

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : GDEX  
**COMPANY NAME** : GD Express Carrier Bhd  
**FINANCIAL YEAR** : June 30, 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 PERSUANT 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 ("Board") of GD Express Carrier plays its governance's role by setting the corporate goals and strategies for the Group and its businesses. In doing so, the Board provides leadership and direction through effective delegation, review and oversight and ensures that sufficient resources are available to accomplish its goals and long term sustainability.</p> <p>The Company is led and managed by an experienced Board. Through the leadership of the Chairman, the Board sets the Company's strategic goals and oversees its implementation to ensure that obligations to its shareholders and stakeholders are met. The Executive Directors are responsible for making and implementing the operational and corporate decisions while the Independent Non-Executive Directors ensure corporate accountability by providing unbiased and independent views, advice and judgment and challenging the Management's assumptions and projections in safeguarding the interests of shareholders and other stakeholders. The Board delegates the implementation of its strategies to the Company's Management. However, the Board remains ultimately responsible for corporate governance and affairs of the Company.</p> <p>The Group has clear reporting lines and authority limits govern its approval process including a clear organisation structure. The matters of strategic, business, acquisitions and capital investment plans are discussed and deliberated by the Executive Committee of the Company prior to appropriate recommendations are being made to the Board for review and approval. The Board is also supported by Board Committees namely Audit and Risk Management Committee and Combined Nomination and Remuneration Committee. Each Board Committee operates under a clear written terms of reference which sets out the members' role, responsibilities, structure and processes necessary to carry out their duties effectively and efficiently.</p>

	<p>In carrying out its duties and responsibilities and providing strategic guidance for the Group, a Board Charter has been developed and adopted by the Board with a formal schedule of matters reserved for its deliberation and decision making. The Board Charter will be reviewed by the Board from time to time to ensure that it continues to reflect the spirit of all applicable laws and regulations and the Company's commitment to its staff, community, shareholders and stakeholders.</p>	
<p><b>Explanation for departure</b></p>	<p>: N/A</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>: N/A</p>	
<p><b>Timeframe</b></p>	<p>: N/A</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>The Chairman is responsible for instilling, good corporate governance practices, leadership and effectiveness of the Board.</p> <p>The Chairman of the Board is led by Dato' Capt. Ahmad Sufian bin Qurnain @ Rashid Qurnain ("Dato' Capt. Ahmad Sufian"), who is an Independent Non-Executive Chairman and has been with the Company since 2005.</p> <p>As the Chairman of the Board, Dato' Capt. Ahmad Sufian undertakes, among others, the following responsibilities:</p> <ul style="list-style-type: none"><li>• ensuring all Directors are adequately informed about Board matters in a timely manner to facilitate rigorous, effective and accurate decision making in all business of the Board;</li><li>• guiding the meetings to facilitate open discussion and managing the conduct of, and frequency and length of such meetings, in order to provide the Board with an opportunity to arrive at a detailed understanding of the Company's performance, financial position, operations and challenges and each Director is fully participate in meetings;</li><li>• liaising with the Company Secretary concerning matters of compliance, companies act, corporate governance;</li><li>• encouraging engagement and compliance by Board members with their duties as Directors; and</li><li>• engaging with shareholders of the Company to ensure that their views and concerns are known by the Board.</li></ul> <p>Dato' Capt. Ahmad Sufian provides strong leadership and in particular discussions on all proposals put forth. He is responsible for setting agendas, instilling good corporate governance practices, leadership and effectiveness of the Board.</p> <p>The detailed roles and responsibilities of the Chairman are set out in the Board Charter which is available on the Company's website at <a href="http://www.gdexexpress.com">www.gdexexpress.com</a>.</p>
<b>Explanation for departure</b>	:	N/A

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

## 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 the Company's Chairman and the Managing Director/Group Chief Executive Officer are held by two (2) different individuals with clear distinct and separate functions. This ensures there is a balance of power and authority in the Company.</p> <p>Dato' Capt. Ahmad Sufian is currently the Chairman of the Board who leads the Board in overseeing management whilst Mr Teong Teck Lean ("Mr Teong"), who serves as the Managing Director/Group Chief Executive Officer of the Company, is responsible for the running of the Company's day-to-day operations and implementation of Board's decisions in line with the strategy and objectives approved by the Board as well as making decisions in matters affecting the Group's operations and businesses, with the exception of those matters reserved for the Board and Board Committees. Mr Teong is assisted and supported by two Executive Directors in implementing of board decisions. All members of the senior management team report directly to Mr Teong.</p> <p>The respective roles and responsibilities of the Chairman and the Managing Director/Group Chief Executive Officer are clearly articulated in the Board Charter which is available on the Company's website at <a href="http://www.gdexpress.com">www.gdexpress.com</a>.</p>
<b>Explanation for departure</b>	:	N/A
<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>	:	N/A
<b>Timeframe</b>	:	N/A

## 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 principal role of the Company Secretaries is to support the Board and the Board of the Company is supported by two (2) professionally qualified and competent Company Secretaries from Boardroom Corporate Services (KL) Sdn Bhd. Both the Company Secretaries have the requisite knowledge and experience and are the members of The Malaysian Institute of Chartered Secretaries and Administrators. They play a crucial role in the governance of the Company and to make the Directors aware of any law relevant to or affecting them and the Company.</p> <p>The Directors have full and unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries on Directors' responsibilities, new or revised statutory and regulatory requirements as well as corporate governance best practices. In this respect, the Company Secretaries play an advisory role to the Board, particularly with regard to the Company's Constitution, Board Policies and procedures, compliance with regulatory requirements and advocate adoption of corporate governance best practices. The Company Secretary has conducted an in-house training to the Board on "Recent amendments to Bursa's Listing Requirement and CG Guide" on 14 May 2018.</p>
<b>Explanation for departure</b>	:	N/A
<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>	:	N/A
<b>Timeframe</b>	:	N/A

## 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>In order for the Board to meet its objectives, formal notices, agendas, minutes together with appropriate meeting materials for Board meeting and Committees will be provided to the Directors and at least seven (7) days before the meeting to allow the Directors to have sufficient time to review the materials for effective discussions and decision making during the meetings.</p> <p>All pertinent issues discussed at the Board and Committees meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries. The minutes of meetings of Board and Committees are circulated to all Directors in a timely manner.</p>
<b>Explanation for departure</b>	:	N/A
<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>	:	N/A
<b>Timeframe</b>	:	N/A

## 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 clearly sets out the respective roles, functions and processes of the Board, individual Directors, Board Committees and Management. In addition, the Board Charter also sets out a list of matters that are specifically reserved for the Board's approval.</p> <p>The key matters reserved for the Board includes approval of corporate strategic plans and capital budgets, material acquisitions and disposals of undertakings and properties, quarterly and annual financial statements for announcement, monitoring of operating performance and review of Limits of Authority.</p> <p>The Board Charter and Terms of References of Board Committees are periodically reviewed and updated from time to time in accordance with the needs of the Company and any new / revised regulations that may have an impact on the discharge of the Board's responsibilities. The Terms of References of Board Committees were reviewed in November 2017 whilst the Board Charter was reviewed in May 2018 in line with the new Malaysian Code on Corporate Governance.</p> <p>The Board Charter is available on the Company's website at <a href="http://www.gdexpress.com.my">www.gdexpress.com.my</a>.</p>
<b>Explanation for departure</b>	:	N/A
<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>	:	N/A

<b>Timeframe</b>	:	N/A	
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## 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 formalised and adopted the Code of Ethics and Conduct for Directors and Key Officers ("the Code") to enhance the standard of corporate governance and to establish a standard of ethical behaviour for Directors and Key Officers of the Group based on the Company's core values and management principles.</p> <p>The Code also serves as the ground rules for management behavior, as well as guide the Board on manner in which it should act when deciding unanticipated situations. It also provides mechanisms to report unethical conduct, and help foster a culture of honesty and accountability.</p> <p>The Code is regularly reviewed and updated to ensure its comprehensiveness and it was reviewed by the Board in May 2018.</p> <p>The Code is available on the Company's website at <a href="http://www.gdexpress.com">www.gdexpress.com</a>.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

## 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>Whistleblowing Policy plays an essential role in the ethics codes of any organisation. As part of governance regulations, the Company had established the Ethics/Corporate Responsibility Unit to implement whistleblowing (i.e. public interest disclosure) procedures in the Company and its group of companies. The Whistleblowing Policy and Procedures provide a guidance for the employees to disclose information about malpractice or wrongdoing within the Group that has taken place or likely to occur. Matters of which should be reported under the Whistleblowing Policy are:</p> <ul style="list-style-type: none"> <li>• Non-compliance to laws and regulations</li> <li>• financial malpractice</li> <li>• misuse of funds or assets</li> <li>• deliberately or accidentally steal, damage or misuse the data stored with the computer systems</li> <li>• discrimination</li> <li>• danger to public or employee health and safety</li> <li>• suspected fraud or criminal activity</li> <li>• corruption, bribery or blackmail</li> <li>• breach of confidentiality</li> <li>• breach of Code of Ethics or Conduct or non-compliance with the policies and procedures</li> <li>• sexual assault or sexual harassment</li> <li>• concealment of any of the above malpractice</li> </ul> <p>The Whistleblowing Policy and the relevant procedures are reviewed periodically by the Board. A copy of the Whistleblowing Policy is available on the Company's website at <a href="http://www.gdexpress.com">www.gdexpress.com</a>.</p>
<b>Explanation for departure</b>	:	N/A
<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>	:	N/A	
<b>Timeframe</b>	:	N/A	

## 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 a majority independent directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	N/A
<b>Explanation for departure</b>	:	<p>The Board currently has eight (8) members, comprising an Independent Non-Executive Chairman, two (2) Executive Directors, two (2) Non-Independent Non-Executive Directors and three (3) Independent Non-Executive Directors. A brief profile of each Director is disclosed in the Annual Report of the Company.</p> <p>The present composition of the Board has complied with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which requires that at least two (2) Directors or one-third (1/3) of the Board members of the Company, whichever is higher, are independent.</p> <p>The presence of three (3) Independent Directors on the Board implies the balance of interests of the minority shareholders and other stakeholders. Besides this, their collective views carry significant weight in the Board's deliberation and decision-making process. Due to their perceived distance from the Company, they act as a balancing element in boardroom discussions between different shareholder representatives and managing conflicts of interest affecting board members.</p> <p>Even though Independent Directors constitute only a third of the Board and met the criteria for independence as set forth in Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the present composition of the Board represents a broad range of experience, skills, knowledge, competence, expertise and experience. The Board believes that its members have the necessary knowledge and skills to discharge their duties and responsibilities effectively. Further, there are robust deliberations during Board and Committee meetings as they ask constrictive questions or request for more information, where necessary. Even though the independent directors are the members of the Board who do not form part of the executive management team but they bring external perspectives to the Board decisions through their diverse backgrounds and experiences, enabling them to place the necessary checks and balances, contributing to decision-making of the Board. Each director</p>

	<p>will act in the best interests of the Company and its stockholders and must exercise his or her business judgment.</p> <p>An effective Board requires its members to have a range and variety of relevant attributes which complement each other.</p> <p>The Company will maintain its current structure of the Board for the time being until such time the most suitable candidates are identified. The Board shall periodically review its size and composition to ensure that the number of members most effectively supports the need of the Company and facilitates effective decision making.</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>:</p>	<p>The Board will be working towards to have a majority of Independent Directors whilst maintaining an appropriately sized and skilled Board. The Board must also be satisfied that the Independent Directors are not affiliated with the Company and have no other direct or indirect interest or relationship that could reasonably influence their judgment and decision-making. There is a need for the Board to examine its size and the impact of the number. The Board should be of sufficient size and the Board size should not be so large as to be unwieldy.</p>
<p><b>Timeframe</b></p>	<p>:</p>	<p>Five (5) years</p>

## 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>	:	Departure
<b>Explanation on application of the practice</b>	:	N/A
<b>Explanation for departure</b>	:	<p>Dato' Capt. Ahmad Sufian and Ms Liew Heng Heng are currently the Independent Directors of the Company who have served the Board for more than 12 years. They were appointed as Independent Directors of the Company on 8 February 2005. The Company had sought the shareholders' approval at the last annual general meeting for Dato' Capt. Ahmad Sufian and Ms Liew Heng Heng to retain as Independent Directors on the Board. Where the tenure of independent directors exceeds a cumulative term of 9 years, the Board shall make recommendation and provide justifications to shareholders at an annual general meeting should the Board seek to retain the directors as independent directors.</p> <p>The Board undertakes to assess the performance and independence of Dato' Capt. Ahmad Sufian and Ms Liew Heng Heng through the Combined Nomination and Remuneration Committee and has recommended Dato' Capt. Ahmad Sufian and Ms Liew Heng Heng to continue in office as Independent Directors of the Company based on the following justifications:-</p> <ul style="list-style-type: none"><li>a. they fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and therefore are able to bring independent and objective judgment to Board's deliberations;</li><li>b. they have contributed sufficient time and efforts and attended all the Committee meetings and Board meetings for informed and balanced decision making;</li></ul>

	<p>c. their length of service on the Board do not in any way interfere with their exercise of independent judgement and ability to act in the best interest of the Company;</p> <p>d. as they have been with the Company more than 12 years, they therefore understand the Company’s business operations which enable them to participate actively and contribute during deliberations or discussions at Committee meetings and Borar meetings without compromising their independent and objective judgement; and</p> <p>e. Ms Liew Heng Heng is a member of the Malaysia Institute of Accountants.</p> <p>In addition to the aforesaid annual review, the Combined Nomination and Remuneration Committee also assesses the independence of Dato’ Capt. Ahmad Sufian and Ms Liew Heng Heng to determine if they are complied with the criteria set forth in the Listing Requirements of Bursa Malaysia Securities Berhad and continue to be “Independent.”</p> <p>The Company does not have any term limits for Independent Directors.</p>
	<p>Given that the two-tier voting system has yet to be operationalised, the Board recommended that a single tier shareholders’ approval be sought for the retention of Dato’ Capt. Ahmad Sufian and Ms Liew Heng Heng as the Independent Directors of the Company at the forthcoming annual general meeting.</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>: The Company will search for suitable new candidates to fulfil the roles of Board Chairman (Dato’ Capt. Ahmad Sufian) and Audit and Risk Management Committee Chairperson (Ms Liew Heng Heng).</p>
<p><b>Timeframe</b></p>	<p>: Ongoing</p>

### **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>	:	N/A

## 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>The current composition of the Board reflects a sufficient mix of individuals with relevant knowledge, independence, competence, industry experience and diversity of perspectives to generate effective challenge, discussion, objective decision-making and effective governance. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance as well as to support the attainment of its strategic objectives.</p> <p>The Board has adopted a policy on appropriate diversity within the Board and senior management. The Board is committed to provide fair and equal opportunities and to nurture diversity (including gender, age and ethnicity, educational background, professional experience, skills, knowledge and length of service) within the Group. The candidates for Board appointments will be considered, taking into account, a range of diversity perspectives, including gender, cultural, competency, skills, character, time commitment, integrity and experience that the selected candidates will bring to the Board.</p> <p>All Board appointments will be based on meritocracy in the context of skills and experience ensuring the Board as a whole required to be effective.</p> <p>The Board's Combined Nomination and Remuneration Committee reviews and assesses the Board composition on behalf of the Board and recommends the appointment of new Directors. The candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.</p> <p>In evaluating the suitability of individual Board members and senior management, the Board takes into account several factors, including appropriateness of Board size, independence, range of directors' qualifications, knowledge, skills and experience, and level of commitment available to fulfill Board responsibilities, background, character, integrity and competence before making its recommendation to the Board. The Board is mindful of the importance of gender, age and ethnic diversity in the composition of the Board.</p> <p>A copy of the Diversity Policy is available on the Company's website at <a href="http://www.gdexpress.com">www.gdexpress.com</a>.</p>

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

## 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>	:	Departure
<b>Explanation on application of the practice</b>	:	N/A
<b>Explanation for departure</b>	:	<p>The Board acknowledges the importance of gender diversity and recognises the recommendation of the new Malaysian Code on Corporate Governance to have at least 30% of the Board with women</p> <p>Following the resignation of Ms Ho Swee Fong as Senior Independent Non-Executive Director of the Company on 27 August 2018, the Board currently has only one female Independent Non-Executive Director which accounts for 12.5% of the total Board members.</p> <p>The selection of suitable female candidates to join the Board will be dependent on the pool of female candidates with the necessary skills, knowledge and experience. The ultimate decision to appoint female candidates will be based on merit and contribution that the chosen candidate will bring to the Board.</p> <p>Although the Company is not able to meet the 30% women directors requirement, this does not affect the overall performance of the Company.</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>	:	The Board will continue to search for suitable female candidates to fill in the directorship positions.
<b>Timeframe</b>	:	Ongoing

## 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>	:	N/A
<b>Explanation for departure</b>	:	Currently, the existing Board members, Management or major shareholders shall recommend to the Board persons to be nominated to serve as directors of the Company, including persons to fill any vacancies or newly-created directorships on the Board.
		<p>The Board, through the Combined Nomination and Remuneration Committee is responsible for overseeing the screening and recruitment process and for making recommendations for new director candidates. The Combined Nomination and Remuneration Committee will determine certain criteria used in the recruitment process. In recruiting and evaluating new director candidates, the Combined Nomination and Remuneration Committee shall assess a candidate's independence, as well as the candidate's background, education and experience, current board skill needs and diversity that are relevant to the Company's business.</p> <p>In addition, individual directors and any person nominated to serve as a director should demonstrate high ethical standards and integrity in their personal and professional dealings and be willing to act on and remain accountable for their boardroom decisions, and be in a position to devote an adequate amount of time to the effective performance of director duties.</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>	:	When necessary, the Board will consider utilising independent sources (i.e. recruitment agencies and head hunters) to identify qualified candidates.
<b>Timeframe</b>	:	As and when required

## 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>The Chairman of the Company's Combined Nomination and Remuneration Committee is Encik Adi Arman bin Abu Osman ("Encik Adi"), an Independent Non-Executive Director of the Company. The role of Encik Adi exercises his objective judgement independently in carrying out his responsibilities.</p> <p>Being the Chairman of the Combined Nomination and Remuneration Committee, he shall report to the Board after each meeting on all matters within its scope of duties and responsibilities and shall make whatever recommendations to the Board for approval, he deems appropriate where action or improvement is needed.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

## 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 undertaken a formal and objective annual evaluation of the effectiveness of Board and Board Committees, the performance of individual Directors, Board composition against a matrix of desired competencies and the independence of Directors. The assessment took into account the contribution and performance of the Directors in relation to their competencies, time commitment, experience in meeting the needs of the Company.</p> <p>The Board engages the Company Secretaries from an independent external secretarial firm to conduct the Board evaluation by way of evaluation forms (i.e. self and peer assessments). The evaluation forms are completed by each director annually. Upon completion of the assessments, the evaluation forms will be submitted to the Company Secretary for tabulation and the results will be presented to the Combined Nomination and Remuneration Committee together with agreed action plans to address the gaps/areas for improvement, if any, for deliberation and onward submission to the Board.</p> <p>For Board review, the Chairman of the Combined Nomination and Remuneration Committee will lead in a discussion and will discuss and assess the extent to which the Board, Committees and individual directors have met each performance criterion.</p> <p>Based on the annual Board performance assessment carried out this year, the Board is satisfied with the current composition, diversity and size of the Board. The Board is also satisfied with the effectiveness of the Board, Board Committees and individual Directors, who have the requisite knowledge, skills and range of experiences to discharge their duties and responsibilities effectively.</p>
<b>Explanation for departure</b>	:	N/A

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

<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

## 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 in place the Directors' Assessment and Remuneration Policy to determine the level of remuneration package of Managing Director/Group Chief Executive Director, Executive Directors and Senior Management to ensure that the Company is able to attract, develop and retain high performing and motivated Directors and Senior Management with a competitive remuneration and they are paid a remuneration commensurate with the responsibilities of their position.</p> <p>The Senior Management are those "C" level Key Officers such as Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Information Officer and others who carries the title and senior position of "C", if any.</p> <p>The Company's Combined Nomination and Remuneration Committee will assist the Board in fulfilling its corporate governance responsibilities with respect to remuneration by reviewing and making appropriate recommendations to the Board on the Company's remuneration framework for Directors and Senior Management.</p> <p>The remuneration of Senior Management is based on performance, experience, expertise, skills and industry benchmarks.</p> <p>The Board has reviewed the Directors' Assessment and Remuneration Policy on 14 May 2018.</p> <p>The Directors' Assessment and Remuneration Policy is available on the Company's website at <a href="http://www.gdexpress.com">www.gdexpress.com</a>.</p>
<b>Explanation for departure</b>	:	N/A

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

## 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 established a Remuneration Committee with formally delegated duties and responsibilities and with written Terms of Reference. The Remuneration Committee of the Company is combined with the Nomination Committee and known as "<i>Combined Nomination and Remuneration Committee</i>". The role of Combined Nomination and Remuneration Committee is to assist the Board in developing and administering a fair and transparent procedure for setting the remuneration of Directors and Senior Management in order to attract and retain Directors and Senior Management who will create value for shareholders.</p> <p>Currently, the Combined Nomination and Remuneration Committee comprises the following three (3) members, all of whom are Independent Non-Executive Directors:</p> <p>Chairman: Encik Adi Arman bin Abu Osman Members: Dato' Capt. Ahmad Sufian Ms Liew Heng Heng</p> <p>The Chairman of the Combined Nomination and Remuneration Committee will report to the full Board and the minutes of their meetings will be circulated to all Board members.</p> <p>The Terms of Reference of the Combined Nomination and Remuneration Committee which defines the duties, authority and composition of the Combined Nomination and Remuneration Committee will be reviewed from time to time and revise as needed.</p>

	The Terms of Reference of the Combined and Remuneration Committee has been revised in August 2018 to be in line with the new Malaysian Code on Corporate Governance. A copy of the Terms of Reference of the Combined Nomination and Remuneration Committee is available on the Company's website at <a href="http://www.gdexpress.com">www.gdexpress.com</a> .	
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

## 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 Board ensures that information relating to Directors' remuneration is made transparent to all shareholders. The detailed disclosure on Directors' remuneration for the financial year ended 30 June 2018 are disclosed on a named basis in the Corporate Governance Overview Statement contained in the 2018 Annual Report of the Company.
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

## 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>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The remuneration of the Senior Management who are also the Managing Director/Group Chief Executive Officer and Executive Directors of the Company was disclosed on a named basis in the Corporate Governance Overview Statement of the 2018 Annual Report.</p> <p>The Board wishes to give assurance that the remuneration of Senior Management commensurate with their individual performance, taking into consideration of the Group's performance. The remuneration packages accorded to Senior Management of the Company are based on their position.</p>
<b>Explanation for departure</b>	:	N/A
<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>	:	N/A
<b>Timeframe</b>	:	N/A

### **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>	:	Applied
<b>Explanation on adoption of the practice</b>	:	The remuneration of each Senior Management was disclosed on a named basis in the Corporate Governance Overview Statement contained in the 2018 Annual Report of the Company.

## 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>The Board recognises the important role of the Audit Committee as part of the corporate governance processes. In this regard, the Board has established an Audit Committee which is combined with Risk Management Committee to oversee the Company's financial reporting as well as the risk management process on behalf of the Board.</p> <p>The Audit and Risk Management Committee comprises three (3) members, all of whom are Independent Non-Executive Directors. Ms Liew Heng Heng ("Ms Liew"), the chairperson of the Audit and Risk Management Committee is a member of the Malaysian Institute of Accountants (MIA). Ms Liew has extensive financial knowledge and experience to enable her to lead discussions among members and deliberations on key issues and the decisions taken. Thus, the Board is able to objectively review the Audit and Risk Management Committee's findings and recommendations.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

## 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>Currently, the Audit and Risk Management Committee does not have any former key audit partner appointed as a member of the Audit and Risk Management Committee.</p> <p>The Terms of Reference of the Audit and Risk Management Committee has been revised on 22 February 2018 that requires a former key audit partner to observe a cooling period of at least two years before being appointed as a member of the Audit and Risk Management Committee.</p> <p>The revised Terms of Reference of the Audit and Risk Management Committee is available on the Company's website at <a href="http://www.gdexpress.com">www.gdexpress.com</a>.</p>	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

## 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 and Risk Management Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the Company's external auditor in terms of their knowledge, competence, objectivity, independence, the quality of the audit and the provision of non-audit services. Where non-audit services are provided by the external auditor, the Audit and Risk Management Committee should monitor the provision of such services to ensure that their performance does not impair the external auditor's objectivity and independence.</p> <p>The Audit and Risk Management Committee has formalised the External Auditors Assessment Policy which outlines the guidelines and procedures to review and assess the suitability, objectivity and independence of the external auditor.</p> <p>The Audit and Risk Management Committee has conducted an annual assessment of the performance and independence of Deloitte PLT's qualifications, expertise, resources and their effectiveness as external auditor this year. The Audit and Risk Management Committee concluded that Messrs. Deloitte PLT is able to maintain their professionalism and effective in their role. The external audit function provided by Messrs. Deloitte PLT is independent and objective in both fact and appearance.</p> <p>After taking into account all above factors, the Audit and Risk Management Committee recommended to the Board the re-appointment of Messrs. Deloitte PLT for shareholders' approval at the forthcoming annual general meeting.</p>
<b>Explanation for departure</b>	:	N/A
<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>	:	N/A	
<b>Timeframe</b>	:	N/A	

## 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>	:	<p>It is essential that the Audit and Risk Management Committee is chaired by independent non-executive director and include a sufficient number of independent non-executive directors.</p> <p>The Company's Audit and Risk Management Committee comprises the following three (3) members, all of whom are Independent Non-Executive Directors:-</p> <p>Chairperson: Ms Liew Heng Heng Members: Dato' Capt. Ahmad Sufian Encik Adi Arman bin Abu Osman</p> <p>This enables the Audit and Risk Management Committee to exercise their independent judgement objectively in the best interest of the Company.</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 8.5

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 Audit and Risk Management Committee assists the Board in the effective discharge of its responsibilities in the areas of financial reporting, internal control and risk management systems and the internal and external audit functions.</p> <p>All the Audit and Risk Management Committee members have the relevant financial knowledge and commercial expertise and skills required to discharge their roles and responsibilities effectively.</p> <p>The members of Audit and Risk Management Committee attend the relevant seminars and training courses to keep abreast of the current technical developments and accounting issues and concerns.</p> <p>The Audit and Risk Management Committee ensures that the financial reports of the Company comply with applicable financial reporting standards in Malaysia and provisions of the Companies Act 2016 so as to give a true and fair view of the financial position.</p>
<b>Explanation for departure</b>	:	N/A
<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>	:	N/A
<b>Timeframe</b>	:	N/A

## 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>Risk management and internal control are integral part of enterprise risk management. The Board is primarily responsible for establishing and maintaining a sound risk management and internal control systems in the Group as well as reviewing its adequacy and integrity.</p> <p>The Company's Audit and Risk Management Committee is delegated by the Board with responsibilities to oversee the Group's overall risk management and internal control framework and to advise the Board on risk-related matters. The Audit and Risk Management Committee, on behalf of the Board, reviews the effectiveness of the internal control system by reviewing the work and findings of Internal Audit Department and the Group's external auditor, and regular reports from Management in respect of risk management and internal controls. The Board has reviewed the adequacy and effectiveness of the Group's risk management and internal control systems through the Audit and Risk Management Committee. Divisions and Departments assess effectiveness of existing controls, provide treatment plans where required, and monitor risk mitigating activities.</p> <p>The Board adopts a risk management framework based on an internationally recognised standards.</p> <p>Details of the Group's risk management and internal control system are disclosed in the Statement on Risk Management and Internal Control contained in the 2018 Annual Report of the Company.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A

<b>Timeframe</b>	:	N/A	
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## 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>	:	<p>The Board has the overall responsibility for managing the risks and ensuring implementation of the effective/appropriate internal control systems to manage the risks of the Group. A sound system of internal control contributes to safeguarding the shareholders' investment and the Company's assets.</p> <p>To manage each risk, the Management has been tasked to identify and assess the risks faced by the Group and to put in place effective control measures to control/mitigate the risks. These processes are regularly reviewed by the Board through the Audit and Risk Management Committee who reviews the adequacy and effectiveness of the system of risk management and internal control framework.</p> <p>The Internal Audit Department ("IAD") of the Group is a support function of the Board and it independently reviews the adequacy and effectiveness of the Group's internal control system, the appropriateness and efficiency of the functions, risk management, processes created by the business units and support functions and provide assurance on these systems and processes. It regularly reports the review results to the Board through the Audit and Risk Management Committee. The IAD's work covers all material controls, such as financial, operational, IT and compliance. External auditors evaluate internal controls as part of their audit planning process.</p> <p>Key features of its risk management framework and internal control framework are disclosed in the Statement on Risk Management and Internal Control contained in the 2018 Annual Report.</p>
<b>Explanation for departure</b>	:	N/A
<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>	:	N/A	
<b>Timeframe</b>	:	N/A	

### **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>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	N/A

## 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>The Group's internal audit function has been performed in-house and it reports directly to the Audit and Risk Management Committee. The internal audit function provides the Audit and Risk Management Committee with an independent assessment on the adequacy and effectiveness of the Group's system of internal control.</p> <p>In order to support the Internal Audit Function's independence and objectivity, the Board through the the Audit and Risk Management Committee had on 14 May 2018 approved the adoption of Internal Audit Services Charter by Internal Audit Function. The Internal Audit Charter defines internal audit's scope, role, objective, accountability, authority, independence and responsibility within the Group.</p> <p>The annual internal audit plan is prepared by the Head of Internal Audit following consultation with Senior Management and is based on a comprehensive review and analysis of the organisation's business activities and associated risks. The plan is approved by the Audit and Risk Management Committee. Audit reports and recommended actions will be tabled and discussed at the Audit and Risk Management Committee meetings.</p> <p>The Audit and Risk Management Committee is responsible for assessing that Internal Audit annually that it has the competence, independence, resources and corporate support to do its job properly and independently.</p> <p>The Audit and Risk Management Committee Report contained in the 2018 Annual Report of the Company provides detailed explanation on internal audit function.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

## 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 Group's Internal Audit ("IA") Department comprises four (4) professionally qualified IA staff and is led by Ms Caryn Kwok. The IA team is also supported by Quality Assurance experienced auditors. There are nine (9) professional auditors in total.</p> <p>Ms Kwok has 15 years of working experience in internal audit, risk management and Quality Assurance. She is a member of The Institute of Internal Auditors Malaysia (AIIA) and American Society for Quality (ASQ) and certified as Manager of Quality/Organizational Excellence (CMQOE).</p> <p>The internal audit personnel are free from any relationships or conflict of interest, which could impair their objectivity and independence.</p> <p>The Internal Audit Function of the Group is carried out in accordance with Internal Auditing Standards (IIA) and the internal audit was guided by the Internal Auditors' International Professional Practices Framework.</p>
<b>Explanation for departure</b>	:	N/A
<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>	:	N/A
<b>Timeframe</b>	:	N/A

### 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>It has always been the Company's practice to maintain good relationship with its shareholders. Major corporate developments and activities in the Company have always been duly and promptly announced to all shareholders, in line with Bursa Malaysia Securities Berhad's objectives of ensuring transparency and good corporate governance practices.</p> <p>The Company's website has a section dedicated to shareholders under Investor Relations that provides shareholders with detailed information on the Group's business, financial performance and latest developments and corporate announcements.</p> <p>During the Annual General Meeting, the shareholders of the Company have the opportunities to enquire and comment on the Company's performance and operations.</p>
<b>Explanation for departure</b>	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	N/A
<b>Timeframe</b>	:	N/A

## 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>	:	The Company has yet to adopt an integrated reporting framework. The Board acknowledged that integrated reporting goes beyond a mere combination of a financial statements and sustainability report into a single document.
		Nevertheless, there are coordinated efforts among cross-functional departments in preparing the various statements and reports in the Annual Report.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The Board will look into the integrated reporting based on a globally recognised framework in the near future.
<b>Timeframe</b>	:	Five (5) years

## 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>	:	The Notice of Annual General Meeting and the related papers are sent to shareholders at least twenty eight (28) days before the date of the meeting to allow shareholders time to read the Annual Report and papers supporting the proposed resolutions.  The Notice of the Fifteenth Annual General Meeting of the Company was issued to the shareholders on 30 October 2018, at least 28 days before the meeting.	
<b>Explanation for departure</b>	:	N/A	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	N/A	
<b>Timeframe</b>	:	N/A	

## 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>The Company is committed to promoting effective and open communication with shareholders. The use of Annual General Meeting serves as a platform for the Chairman and Directors to meet with shareholders, to hear their views and to answer their questions. Besides this, the Executive Directors and Senior Management are also available to meet with shareholders and investors.</p> <p>All directors including the Chair of the Audit and Risk Management Committee and Combined Nomination and Remuneration Committee attended the last Annual General Meeting held on 6 December 2017. At the last Annual General Meeting, the Managing Director/Group Chief Executive Officer gave the shareholders a slide presentation on the Company's current business operations and its strategic direction in a changing competitive landscape.</p> <p>All shareholders of the Company are entitled to attend Annual General Meeting in person or represented by a proxy. The Company encouraged the shareholders to ask questions at the Company's Annual General Meeting with responses given to their questions.</p>
<b>Explanation for departure</b>	:	N/A
<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>	:	N/A
<b>Timeframe</b>	:	N/A

### 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>	:	N/A
<b>Explanation for departure</b>	:	<p>All the general meetings of the Company have been held at rented premises to cater for a large number of shareholders.</p> <p>To date, the Company has not facilitated the use of e-polling system at its general meetings which encourages greater shareholders' participation. This is due to the fact that the number of registered shareholders physically attending the General Meetings of the Company is manageable by the Company.</p> <p>Shareholders may appoint the Chairman as their proxies if they are unable to attend the meeting in person.</p> <p>The Company will consider adopting e-polling to facilitate greater shareholders' participation and increase efficiency.</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>	:	The Company will consider the use of electronic voting in absentia to encourage remote shareholders' participation at General Meetings.
<b>Timeframe</b>	:	As and when required