Report.

### 1.5 Access to Information and Advice

Prior to the meetings of the Board and the Board Committees, notices of agenda together with previous minutes and other relevant qualitative and quantitative information are compiled into reports and circulated to all members on a timely basis. Management is also invited to the Board and Board Committees' meetings to report or present on areas within their responsibilities to ensure the members were able to effectively discharge their responsibilities.

All Directors also have full and free access to information within the Group and are entitled, whether via the Board or in their individual capacity, to seek independent professional advice at the Company's expense where necessary in the furtherance of their duties. A Director may consult the Chairman or other Board members prior to seeking any independent professional advice.



# Corporate Governance Statement (Cont'd)

## 1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (Cont'd)

### 1.6 Qualified and Competent Company Secretary

The Company Secretary plays an advisory role to the Board and is capable of carrying out her duties efficiently to ensure the effective functioning of the Board. The Company Secretary is suitably qualified and has attended relevant training and seminars to keep abreast with the statutory and regulatory requirements' updates.

The Company Secretary circulates relevant guidelines and updates on statutory and regulatory requirements from time to time for the Directors' reference and brief the Board on these updates on quarterly basis. She also ensures that all Board and Board Committee meetings are properly convened and that deliberations, proceedings and resolutions are properly recorded and documented in the minutes of the Board.

### 1.7 Board Charter

The Board has formalised and adopted a Board Charter which sets out the principal functions, composition, roles and responsibilities of the Board and also the functions and responsibilities delegated to the Board Committees as well as to the Management of the Company and its Group. The Board Charter is a source reference and primary induction literature, providing insights to prospective Board members and senior management.

The Board periodically reviews the Board Charter to ensure it remains consistent with the Board's objectives and responsibilities and any new regulations that may have an impact on the Board's responsibilities.

The summary of the current Board Charter is available at the Company's website, [www.sinliplas.com.my](http://www.sinliplas.com.my).

## 2. STRENGTHEN COMPOSITION

### 2.1 Nomination Committee ("NC")

The NC currently comprises entirely Non-Executive Directors with majority of the members being independent as follows:

<b>Name</b>	<b>Position</b>
Mary Geraldine Phipps	Chairman/ <i>Senior Independent Non-Executive Director</i>
Leow Chan Khiang	Member/ <i>Non-Independent Non-Executive Director</i>
Chan Wah Chong	Member/ <i>Independent Non-Executive Director</i>
Law Cheng Lock	Member/ <i>Independent Non-Executive Director</i>

The NC assists the Board in proposing new nominees for the Board, assessing the effectiveness of Directors on an ongoing basis, and reviewing the effectiveness of the Group Chairman, Group Managing Director and Executive Directors. The NC also reviews, recommends and ensures training and orientation needs/requirements for each individual Director.

The NC is appointed by the Board and it comprises exclusively of Non-Executive Directors, a majority of whom are independent Directors. The Code states that the Chair of the NC shall be a Senior Independent Director of the Company.

Members of the NC may relinquish their membership in the NC with prior written notice to the Company Secretary.

The NC will review and recommend to the Board for approval, another Director to fill the vacancy. The NC has full, free and unrestricted access to the Group's records, properties and personnel in carrying out its duties and responsibilities. The NC is also authorised to seek independent professional advice subject to the approval of the Board, at the expense of the Group, in carrying out its duties. However, the NC is not authorised to implement its own recommendations but reports the same to the Board for the latter's consideration, approval and implementation.

The NC meets at least once a year or at any time when the need arises. The presence of the majority of the Independent Non-Executive Directors shall form the quorum of the meeting.

### 2.2 Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors

#### (a) Recruitment or New Appointment of Directors

The NC recommends to the Board, candidates for all directorships and to review the Board's policies and procedures for the selection of Board members. In making the recommendations, the NC should also consider candidates proposed by the Chairman and Group Managing Director, and within the bounds of practicability, by any other senior executive, Director or shareholder.



# Corporate Governance Statement (Cont'd)

## 2. STRENGTHEN COMPOSITION (Cont'd)

### 2.2 Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors (Cont'd)

#### (a) Recruitment or New Appointment of Directors (Cont'd)

In making its recommendations, the NC shall assess and consider the candidates':

- skills, knowledge, expertise and experience;
- professionalism;
- time commitment to effectively discharge his/her role as a Director;
- contribution and performance;
- character, integrity and competence;
- boardroom diversity including gender diversity; and
- in the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.

New Directors are provided with comprehensive information on the Group to enable them to gain a better understanding of the Group's strategies and operations, and hence allow them to effectively contribute to the Board. The NC shall ensure that a formal orientation programme is in place for future new recruits to the Board.

#### (b) Gender Diversity Policy

The Board does not have a specific policy on setting targets on the number of women representatives on the Board of the Company. The Board believes that there is no detriment to the Company in not adopting a formal gender diversity policy or in not setting gender diversity objectives as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Company. The evaluation of the suitability of candidates is based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company.

Despite there being no such formal gender diversity policy, the Company currently has three (3) female directors which the Board is of the view, is in line with the gender diversity recommended by MCCG 2012. With such number of female directors on the Board since 2008, the Company was given the recognition by the Ministry of Women, Family and Community Development for achieving the target of at least 30% women on Board in Public Listed Companies in conjunction with Hari Wanita 2016. This recognition was given on 25 August 2016.

On the management front, the Group's commitment to promote "Diversity at Work" is reflected in its employee gender profile as at 31 December 2016 of 11.7% female to 88.3% male employees.

#### (c) Annual Assessment

For the financial year ended 31 December 2016, the Nomination Committee performed the following evaluation:

- (i) reviewed and assessed the mix of skills, expertise, composition, size and experience required by the Board;
- (ii) reviewed and assessed the effectiveness of each individual Director by undertaking an evaluation process involving a self-assessment by each individual director;
- (iii) reviewed and assessed the effectiveness of the Board and Board Committees;
- (iv) reviewed and assessed the independence of the Independent Directors;
- (v) nominated the Directors who are retiring and who are eligible for re-election; and
- (vi) reviewed the term of office competency and performance of the Audit Committee and its members.

The criteria for self-assessment covers areas such as contributions to matters discussed, roles and responsibilities and overall quality of input to Board effectiveness. For Board and Board Committee assessments, the criteria include board structure and operations, their roles and responsibilities, succession planning and board governance. The independence of Independent Directors were assessed based on their relationship with the Group and their involvement in any significant transaction with the Group.



# Corporate Governance Statement (Cont'd)

## 2. STRENGTHEN COMPOSITION (Cont'd)

### 2.2 Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors (Cont'd)

#### (d) Retirement of Directors

In accordance with the MMLR of Bursa Securities and Article 95(1) of the Company's Articles of Association, at least 1/3 or the number nearest to 1/3 of the Directors shall retire from office each year, such that all directors retire at least once in every 3 years at the Annual General Meeting ("AGM"). The retiring directors shall be eligible for re-election at the AGM.

Upon the recommendation of Nomination Committee, the following Directors retire by rotation at the forthcoming AGM of the Company pursuant to Article 95(1) of the Company's Articles of Association and being eligible, have offered themselves for re-election:

- (i) Khaw Seang Chuan
- (ii) Khaw Choon Hoong
- (iii) Leow Chan Khiang

### 2.3 Directors' Remuneration

The Remuneration Committee ("RC") currently comprises three (3) Non-Executive Directors and one (1) Executive Director with majority of the members being independent as follows:

<b>Name</b>	<b>Position</b>
Chan Wah Chong	Chairman/ <i>Independent Non-Executive Director</i>
Mary Geraldine Phipps	Member/ <i>Senior Independent Non-Executive Director</i>
Law Cheng Lock	Member/ <i>Independent Non-Executive Director</i>
Khaw Khoon Tee	Member/ <i>Executive Chairman</i>

The RC reviews and reports to the Board on remuneration and personnel policies, compensation and benefits programmes with the aim to attract, retain and motivate individuals of the highest quality. The remuneration should be aligned with the business strategy and long-term objectives of the Group, and to reflect the board's responsibilities, expertise and complexity of the Group's activities.

The remuneration package of each individual Executive Director is structured to reflect his experience, performance and scope of responsibilities. The remuneration of Non-Executive Directors are in the form of annual fees and reflects the experience and the level of responsibilities undertaken by the particular Non-Executive Director concerned.

The RC has full, free and unrestricted access to the Group's records, properties and personnel in carrying out its duties and responsibilities. The RC is not authorised to implement its own recommendations but reports the same to the Board for the latter's consideration, approval and implementation.

Executive Directors shall abstain from the deliberation and voting on decisions in respect of their own remuneration package. In the event where the Chairman's remuneration is to be decided, he shall abstain from discussion and voting.

The remuneration and entitlements of Non-Executive Directors should be a matter for the Board as a whole. The individuals concerned should abstain from discussions pertaining to their own remuneration.

The activities of the RC are developed from year to year by the Committee in consultation with the Board and the RC shall meet at least once a year. The quorum for each meeting shall be a majority of independent Directors.

During the financial year, the RC met once which was attended by all its members. The RC reviewed and recommended to the Board, the remuneration package for the Chairman, Managing Director and Executive Directors of the Company. The fees of the Non-Executive Directors shall be determined by the Board as a whole where each individual Director abstains from discussions pertaining to his own fees. The Directors' fees are subject to the shareholders' approval at the Company's AGM.

The amounts of remuneration paid to Directors are disclosed in the Notes to the Audited Financial Statements. The Company opts not to disclose the remuneration of individual Director as the Company believes that this information will not add significantly to the understanding and evaluation of the Company's governance.



# Corporate Governance Statement (Cont'd)

## 2. STRENGTHEN COMPOSITION (Cont'd)

### 2.3 Directors' Remuneration (Cont'd)

Aggregate remuneration paid to Directors for the financial year ended 31 December 2016 are categorised into the following components:

Company	Directors' Fees RM'000	Salary and Bonus RM'000	Meeting Allowance RM'000	Benefits in kind RM'000	EPF & SOCSO RM'000
Executive Directors	-	-	5	-	-
Non-Executive Directors	109	-	20	-	-
<b>Total</b>	<b>109</b>	<b>-</b>	<b>25</b>	<b>-</b>	<b>-</b>

Group	Directors' Fees RM'000	Salary and Bonus RM'000	Meeting Allowance RM'000	Benefits in kind RM'000	EPF & SOCSO RM'000
Executive Directors	43	1,516	5	56	136
Non-Executive Directors	109	-	20	-	-
<b>Total</b>	<b>152</b>	<b>1,516</b>	<b>25</b>	<b>56</b>	<b>136</b>

Number of Directors whose remuneration falls into the following bands:

Range of remuneration RM	Number of Directors	
	Executive	Non-Executive
50,000 and below	-	4
200,001 to 250,000	-	-
251,001 to 300,000	-	-
300,001 to 350,000	-	-
350,001 to 400,000	2	-
400,001 to 450,000	-	-
450,001 to 500,000	1	-
500,001 to 550,000	1	-

## 3. REINFORCE INDEPENDENCE

### 3.1 Annual Assessment of Independence

The Board recognises the importance of independence and that the Board members are responsible to act in the best interest of the shareholders of the Company. In view thereof, the NC assesses annually the independence of the Company's independent directors based on the criteria which had been developed prior to the assessment of independence of Independent Director.

The NC and Board are of the view that all existing Independent Non-Executive Directors continue to remain objective and independent in expressing their views and in participating in deliberations and decision making of the Board and Board Committees and no individual or small group of individuals dominates the Board's decision-making process.

All evaluations carried on the independence of the Independent Directors were tabled to the Board and is properly documented.



# Corporate Governance Statement (Cont'd)

## 3. REINFORCE INDEPENDENCE (Cont'd)

### 3.2 Tenure of Independent Directors

The Board noted the MCGG 2012 recommends that the tenure of an Independent Director should not exceed a cumulative term of nine years. Upon completion of the nine years, an Independent Director may continue to serve on the Board subject to his re-designation as a Non-Independent Director.

The NC noted that Mary Geraldine Phipps, our Senior Independent Non-Executive Director has served on the Board for more than nine years. The Board believes that although Mary Geraldine Phipps has served more than nine (9) years on the Board, she remains unbiased, objective and independent in expressing her opinions and in participating in decision making of the Board. The length of her service on the Board has not in any way interfered with her objective and independent judgement in carrying out her role as member of the Board and Committees. Accordingly, the Board is making a recommendation to shareholders for approval at the forthcoming Annual General Meeting of the Company that Mary Geraldine Phipps remains as a Senior Independent Non-Executive Director of the Company.

### 3.3 Separation of Positions of the Chairman and Managing Director

MCGG 2012 recommends that the positions of Chairman and Managing Director should be held by different individuals, and the Chairman must be a non-executive member of the board.

The NC noted that the Chairman of the Board is currently held by Mr Khaw Khoon Tee, an executive member of the Group. The Board believes that although Mr Khaw Khoon Tee is holding the executive position as the Chairman of the Board, there is a clear division of responsibility between him and the Managing Director, Mr Khaw Seang Chuan to ensure there is a balance of power and authority. Hence, whilst the Code recommends that the Chairman should be a non-executive member, the Board is of the view that the existing measures and the presence of independent oversight by the Independent Non-Executive Directors are sufficient to ensure the balance of accountability and authority within the Board.

### 3.4 Composition of the Board

The Board currently has eight (8) members; comprising four (4) Executive Directors, three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

The concept of independence adopted by the Board is in tandem with the definition of an independent Director in paragraph 1.01 of MMLR of Bursa Securities. The key element for fulfilling the criteria is the appointment of an independent Director who is not a member of management and who is free of any relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company. The Board complies with paragraph 15.02 of MMLR, which requires that at least two Directors or 1/3<sup>rd</sup> of the Board of the Company, whichever is the higher, are independent Directors. If the number of Directors of the Company is not three (3) or a multiple of three (3), then the number nearest to 1/3<sup>rd</sup> shall be used.

The Directors with their different backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in areas such as finance, corporate affairs, marketing and operations. The Executive Directors are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as co-ordinating the development and implementation of business and corporate strategies. The Independent Non-Executive Directors provide objective and independent judgement for decision making and serve as a capable check and balance for the Executive Directors.

MCGG 2012 recommends that the Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director. The Board is mindful of the recommendation of the Code that the Board must comprise a majority of Independent Non-Executive Directors. The Board is of the view that the Executive Chairman's pioneering contribution towards the Company, his responsibility towards the Group's business and development activities as well as his extensive knowledge on the Company's operations and strategic direction renders him most suitable to represent the Company to its stakeholders. The Board is satisfied that the current Independent Non-Executive Directors with wide boardroom experience and specialisation are able to provide the necessary check and balance.

The roles of the Chairman and the Managing Director are clearly defined and stated in the Board Charter. The Chairman is responsible for running the Board and ensuring that all Directors receive sufficient information on financial and non-financial matters to enable them to participate actively in Board deliberations and decisions. Although the Chairman of the Board is not an Independent Non-Executive Director, he is primarily responsible for the orderly conduct and effective function of the Board. The Group Managing Director is responsible for the day to day management of the business as well as implementation of the Board's policies and decisions.



# Corporate Governance Statement (Cont'd)

## 4. FOSTER COMMITMENT

### 4.1 Time Commitment

The Board ordinarily meets at least four (4) times a year at quarterly intervals with additional meetings convened when necessary. During the financial year, the Board met on five (5) occasions; where it deliberated on matters such as the Group's financial results, major investments and strategic decisions, its business plan, corporate finance and developments and the strategic direction of the Group among others. Board meetings for each year are scheduled in advance before the end of the preceding year in order for Directors to plan their schedules.

Time commitments of the Directors are affirmed by their full attendance at the Board of Directors' Meetings held during the financial year where five (5) meetings were held. The record of the directors' attendance is contained in the table below:

Directors	Total Meetings Attended	Percentage of Attendance
Khaw Khoon Tee	5/5	100%
Khaw Seang Chuan	5/5	100%
Khaw Choon Hoong	5/5	100%
Khaw Choon Choon	5/5	100%
Leow Chan Khiang	5/5	100%
Mary Geraldine Phipps	5/5	100%
Chan Wah Chong	5/5	100%
Law Cheng Lock	5/5	100%

All the Directors complied with the minimum 50% attendance requirement in respect of Board meetings held during the financial year ended 31 December 2016 as stipulated under Paragraph 15.05 of the MMLR of Bursa Securities.

### 4.2 Directors' Training

Upon joining the Company, all new Directors are given background information describing the Group and its activities. Site visits are arranged whenever necessary. All the Directors holding office for the financial year ended 31 December 2016 have completed the Mandatory Accreditation Programme as specified by Bursa Securities. The Directors are also encouraged to attend various external professional training programmes and/or seminars on a continuous basis to enable them to effectively discharge their duties and to ensure that they are kept abreast on various issues facing the changing business environment within which the Group operates.

The Directors have during the financial year ended 31 December 2016, evaluated their own training needs on a continuous basis and attended the following training programmes and seminars to keep abreast of relevant changes in law, regulations, business environment, risk management, general economic and industry developments:



# Corporate Governance Statement (Cont'd)

## 4. FOSTER COMMITMENT (Cont'd)

### 4.2 Directors' Training (Cont'd)

Name of Director	Course Title	Date
Khaw Khoon Tee	Chinaplas Plastic & Rubber Trade Fair at Shanghai New International Expo Centre	25 – 28 May 2016
	In-house training on BRC Global Standard for Packaging and Packaging Materials	16 December 2016
Khaw Seang Chuan	Latest global economic developments especially on the recent Brexit and its impact to EU and the global economy by Exclusive presentation by Tan Sri Panglima Andrew Sheng	27 July 2016
	In-house training on BRC Global Standard for Packaging and Packaging Materials	16 December 2016
Khaw Choon Hoong	In-house training on BRC Global Standard for Packaging and Packaging Materials	16 December 2016
Khaw Choon Choon	In-house training on BRC Global Standard for Packaging and Packaging Materials	16 December 2016
Mary Geraldine Phipps	Political Financing Reforms -Sponsored by Penang State Government	5 March 2016
	TPPA Seminar 2016 - What's on it for Accountants? – Organised by MIA	11 April 2016
	Summary of Amendments to the Main Market Listing Requirements of Bursa Malaysia – Organised by Boardroom	2 June 2016
	MFRS 136: Impairment of Assets – Organised by KPMG	2 June 2016
	Sustainability Reporting – Organised by Deloitte & Touche	9 June 2016
	Governing Boards – Roles and Responsibilities Workshop – Asian World Summit (Dr. Frank Ashe)	27 September 2016
	Leow Chan Khiang	Risk Management and Internal Control Workshop for Audit Committee by Bursa Malaysia
Leow Chan Khiang	Goods and Services Tax Conference 2016 by MIA	29 & 30 August 2016
	MFRS/FRS Update 2016/2017 Seminar by KPMG	6 October 2016
	2017 Budget Seminar by MIA	29 November 2016
Chan Wah Chong	The Essence of Independence – By Bursa Malaysia and ICLIF	28 March 2016
	Analyzing GST Audit File – By N Selvam Consult and MIA	26 June 2016
	Comparative Analysis of the PERS, MPERS and MFRS Framework by Prof Tan Liang Tong	16 & 17 November 2016
Law Cheng Lock	Risk Management and Internal Control Workshop for Audit Committee by Bursa Malaysia	7 April 2016



# Corporate Governance Statement (Cont'd)

## 5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

### 5.1 Compliance with Applicable Financial Reporting Standards

The Board is assisted by the AC to oversee the Group's financial reporting processes and the quality of its financial reporting and to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual statutory financial statements. A Statement by the Board of its responsibilities is set out on page 33 of this Annual Report.

Through the annual financial statements as well as the Chairman's statement and review of operations in the Annual Report and the quarterly announcements of results to shareholders, the Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects.

### 5.2 Assessment of Suitability and Independence of External Auditors

The AC oversees and appraises the quality of the audits conducted by the Company's external auditors; maintain open lines of communication between the Board of Directors and external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and assess the adequacy of the risk management systems and internal control environment as well as the financial reporting systems based on audit feedback from the external auditors.

Key features underlying the relationship between the AC and the external auditors are included in the AC's Report as detailed on pages 36 to 38 of the Annual Report.

The AC reviewed the suitability and independence of the external auditors and recommended their re-appointment to the Board, upon which the shareholders' approval will be sought at the forthcoming Twelfth AGM. The external auditors had provided their confirmation to the AC that they have complied with the ethical requirements regarding independence with respect to the audit of the Group in accordance with all relevant professional and regulatory requirements. The external auditors also provide certain non-audit services.

## 6. RECOGNISE AND MANAGE RISK

### 6.1 Sound Framework to Manage Risk

The Group has established a Risk Management Policy and Guidelines which sets out its risk management strategy, risk structure, risk assessment processes, risk communication and action plans.

The Risk Management Committee assists the Board in identifying, mitigating and monitoring critical risks highlighted by business units.

The Risk Management Committee is responsible for implementing risk management policies and strategies approved by the Board. It monitors and manages the principal risk exposures by ensuring that Management has taken the necessary steps to mitigate such risks and recommends action plans where necessary. The Risk Management Committee reports to the Audit Committee and briefs the Board on significant matters.

The Statement on Risk Management and Internal Control as set out in pages 34 to 35 of this Annual Report provides an overview of the management of risks and state of internal controls within the Group.

### 6.2 Internal Audit Function

The Company has outsourced its internal audit function to an independent internal audit services provider for the financial year, which reports directly to the AC on the results of audit reviews. The AC oversees and appraises the quality of the audits conducted by the Company's internal auditors; maintain open lines of communication between the Board of Directors and the internal auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and assesses the adequacy of the risk management systems and internal control environment as well as the financial reporting systems based on audit feedback from the internal auditors.

Key features underlying the relationship between the AC and the internal auditors are included in the AC's Report as detailed on pages 36 to 38 of the Annual Report. The Statement of Risk Management and Internal Control furnished on pages 34 to 35 of the Annual Report provides an overview of the system of internal controls of the Group. The total costs incurred for the internal audit function for the financial year ended 31 December 2016 was RM24,949.



# Corporate Governance Statement (Cont'd)

## 7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

### 7.1 Corporate Disclosure Policy (“CDP”)

The Company has put in place a code of conduct on confidentiality to ensure that confidential information is handled properly by Directors, employees and relevant parties to avoid leakage and improper use of such information. The Board is mindful that information which is expected to be material must be announced immediately.

The Board is guided by the Listing Requirements of Bursa Securities in terms of continuing disclosure requirements of any material transaction or events that warrant public disclosure. Persons responsible for preparing the disclosure will conduct due diligence and proper verification, as well as coordinate the efficient disclosure of material information to the investing public.

### 7.2 Leveraging on Information Technology for Effective Dissemination of Information

The Company has established a website at [www.sinliplas.com.my](http://www.sinliplas.com.my) from which shareholders as well as members of the public may access the latest information on the operations and activities of the Group; all the information required by Bursa Securities; Corporate Governance and financial information.

The Company ensures timely release of the financial results on a quarterly basis to provide an overview of the Group's performance and operations to its shareholders. The Company also makes timely announcements for the information of its shareholders and the general public of any corporate manoeuvres in accordance with the MMLR.

## 8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

### 8.1 Dialogue with Shareholders

In addition to the dissemination of information to shareholders and other interested parties via announcements to Bursa Securities, its website, circulars and press releases, interviews are conducted from time to time with local journalists by Management and reported in the local newspapers.

The Board views the annual and any extraordinary general meetings as ideal opportunities to communicate with shareholders.

Whilst the Company endeavours to provide as much information as possible to its shareholders and the investment community, it is also mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

### 8.2 Encourage Shareholder Participation at General Meetings

The Annual Report, which contains the Notice of AGM, is sent to shareholders at least 21 days prior to the date of the meeting. The Notice of AGM, which sets out the business to be transacted at the AGM, is also published in a major local newspaper. Items of special business included in the Notice of AGM will be accompanied by an explanation of the proposed resolutions. At each meeting, shareholders are able to participate in the question-and-answer session in respect of the matters listed in the Notice of AGM. There is no time limitation for shareholders to raise questions and to solicit replies from the Board.

### 8.2 Poll Voting

Pursuant to Paragraph 8.29A of the MMLR of Bursa Securities, all resolutions set out in the notice of any general meeting held on or after 1 July 2016 shall be voted by poll. An independent scrutineer shall be appointed to undertake the polling process. Resolutions at all general meetings of the Company held after 1 July 2016 have been voted on and passed by shareholders via poll.

### 8.3 Effective Communication and Proactive Engagement

In maintaining its commitment to effective communication with shareholders, the Group adopts the practice of comprehensive, timely and continuing disclosures of information to shareholders as well as the general investing public.

The practice of disclosure of information is not established just to comply with the requirements of the MMLR of Bursa Securities, but also to adopt the best practices recommended in the MCCG 2012 with regard to strengthening engagement and communication with shareholders.



# Corporate Governance Statement (Cont'd)

## 8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS (Cont'd)

### 8.3 Effective Communication and Proactive Engagement (Cont'd)

Our Managing Director, Khaw Seang Chuan plays an important role in conducting regular dialogues and discussions with fund managers, financial analysts, shareholders and media. These meetings provide financial analysts and institutional fund managers with ongoing updates on the Group's development activities to better understand the business and strategic direction of the Group.

As the spoke person of the Group, our Managing Director is also mindful and guided by the legal and regulatory framework and the Group's Corporate Disclosure Policy governing the release of material and price-sensitive information. The Group also provides additional disclosures of information on a voluntary basis. The Group believes that consistently maintaining a high level of disclosure and extensive communication is vital to assist shareholders and investors in making informed investment decisions.

This Statement on Corporate Governance was approved in accordance with the resolution of the Board on 28 March 2017.

