

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7222
COMPANY NAME : IMASPRO CORPORATION BERHAD
FINANCIAL YEAR : June 30, 2019

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("the Board") leads and determines the strategic direction and oversees the overall management of Imaspro Corporation Berhad ("the Company") and its subsidiaries ("the Group"). It also ensures appropriate risk management and internal control systems are in place and regularly review such systems to ensure their adequacy, integrity and effectiveness. The Board is also responsible for setting the corporate values and promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour while ensuring that its obligations to shareholders and other stakeholders are met.</p> <p>The Group has a Board Charter in place which sets out, among others, the responsibilities of the Board. The Board Charter also sets out the Board's responsibilities, authority and power to delegate certain functions to the Board Committees and Key Senior Management. The Board Charter is reviewed and updated periodically in accordance with the needs of the Group and any new regulations that may have an impact on the Board's duties and responsibilities. It was last reviewed on 27 August 2018.</p> <p>The Managing Director, who is appointed by the Board, is responsible for the day-to-day management of the Group's business as well as implementation of policies and decisions approved by the Board and making strategic decisions for the expansion of the Group's business. The Managing Director is supported by a management team whose members are tasked to oversee key operating areas within the Group.</p> <p>The Board is supported by the following Board Committees with delegated specific responsibilities:</p> <ul style="list-style-type: none">▪ Audit Committee▪ Nomination Committee▪ Remuneration Committee

	<p>The abovementioned Board Committees operate under clearly defined Terms of Reference (“TOR”) respectively. The Board Committees are authorised by the Board to deal with and to deliberate on matters delegated to them in accordance with their respective TOR.</p> <p>The Board Charter and the TORs of each Board Committee are accessible via the Company’s website at www.imaspro.com.</p>	
<p>Explanation for departure</p>	<p>:</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>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</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.

Application	:	Applied
Explanation on application of the practice	:	<p>Datuk Captain Hamzah Bin Mohd Noor is the Chairman of the Company and has been appointed as Chairman of the Company since April 2016. The Chairman is primarily responsible for ensuring the effective functioning of the Board and leading the Board in its collective oversight of management by focusing on strategy, governance and compliance.</p> <p>The roles and responsibilities of the Chairman are clearly specified in the Board Charter. They include, but not limited to, the following:</p> <ul style="list-style-type: none">▪ To provide leadership to the Board, without limiting the principle of collective responsibility for Board decisions;▪ To oversee the effective discharge of the Board's supervisory role;▪ To work with the Board in establishing appropriate Board Committee structures and ensuring that they achieve their objectives and ensuring that the balance in composition is properly maintained;▪ To chair meetings of the Board in a manner that will encourage constructive discussion and facilitate the effective contribution of all directors;▪ To ensure that quality information to facilitate decision-making is delivered to the Board on timely manner;▪ To ensure board meetings and general meetings are in compliance with good conduct and best practices, including promoting high levels of corporate governance;▪ To promote constructive and respectful relations between board members and between the Board and Management;▪ To conduct and chair board meetings and general meetings of the Company, including effectively communicate the summarised unify thoughts and ideas as well as to manage the meetings effectively;▪ To review the minutes of meetings of the Board before meetings to ensure that such minutes accurately reflect the Board's deliberations and matters arising from those minutes and on which further actions required have been addressed, and brief all the directors in relation to issues arising at meetings;▪ To initiate, normally in conjunction with Management, the formulation of a business plan at the beginning of each year to ensure that the Board establishes the goals it wishes to achieve and the means by which this will be carried out; and

	<ul style="list-style-type: none"> ▪ To ensure the Company conducts orientation and education program for new directors. 	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has a Managing Director ("MD") instead of a Chief Executive Officer. The positions of Chairman and MD are held by different individuals with their roles clearly defined in the Board Charter.</p> <p>The Chairman is Datuk Captain Hamzah Bin Mohd Noor whilst the MD of the Company is Mr Tong Chin Hen.</p> <p>There is a clear division of responsibilities between the Chairman and the MD to ensure a proper balance of power and authority, insofar as no one individual has unfettered powers of decision-making.</p> <p>The Chairman is responsible for the orderly conduct and effectiveness of the Board in addition to facilitate constructive deliberation of matters in hand in leading the Board in its collective oversight of Management, whilst the MD leads the management of the Group and has overall responsibility for the operating units and the implementation of the Board's policies and strategies approved by the Board for the purpose of running the business and the day-to-day management of the Group.</p> <p>The responsibilities of the MD, amongst others, are as follows:</p> <ul style="list-style-type: none">▪ To act within all specific authorities delegated to him by the Board;▪ To develop and implement strategic business direction, plans and policies of the Group in view of long-term shareholder's value;▪ To ensure the efficiency and effectiveness of the Group's operations;▪ To take into consideration of the Group's goals in allocating capital and resources;▪ To supervise heads of divisions and departments who are responsible for all functions contributing to the success of the Group;▪ To oversee the day-to-day management of the Group with all powers, discretions and delegations authorised from time to time by the Board;▪ To assess business opportunities which are of potential benefit to the Group; and▪ To bring material matters to the attention of the Board in an accurate and timely manner.

	The respective duties and responsibilities of the Chairman and the MD can be found in the Board Charter.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by two Company Secretaries who have the requisite credentials and are qualified Chartered Secretaries under Section 235(2) of the Companies Act 2016 as they are members of The Malaysian Institute of Chartered Secretaries and Administrators.</p> <p>The Company Secretaries advise the Board on corporate governance matters, corporate disclosures and ensure adherence to the relevant statutory and regulatory requirements.</p> <p>The roles and responsibilities of the Company Secretaries include, but are not limited to the following:</p> <ul style="list-style-type: none"> ▪ Manage all board and committee meeting logistics, attend and record minutes of all board and committee meetings and facilitate board communications; ▪ Advise the Board on its roles and responsibilities; ▪ Facilitate the orientation of new directors and assist in director training and development; ▪ Advise the board on corporate disclosures and compliance with company and securities regulations and listing requirements; ▪ Manage process pertaining to the annual shareholder meeting; ▪ Monitor corporate governance developments and assist the board in applying governance practices to meet the Board's needs and stakeholders' expectations and; and ▪ Serve as a focal point for stakeholders' communications and engagement on corporate governance issues.
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>A full year corporate calendar, which sets out the meeting dates of the Board, Board Committees and Annual General Meeting ("AGM") as well as the closed period reminders, is prepared and circulated to the Directors before the start of each calendar year to allow Directors to plan ahead to attend such meetings.</p> <p>Prior to the scheduled meeting, the Directors will be provided with a structured agenda together with management reports and Board papers at least five (5) business days prior to the meeting. The Board papers contain relevant information required to enable the Directors to discharge their duties effectively.</p> <p>In order for meetings to be effective, the meeting agenda is organised by taking into consideration the complexity of the proposals or matters to be deliberated. An indication will be provided to guide the Board and/or Board Committees as to whether the matters are for approval, discussion or for notation purpose with time allocation determined for each agenda item in order for the meetings to be conducted efficiently.</p> <p>All Directors have unrestricted direct access to and interaction with the Key Senior Management team, in which they may have informal meetings with Key Senior Management team to brief them on matters or major developments concerning the Group operations.</p> <p>Where necessary, members of the Key Senior Management team will be invited to attend Board and/or Board Committee meetings to report and update on areas of business within their responsibility to provide Board members insights of the business and clarify any issues raised by the Directors in relation to the Group operations.</p> <p>All issues discussed, decisions and conclusions including dissenting views made and whether any Director was abstained from voting or deliberating on a particular matter at the Board and/ Board Committee meetings as well as required actions to be taken by responsible parties are minuted by the Company Secretary in attendance. Minutes of meetings are circulated to all Board members in a timely manner and signed by the Chairman of the Board or Board</p>

	Committees as a correct record of the proceedings of the meeting based on the confirmation from all the Board members or Board Committee members.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

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.

Application	:	Applied
Explanation on application of the practice	:	<p>As explained in Practice 1.1 above, the Board is guided by a Board Charter. The Board Charter is reviewed and updated periodically in accordance with the needs of the Group and any new regulations that may have an impact on the Board's duties and responsibilities. It was last reviewed on 27 August 2018.</p> <p>The Board Charter sets out, among others, the following:</p> <ul style="list-style-type: none"> ▪ Purpose and Guiding Principles ▪ Composition and Balance of the Board ▪ Roles and responsibilities of the Board, Board Committees, Chairman, Managing Director, Non-Executive Director, Independent Director and the Company Secretaries ▪ Board Procedures – Board Meeting, Directors' Training, Directors' Remuneration, Access to Information and Independent Advice, Investor Relations and Shareholder Communication ▪ Indemnification and Directors' and Officers' Insurance ▪ Code of Ethics and Conduct
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	: Applied
Explanation on application of the practice	: The Board has established and adopted a Code of Ethics and Conducts ("CEC") for Directors and employees of the Group. The CEC is incorporated in the Board Charter and formulated to enhance the standard of corporate governance and promote ethical conduct of the Directors. The CEC is to be observed by all Directors and employees of the Group. The core areas of conducts include the following: <ul style="list-style-type: none"> ▪ compliance at all times with the CEC and the Board Charter; ▪ not to misuse information gained in the course of duties for personal gain or for political purposes; ▪ uphold accountability and act in good faith and in the best interests of the Group; ▪ observe high standards of corporate governance at all times; ▪ adhere to the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership, including fair dealing and the ethical handling of conflicts of interest; ▪ ensure the protection of the Group's legitimate business interests, including corporate opportunities, assets and confidential information; ▪ ensure full, fair, accurate, timely and understandable disclosure; ▪ declaration of any personal, professional or business interest that may conflict with responsibilities; ▪ foster business sustainability through transparency, stakeholder engagement and proper employee development; ▪ promote ethics and integrity where all business stakeholders who deal with the Group are encouraged to raise any concerns they may have in good faith with regard to any wrongdoing by the Group's employees. Under the Group's internal whistle-blowing policy, whistle-blowers are protected; and ▪ Observe the guideline of shareholders' rights and responsibilities in general meetings issued by the Securities Commission.

	<p>The Board has updated and reviewed the CEC on 27 August 2018 to ensure that it continues to remain relevant and appropriate.</p> <p>The CEC is also published on the Company's website at www.imaspro.com.</p> <p>Details of our Group's whistle-blowing policy are available on the Company's website at www.imaspro.com.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group is committed to upholding values and the highest standard of work ethics for all Directors, managers and employees in line with good corporate governance and business integrity practices.</p> <p>In recognising the above, the Company has adopted a Whistleblowing Policy to provide an avenue for all employees of the Group and members of the public to raise concerns or disclose any improper conduct involving the Group and its Directors or employees.</p> <p>Confidentiality in respect of all matters raised under this policy and the identity of the whistle-blower will be ensured and protected, unless otherwise required by law. The Company assures that all reports will be treated in the strictest of confidence and promptly investigated. This will strengthen the accountability and transparency in the business affairs of the Group and allow appropriate actions to be taken to resolve them effectively.</p> <p>The Whistleblowing Policy is published on the Company's website at www.imaspro.com, which also serves as a channel for reporting as it is accessible by all employees and the public.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board consists of five (5) members, comprising one (1) Executive Director (the Managing Director), one (1) Senior Independent Non-Executive Director and three (3) Independent Non-Executive Directors (“Independent Directors”). The Independent Directors are:</p> <p>(a) Chen Sung Fang; (b) Chan Weng Fui; (c) Datuk Captain Hamzah Bin Mohd Noor; and (d) Chan Kim Hing</p> <p>The Board’s composition, of which a majority are Independent Directors, enables the Board to provide informed and independent judgements, opinions and advice on the various aspects of the Group’s strategies and performances, so as to ensure that the highest standards of professionalism, conduct, transparency and integrity are maintained within the Group. This is to safeguard the interests of the Group, the shareholders and other stakeholders in which the Group conducts its business with.</p> <p>None of the Independent Directors are affiliated to the Executive Director (the Managing Director) of the Company.</p> <p>The Board has, through the Nomination Committee, assessed the Board’s composition and the independence of the respective Independent Directors annually, to ensure all the Independent Directors have met the criteria of independence pursuant to the Main Market Listing Requirements of Bursa Securities Malaysia Berhad.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

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.

Application	:	Not applicable - No independent director(s) serving beyond 9 years	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application :	Not Adopted
Explanation on adoption of the practice :	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of assessing the effectiveness of individual directors, the Board as a whole and its committees. The Nomination Committee is given the task to review and determine the mix of skills, experience and other qualities, including core competencies of Non-Executive Directors, on an annual basis.</p> <p>A member of the Board is appointed in a formal and transparent practice. All nominees and candidates to the Board are first considered by Nomination Committee taking into consideration candidates' skills, knowledge, expertise and experience, time commitment, character, professionalism, directorship and integrity. For Independent Non-Executive Director positions, the Nomination Committee also evaluates the respective candidate's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.</p> <p>The Nomination Committee upon considering a proposed candidate's skills and experience will make a recommendation to the Board. The Nomination Committee is also required to report annually to the Board an assessment of the Board's and its committees' performance. This will be discussed with all the Board members. Every year, the Nomination Committee assesses the directors on an on-going basis and the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual director.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

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.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company has adopted a Gender Diversity Policy which describes the Company's commitment in inducing workplace diversity in terms of gender, age, ethnicity and cultural background. The Gender Diversity Policy is published on the Company's website at www.imaspro.com.</p> <p>The Board does not have any woman director. However, the Board acknowledges the importance of boardroom diversity in terms of age, gender and ethnicity as well as recognises the benefits of such diversity. The Board does not, for the time being, have any targets in relation to enhancing workplace and board diversity and as such, no measures were set.</p> <p>The Board is of the view that while promoting boardroom diversity is essential, the normal selection criteria of a Director, based on an effective blend of competencies, skills, extensive experience to strengthen the Board, should remain a priority.</p> <p>The Board is satisfied with the current Board composition and is of the opinion that the current Board is well-balanced with appropriate size and right mix of skills and experience. The Board acknowledged the merits of gender diversity in strengthening the performance of the Board. The Board through the Nomination Committee will consider the gender diversity before considering the selection of women directors as part of its future selection process when the need arises.</p> <p>The Group is having gender diversity at the key senior management level. Three out of seven of the key senior management are females, which make up 42.9% of female representation.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The members of the Board are appointed in a formal and transparent process as endorsed by MCCG 2017 and consistent with the Company's Constitution. The Nomination Committee has been entrusted with the responsibility of proposing and recommending the right candidates to the Board for appointment.</p> <p>The Nomination Committee considers, inter-alia, the skill, competency, experience, commitment, contribution and integrity of the candidates and in the case of candidates proposed for appointment as Independent Directors, the candidate's independence, in evaluating the suitability of the candidates.</p> <p>Upon assessing the abovementioned criteria, the Nomination Committee will make a recommendation to the Board. All appointments of new directors are made after prior consultation with the existing Directors. The Company Secretaries will ensure that all appointments are properly made and that all legal and regulatory obligations are satisfied and complied with. New board members shall be briefed on the terms of appointment, their duties and obligations and the operations of the Group.</p> <p>Nevertheless, the Nomination Committee and the Board would also utilise independent sources to identify suitable and qualified candidates for appointment of Board member.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>Mr Chen Sung Fang is the Chairman of the Nomination Committee (“NC”) and also the Senior Independent Non-Executive Director of the Company.</p> <p>The other members of the NC are Datuk Captain Hamzah Bin Mohd Noor and Mr Chan Kim Hing, both are Independent Non-Executive Directors.</p> <p>The Chairman of the NC assumes the following responsibilities:</p> <ul style="list-style-type: none"> ▪ conduct the NC meetings and report to the Board on matters deliberated and recommended by the NC; ▪ lead the succession planning and appointment of Board members, including the future Chairman and Managing Director; and ▪ lead the annual review of Board effectiveness, ensuring that the performance of each individual Director is independently assessed. <p>The profiles of the Nomination Committee can be viewed in the Annual Report 2019 and the TOR of the NC is published on the Company’s website at www.imaspro.com.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of assessing the effectiveness of individual directors, the Board as a whole and its Board Committees. The Nomination Committee (“NC”) has been entrusted to evaluate the performance of the Board members on an on-going basis. The Board committees are also reviewed annually by the NC for their performance and effectiveness.</p> <p>Each year, the NC assesses the effectiveness of the Board and Board Committees, the contributions and performance of each individual Director as well as the Managing Director and the independence of the Independent Directors. The NC also ensures there is an appropriate framework and plan for Board and management succession for the Group is in place.</p> <p>The annual assessment by the NC requires all Directors to complete questionnaires covering the assessment of the Board and Board Committees’ performance, assessment of individual Directors (self and peer evaluation), assessment of mix of skills and experience of Board and assessment of the independence of Independent Directors.</p> <p>The Directors’ responses are then collated by the Company Secretaries and a summary of the findings would be submitted to the NC for deliberation during the NC meeting. The NC would review the summary, assess and make recommendations to the Board.</p> <p>Based on the summary of the findings tabled by the NC, the Board is satisfied that the Company has a well-balanced Board with its members having diverse skill sets and core competencies. The Directors have discharged their duties and responsibilities during the year under review and the Board Committees have discharged their functions in accordance with their respective TOR.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has established formal and transparent remuneration policy and procedures to determine the remuneration framework of the Directors and the senior management team. The Remuneration Committee ("RC") is responsible for ensuring that the remuneration policy remains aligned to the Group's corporate objectives and shareholder value in order to attract and retain the right talent in the Board to drive the Group's long-term objectives.</p> <p>The RC is responsible for reviewing the remuneration of the Executive and Non-Executive Directors of the Company to ensure the same is appropriately reflective of the experience, the level of responsibilities and contributions of the respective Directors, as well as to remain competitive with the prevalent market practices.</p> <p>The Board collectively determined the remuneration for the Non-Executive Directors based on the recommendations made by the RC. The Directors' fees payable to Non-Executive Directors and any benefits payable to the Directors of the Company shall from time to time be determined and approved by the shareholders at the Annual General Meeting in accordance with Section 230 of the Companies Act 2016.</p> <p>In respect of the remuneration of the Managing Director of the Company, the remuneration of the Managing Director consists of both basic salary and other emoluments. The performance of the Managing Director is reviewed annually taking into consideration of the individual and Company's performance. Bonuses payable to the Managing Director would also subject to review by the RC and approval by the Board.</p> <p>The respective directors do not play any part in the decisions on their own remuneration.</p>

	The remuneration details of the Non-Executive Directors and the Managing Director of the Company are disclosed in the Corporate Governance Overview Statement as set out on pages 27 to 40 of the Annual Report 2019 published on the Company's website at www.imaspro.com .	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Remuneration Committee ("RC") consists of three (3) members, comprising only Independent Non-Executive Directors, namely Mr Chan Weng Fui, being the Chairman of the RC, Mr Chen Sung Fang and Datuk Captain Hamzah Bin Mohd Noor.</p> <p>The RC is responsible to assist the Board in assessing the remuneration framework of the Executive Directors, Non-Executive Directors and senior management of the Company and recommending the same to the Board for approval. The RC also assists the Board in developing and administering a fair and transparent procedures as well as policies setting on remuneration of Directors and senior management, to attract and retain the right talent.</p> <p>The RC also ensures the remuneration of Non-Executive Directors remains appropriate and reflects the level of experience, commitment and responsibilities undertaken by the respective Directors.</p> <p>The respective directors shall play no part in decisions on their own remuneration. The Directors who are shareholders should abstain from voting at general meetings to approve their fees.</p> <p>The RC's roles and functions are governed under its Terms of Reference. The Board has on 27 August 2018 reviewed and updated the RC's Terms of Reference to reflect the requirements of the applicable practices and guidance under MCCG 2017. The Terms of Reference is published on the Company's website at www.imaspro.com.</p>

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

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.

Application	:	Applied
Explanation on application of the practice	:	The detailed disclosure on named basis for the remuneration of individual Directors is set out in the Corporate Governance Overview Statement on page 30 of the Annual Report 2019.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	Due to confidentiality and sensitivity of information, the Company disclosed the details of the top five senior management's remuneration in aggregate under the Corporate Governance Overview Statement of the Annual Report 2019 without disclosing on name basis. An aggregate amount of remuneration or compensation of the key management personnel was disclosed under Note 28 to the Audited Financial Statements for the financial year ended 30 June 2019.
		Alternatively, the number of senior management personnel whose remuneration falls within the respective bands has been disclosed in bands of RM50,000 in the Corporate Governance Overview Statement on page 30 of the Annual Report 2019. The Company will review its internal process and consider applying the recommended disclosure practice in future.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established an Audit Committee ("AC") which comprised exclusively Independent Non-Executive Directors.</p> <p>The Chairman of the AC is Mr Chan Weng Fui whilst the Chairman of the Board is Datuk Captain Hamzah Bin Mohd Noor.</p> <p>The AC is authorised by the Board to investigate any activities within its Terms of Reference ("TOR") and has unrestricted access to both the internal and external auditors and members of the senior management of the Company.</p> <p>Details of the composition and activities of the AC are set out in the AC Report on pages 35 to 38 of the Company's Annual Report 2019.</p> <p>Whilst this practice has always been observed by the Company, the Board has on 27 August 2018 reviewed and approved the TOR of the AC to reflect the requirements of the applicable practices and guidance under MCCG 2017.</p> <p>The details of the TOR of the AC are available on the Company's website at www.imaspro.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied
Explanation on application of the practice	:	As of to-date, none of the Audit Committee ("AC") members is a former key Audit Partner of the Company's external auditors. The AC recognises the importance to uphold independence of its external auditors and that no possible conflict of interest whatsoever should arise. Hence, the AC has incorporated a policy in its Terms of Reference that any former key audit partner is required to observe a cooling-off period of at least two (2) years before being appointed as a member of the AC.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	: Applied
Explanation on application of the practice	<p>Under the Terms of Reference of the Audit Committee ("AC"), the AC is responsible to carry out an annual review of the performance of the external auditors, including assessment of independence of the external auditors in the performance of their obligations and to review the suitability of the external auditors.</p> <p>During financial year ended 30 June 2019, the AC met with the external auditors once without the presence of the Managing Director and Key Senior Management team to discuss their audit findings in relation to the Group's financial statements and any other observations they might have during the audit process.</p> <p>The AC, in adhering to the policies and procedures adopted by the Company in assessing the suitability and independence of the external auditors, undertakes an annual assessment of the quality of audit which encompasses the performance and quality of the external auditors and their independence, objectivity and professionalism.</p> <p>The assessment process involves identifying the areas of assessment, setting the minimum standard and devising tools to obtain relevant data. The areas of assessment include among others, the external auditors' caliber, quality processes, audit team, audit scope, audit communication, audit governance and independence as well as the audit and non-fees. Assessment checklist was used as a tool to obtain input from Management.</p> <p>The AC also reviews the audit and non-audit services provided by the external auditors. In reviewing such services, the AC ensures that the independence and objectivity of the external auditors are not compromised.</p> <p>The Company's external auditors, Messrs HLB Ler Lum PLT, has confirmed their independence throughout the conduct of the audit engagement in accordance with the independence requirements set out in the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.</p>

	<p>The AC was satisfied with the suitability of the external auditors of the Company based on the quality of audit, performance, competence and sufficiency of resources the audit team provided to the Company.</p> <p>Having regard to the outcome of the annual assessment of external auditors, the Board had on 27 August 2018 through the AC assessed the suitability and independence of the external auditors and recommended the re-appointment of external auditors for the financial year 2019 to the shareholders for approval at the 14th Annual General Meeting held on 22 November 2018.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

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.

Application	:	Adopted
Explanation on adoption of the practice	:	The Audit Committee consists of three (3) members, which comprise the following Independent Non-Executive Directors: (a) Mr Chan Weng Fui – Chairman (b) Mr Chen Sung Fang – Member (c) Mr Chan Kim Hing – Member

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.

Application	:	Applied
Explanation on application of the practice	:	<p>All members of the Audit Committee ("AC") possess the relevant experience and expertise to discharge their duties effectively. The qualification and experience of the individual Audit Committee member are disclosed in the Profile of Directors on pages 7 to 13 of the Annual Report 2019.</p> <p>The AC members are mindful of the need to continue to enhance their skills and knowledge to assist them in discharging their duties. They have attended relevant development and training programmes according to their individual needs to keep abreast of relevant developments in accounting and auditing standards and other relevant changes in laws and regulations and to enhance their ability in discharging their duties and responsibilities more effectively.</p> <p>Details of the training programmes attended by each member of the AC were set out on page 24 of the Annual Report 2019.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal controls that provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines.</p> <p>The Board regularly receives and reviews the reports on the effectiveness of the risk management and internal control and is of the view that it is adequate to safeguard shareholders' interest and the Group's assets. The role of Management is to implement the Board's policies and guidelines on risks and controls, to identify and evaluate the risks faced and to operate a suitable system of internal controls to manage these risks. The Board has obtained assurances from the Managing Director that the Group's system of risk management and internal control is operating adequately and effectively throughout the financial year under review.</p> <p>The Board is assisted by the AC who provides an objective review of the adequacy, integrity and effectiveness of the Group's risk management and internal control systems to ensure that the same are soundly conceived, in place, effectively administered and regularly monitored. The effectiveness of the systems of internal controls of the Group is reviewed periodically by the AC. The Statement on Risk Management and Internal Control is on pages 39 to 41 of the Annual Report 2019.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

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.

Application :	Applied
Explanation on application of the practice :	<p>The Board engages the services of an external professional internal audit services provider, Sterling Business Alignment Consulting Sdn Bhd. The outsourced internal auditors of the Company, are entrusted to review a wide range of areas i.e. finance functions, human resource, production and operations to occupational health and safety so as to identify any weaknesses in internal controls. Management is proactive in identifying new potential risk areas for the internal auditors to conduct their audit.</p> <p>The Audit Committee reviews internal control issues identified by the internal auditors and Management. In the process, it evaluates the adequacy and effectiveness of the Group's risk management and internal control system. The Group is progressively developing and enhancing its group operating policies and procedures to address the changing environment of its business operations and practices.</p> <p>The Standard Operating Procedures Manual developed by Management sets out the policies, procedures and practices to identify and mitigate risks, and to ensure that their reporting and compliance objectives are met. The Manuals are to be adopted by all companies within the Group to ensure that all personnel receive a clear message regarding their roles in internal controls system.</p> <p>The Group's Management team communicates regularly to monitor operational and financial performance as well as formulate action plans to address any area of concern. Scheduled and ad-hoc meetings are held at operational and management levels to identify, discuss and resolve business and operational issues.</p> <p>Further details on the Group's internal control and risk management are presented in the Statement on Risk Management and Internal Control on pages 39 to 41 of the Annual Report 2019.</p>

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

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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's internal audit function is outsourced to Sterling Business Alignment Consulting Sdn Bhd ("SBAC"), a professional internal audit services provider. SBAC is not involved in the operations of the Group. To ensure independence of SBAC, the outsourced internal auditors report directly to the Audit Committee ("AC") on a quarterly basis during AC meetings.</p> <p>The outsourced Internal Auditors undertake internal audit reviews based on the annual audit plan that is developed based on the Internal Auditors' understanding of the Group's business environment and significant business processes that have an impact on the Group's performance in consultation with Management and input from the AC.</p> <p>During the financial year under review, the outsourced internal auditors have reviewed critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the major subsidiaries and recommended possible improvements to the internal control process. This is to provide reasonable assurance that such system continues to operate satisfactorily and effectively within the Group.</p> <p>The outsourced Internal Auditors also advise the executive and operational management on areas for improvement and carry out follow-up reviews on the status of their recommendations. The internal audit reports which contained the relevant audit findings and recommendations are submitted to the AC for deliberation. The AC also reviews the adequacy of the scope, functions, competency and resources of the outsourced internal audit team.</p> <p>Details of the Group's internal control system and framework are set out in the Statement on Risk Management & Internal Control in the Annual Report 2019.</p> <p>The External Auditors had during the course of their external audit work reviewed the Internal Audit Reports and Internal Audit Progress Reports and were satisfied that it is adequate. The External Auditors had also reviewed the Statement on Risk Management and Internal Control.</p>

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

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group’s internal audit function is outsourced to Sterling Business Alignment Consulting Sdn Bhd (“SBAC”), a professional internal audit services provider. SBAC is not involved in the operations of the Group. To ensure independence of SBAC, the outsourced internal auditors report directly to the Audit Committee (“AC”) on a quarterly basis during AC meetings.</p> <p>Each audit review is engaged by approximately two to three internal auditors depending on the areas of audit. From the review, opportunities for improvement to the system of internal control were identified and presented to the AC via internal audit reports, whilst Management formulated the relevant action plans to address the issues noted. The internal audit function has adopted the International Professional Practices Framework set by the Institute of Internal Auditors. SBAC ensures that its staff are professionally guided and trained to develop the appropriate competencies to perform their duties during the internal audit review.</p> <p>The outsourced Internal Auditors are free from any relationships or conflicts of interest, which could impair the audit objectivity and independence for each audit engagement. The Internal Auditors report directly to the AC. The number of resources engaged for each audit visit and the framework of the internal audit procedures and function are set out in the Audit Committee Report of the Annual Report 2019.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application :	Applied
Explanation on application of the practice :	<p>The Board is cognizant that effective and timely communications are essential in maintaining good relationship with stakeholder and cultivate trust and understanding between the Group and stakeholders. Through extensive disclosures of appropriate and relevant information, using various channels of communication on a timely basis, the Group aims to effectively provide shareholders and investors with information to fulfill transparency and accountability objectives.</p> <p>The Company is committed to keeping the shareholders, investors and stakeholders informed of the Group's business and corporate developments. Such information is disseminated via press release, the Company's annual reports, circulars to shareholders, quarterly financial results and the various prescribed announcements made to Bursa Malaysia Securities Berhad.</p> <p>The Group leverages on information technology to create ease of access and convenience in all communications for stakeholder. Shareholders and investors are encouraged to access the Company's corporate website at www.imaspro.com to obtain the latest information, announcements and other corporate disclosures of the Company from time to time. Continuous improvement and development of the website will be undertaken by the Company to ensure easy and convenient access.</p> <p>Quarterly and annual reports are announced to Bursa Malaysia Securities Berhad via Bursa LINK within two (2) months after the end of each quarter, i.e. immediately after the financial results are approved at the Board Meetings and four (4) months from the close of the financial year respectively, to provide shareholders and the public investors the updated view of the Group's financial performance.</p>
Explanation for departure :	

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

Measure	:		
Timeframe	:		

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.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company is not under the category of a large company as defined under MCCG 2017.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The 14th Annual General Meeting (“AGM”) of the Company was held on 22 November 2018 and the Notice of the 14th AGM accompanying the Annual Report 2018 of the Company was issued to the shareholders and published on a nationally circulated newspaper on 23 October 2018, i.e. at least twenty-eight (28) days prior to the date of the 14th Annual General Meeting and it complied with the twenty-one (21) days’ notice requirement under the Companies Act 2016.</p> <p>The Notice of AGM was accompanied with explanatory notes to shareholders regarding their entitlement to attend the AGM and their rights to appoint a proxy as well as detailed explanations for each resolution to be tabled at the AGM to enable shareholders to make informed decisions in exercising their voting rights.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>All Directors of the Company have attended the 14th Annual General Meeting held on 22 November 2018, which by means the Chairman of the respective committees, including the Managing Director together with the Key Senior Management team were present to provide explanation and clarification to the shareholders if there are any questions addressed to them.</p> <p>The external auditors were also present to provide their professional and independent clarification on issues and concerns raised by the shareholders.</p> <p>Shareholders are encouraged to participate in the Questions and Answers session on the proposed resolutions or about the Group's operations in general. Shareholders who are unable to attend are allowed to appoint proxies in accordance with the Company's Constitution to attend and vote on their behalf.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company’s Annual General Meeting was held in Kelab Golf Sultan Abdul Aziz Shah which is accessible by public and not in a remote location. The said venue has ample parking space.</p> <p>All the resolutions set out in the Notice of the 14th Annual General Meeting (“AGM”) were put to vote by poll. The Company does not have large number of shareholders i.e. the number of shareholders of the Company as at 13 November 2018 was only 542 shareholders. The number of holders is not large to warrant the use of the technology to facilitate remote shareholders’ participation at the AGM or voting in absentia.</p> <p>Shareholders of the Company are allowed to appoint any person(s) as their proxies to attend, participate, speak and vote in his stead at a general meeting.</p> <p>The Company will be seeking the shareholders’ approval on the proposed adoption of a new Constitution which allow the Company to leverage on technology to enhance the communication with shareholders such as issuing and transmitting documents to the shareholders using technology means.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

**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.

Not applicable
