

STATEMENT ON CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

INTRODUCTION

The Board of Directors ("Board") of Knusford Berhad remains committed to ensure high standards of corporate governance is practised throughout the Company and its subsidiaries ("the Group") to enhance shareholders' value and improve its financial performance. The Board aims for the principles and best practices of the Malaysia Code of Corporate Governance 2012 ("MCCG 2012") to be observed and practiced throughout the Group as a fundamental part of discharging its responsibilities.

Therefore, the Board is pleased to present the following report on the Company's application of the principles and compliance with best practices as set out in MCCG 2012 and other applicable laws, rules and regulations during the financial year ended 31 December 2016.

APPLICATION OF PRINCIPLES AND RECOMMENDATIONS

Principle 1: Establish Clear Roles and Responsibilities

1.1 The board should establish clear functions reserved for the board and those delegated to management

The Board has established a Board Charter which sets out the roles and responsibilities of Board members in discharging their fiduciary and leadership functions and to ensure the divisions of responsibilities between the Board and the Management are clearly defined.

Specific duties and responsibilities are delegated by the Board to three (3) committees, namely the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee, all of which are governed by their respective terms of reference. The Board was kept informed of key issues and decisions made by these committees through presentation made by Chairman of the respective board committee at the Board's scheduled meetings.

1.2 The board should establish clear roles and responsibility in discharging its fiduciary and leadership functions

The key responsibilities of the Board are documented as follows:

> Reviewing and adopting a strategic plan

The Board will put in place a more robust strategy planning process, whereby the Managing Director presents and proposes to the Board the Management's business plans for the ensuing year for the Board's review and approval.

Management had presented to the Board the business plans via the budget for the ensuing year during the Board of Director's Meeting held on 24 November 2016. The Board had on the same day reviewed and approved the Budget.

It serves as guidance to closely monitor the growth of the Group as a whole.

> Overseeing the conduct of the company's business

A capable and experienced management team is put in charge to oversee the day-to-day operations of the Group and implement the policies, strategies and decisions adopted by the Board.

The Managing Director ("MD"), supported by the Chief Executive Officer ("CEO") is primarily responsible for overseeing the day to day operations of the Group and ensures the smooth and effective running of the Group. Monthly management meetings are held which are attended by the Head of Department ("HODS"), CEO and MD to monitor the Group's business operations and performance. With implementation of Budget, actual performance is closely monitored and discussed during the monthly management meeting.

On a quarterly basis, the performance of the Group is communicated to the Board by the Managing Director, Chief Executive Officer and Chief Financial Officer at its scheduled meetings.

> Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures

The Board had approved and put in place a risk management framework policy and procedures on 22 April 2013 where the role and responsibilities in relation to risk management are clearly defined for the Board, Audit and Risk Management Committee, Chief Executive Officer, Heads of Subsidiaries / Division Head.

Quarterly risk assessment updates are carried out within the Group to identify, evaluate and review the respective divisions' key risk profiles. The results are reviewed by the Audit and Risk Management Committee at their quarterly meeting and subsequently presented to the Board.

STATEMENT ON CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

APPLICATION OF PRINCIPLES AND RECOMMENDATIONS (continued)

Principle 1: Establish Clear Roles and Responsibilities (continued)

1.2 The board should establish clear roles and responsibility in discharging its fiduciary and leadership functions (continued)

- > Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures (continued)

In addition, respective HODS will report on their own divisions and any potential risks incurred on day-to-day operations and also tendering of new projects in monthly management meetings to CEO and MD.

- > Succession planning

The Board has entrusted the Nomination Committee and Remuneration Committee with responsibilities to review candidates for the Board and key management positions and to determine remuneration package for these appointments, as well as formulate nomination, remuneration and succession policies for the Group.

During the financial year ended 31 December 2016, one (1) board member had resigned due to other work commitments and a new Executive Director was recommended by the Nomination Committee and approved by the Board.

In addition, the Board ensures that an appropriate process is taken for Management and Senior Management level's recruitment and provision of good and competitive remuneration scheme, continuous training and development to ensure Management's succession.

- > Overseeing the development and implementation of a shareholder communications policy for the company

The Board acknowledges the need for the shareholders to be informed of all material business matters affecting the Company and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors. The Board ensures timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements made during the year.

The Company conducts dialogues with financial analysts and/or the media from time to time as a means of effective communication to enable the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests.

The Company leverage on information technology for effective dissemination of information. The Company's website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.

Mr. Bernard Hilary Lawrence has been identified as the Senior Independent Non-Executive Director of the Board to whom queries or concerns relating to the Group may be conveyed by shareholders by way of writing to the Company's registered address.

- > Reviewing the adequacy and the integrity of the management information and internal controls system of the company

The Board acknowledges the importance of sound system of internal controls, which provides reasonable assurance in ensuring the effectiveness and efficiency of operations and safeguards shareholders' investments and the Group's assets.

The Internal Audit function has been outsourced to a professional service firm. The outsourced internal audit function meets with the Audit and Risk Management Committee on a quarterly basis. Further information may be found in the Statement of Risk Management set out on pages 27 to 30 of this annual report.

In addition, the external auditors review the internal controls over financial reporting annually and reported to the Audit and Risk Management Committee directly.

STATEMENT ON CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

APPLICATION OF PRINCIPLES AND RECOMMENDATIONS (continued)

Principle 1: Establish Clear Roles and Responsibilities (continued)

1.3 The board should formalise ethical standards through a code of conduct and ensure its compliance

The Board has formulated ethical standards through a code of conduct for the directors, senior management and all employees and will ensure its compliance. The Code of Conduct includes principles related to conflict of interest, dealings with confidential information, to ensure safety, security and adherence to Company's rules, dealing with suppliers, customers and third parties.

The Code of Conduct is available at the Company's website.

The Directors are committed to determining whether they have any potential or actual conflict of interest with regards to any matters being discussed. The Directors must declare interests they may have that constitute a related party transaction and abstain from voting in respect of such transactions when considering such matters.

The Board has developed its whistle blowing policy. A summary of the policy is available at the Company's website.

This policy is set up to ensure disclosure of improper conduct and necessary actions to be taken. The definition of improper conduct and methods of reporting improper conduct are clearly explained in the policy.

For the financial year under review, the Board is unaware of any activities related to whistle blowing.

1.4 The board should ensure that the company's strategies promote sustainability

The Board acknowledges the Group's obligation to society and strives for a balanced approach in fulfilling its key objectives and the expectations of stakeholders. The Group is committed and will further enhance its corporate social responsibilities that are supportive of healthy work environment, skill development as well as health and safety at work. The Group supports various charitable causes and is committed to carry on its efforts towards on a sustainable basis.

The Group's social responsibilities statement is set out on page 32 of this annual report.

1.5 The board should have procedure to allow its member access to information and advice

The Board has unrestricted and timely access to all information necessary for the discharge of its responsibilities. Notice of Board Meetings and the necessary board papers are circulated to Directors 5 days in advance to enable meaningful deliberation and sound decisions to be made during Board meetings. All meetings of the Board are duly recorded by the Company Secretaries in the Board Minutes. All Directors have access to the services and advice of the Company Secretaries, Senior Management and other independent professionals, at the expense of the Group to facilitate the discharge of their duties.

1.6 The board should ensure it is supported by a suitable qualified and competent Company Secretary

The Company Secretaries are central source of information and advice to the Board and its Committees on the issues relating to compliance with laws, rules, procedures and regulations affecting the Company and Group.

The Board has appointed Lim Thiam Wah and Lim Aik Yong as the Company Secretaries, who have the competency to provide the necessary assistance to the Board.

1.7 The board should formalise, periodically review and make public its Board Charter

The Board has formalised a Board Charter and it has been reviewed and adopted on 28 February 2017.

The Board Charter is displayed on the Company's website at www.knusford.com.my.

STATEMENT ON CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

APPLICATION OF PRINCIPLES AND RECOMMENDATIONS (continued)

Principle 2: Strengthen Composition

2.1 The board had established a Nomination Committee which comprises exclusively of non-executive directors, a majority of whom must be independent

The Nomination Committee comprises entirely of Independent Non-Executive Directors who are as follows:

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|--|--|
| i) Bernard Hilary Lawrence | – Senior Independent Non-Executive Director (Chairman) |
| ii) Lim Foo Seng | – Independent Non-Executive Director (Member) |
| iii) Avinderjit Singh A/L Harjit Singh | – Independent Non-Executive Director (Member) |
| iv) Mohd Salleh Bin Othman | – Independent Non-Executive Director (Member) |
| v) Lee Wai Kuen | – Independent Non-Executive Director (Member) |

During the financial year ended 31 December 2016, the Nomination Committee met once and the following activities were carried out by the Nomination Committee:

1. Reviewed the composition of the Board of Directors
2. Assessed the effectiveness of the Board and Board Committee
3. Assessed and evaluated the performance and contribution of each Director
4. Reviewed the profile of each Director
5. Reviewed the training needs of the Directors to ensure that they are acquainted with the latest development and changing environment in which the Company operates.

2.2 The Nomination Committee should develop, maintain and review the criteria to be used in the recruitment process and annual assessment of directors

The Nomination Committee's Terms of Reference specifies the duties and functions of the Committee, which relate to the recruitment of directors and criteria used in their selection in terms of the appropriate balance of skills, expertise, attributes and core competencies and annual assessment. The Committee is responsible for reviewing candidates for appointment to the Board Committee and make appropriate recommendations thereon to the Board for approval. It is tasked with assessing the effectiveness of the Board and Board Committee and the performance of individual Directors in order to ensure that required mix of skills and experience are present of the Board.

The Board is supportive of gender diversity in the boardroom as recommended by the MCCG 2012. The Board does not have a specific policy on setting targets for women candidates. The evaluation of the suitability of candidate to the Board depends on his or her competency, knowledge, character, time commitment, professionalism integrity and experience in meeting the needs of the company. Presently, there is no female Director on the Board of the Company. Nevertheless, the Board is endeavouring to have a female board member in the future.

The evaluation of Board is conducted annually, comprises of Board Assessment by Individual Directors, Self and Peer Assessment and an assessment of independence of an Independent Director. The assessment of the Board by an individual director is based on specific criteria, covering areas such as the Board composition and structure, principal responsibilities of the Board, the Board process, succession planning and Board governance. For Self and Peer Assessment, the assessment criteria include contributions to interaction, role and duties, knowledge and integrity, governance and independence, and risk management.

The Nomination Committee meets at least once a year and conducts an annual review of the required mix of skills, diversify and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board and to assess, on annual basis, the effectiveness of the Board as a whole, the Committee of the Board and the contributions of each individual director, including Independent Non-Executive Directors.

The presence of the Independent Non-Executive Directors promotes objectivity and they have the competence necessary to advise the Board on its decisions. They provide an effective check and balance to the Board's decision making process. The Board's composition brings together an extensive group of experienced Directors from varied backgrounds and they bring with them a wide range of skills and experience in areas relevant to managing and directing the Group's operations. The Board is satisfied that the current Board's composition fairly protects the investment of the minority shareholders and represents a balanced mix of skills and experience to discharge the Board's duties and responsibilities. In addition, no individual director or group of directors dominates the Board's decision making. The profile of each Board member is set out on pages 9 to 11 of this Annual Report.

STATEMENT ON CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

APPLICATION OF PRINCIPLES AND RECOMMENDATIONS (continued)

Principle 2: Strengthen Composition (continued)

2.3 The board should establish formal and transparent remuneration policies and procedures to attract and retain directors

The Remuneration Committee assists the Board of Directors in reviewing and assessing the remuneration packages of the Executive Directors. The remuneration packages of the Company's Non-Executive Directors are determined by the Board as a whole, with the Director concerned abstaining from participating in the decision making in respect of his individual remuneration.

The Remuneration Committee comprises of the following Independent Non-Executive Directors:

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| i) Bernard Hilary Lawrence | – Senior Independent Non-Executive Director (Chairman) |
| ii) Lim Foo Seng | – Independent Non-Executive Director (Member) |
| iii) Avinderjit Singh A/L Harjit Singh | – Independent Non-Executive Director (Member) |
| iv) Mohd Salleh Bin Othman | – Independent Non-Executive Director (Member) |
| v) Lee Wai Kuen | – Independent Non-Executive Director (Member) |

The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved. The level of remuneration for the Executive Directors is determined by the Remuneration Committee after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies. No Director other than the Executive Directors shall have service contract with the Company.

The aggregate remuneration of the Directors of the Board for the year ended 31 December 2016 is as follows:

(a) Total Remuneration

Group

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)	Total (RM'000)
Salary and Other Emolument	797	120	917
Fees	60	120	180
Benefits-In-Kind	49	-	49
Total	906	240	1,146

Company

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)	Total (RM'000)
Salary and Other Emolument	229	120	349
Fees	60	120	180
Benefits-In-Kind	40	-	40
Total	329	240	569

STATEMENT ON CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

APPLICATION OF PRINCIPLES AND RECOMMENDATIONS (continued)

Principle 2: Strengthen Composition (continued)

2.3 The board should establish formal and transparent remuneration policies and procedures to attract and retain directors (continued)

(b) Directors' remuneration by bands

The number of Directors whose total remuneration falls within the following bands during the financial year ended 31 December 2016 is as follows:

Remuneration Band	Executive Directors	Non-Executive Directors	Total
Up to RM50,000	2	6	8
RM100,001 to RM150,000	-	1	1
RM200,001 to RM250,000	1	-	1
RM600,001 to RM650,000	1	-	1
Total	4	7	11

The details of the individual Director's remuneration are not disclosed in this report as the Board considers the above disclosures have satisfied the accountability and transparency aspects of the Code.

Principle 3: Reinforce Independence

3.1 The board should undertake an assessment of its independent director annually

The appointment of the independent directors is to ensure that the Board includes directors who can effectively exercise their independent and objective judgement to Board deliberations and to mitigate risks arising from conflict of interest or undue influence from interested parties.

Criteria for assessing the independence of an Independent Director include the relationship between the Independent Director and the Group and his involvement in any significant transaction within the Group. In the case of Independent Directors, the provision of an annual declaration of independence is practised.

The Nomination Committee is specially tasked to assess the independence of Independent Directors upon admission, annually and when any new interest or directorship develops.

The Nomination Committee has assessed the independence of each Director and recommended that they continue to act as an Independent Non-Executive Directors of the Company on the following basis:

- i. They have no interest or ties in the Company that could adversely affect independent and objective judgement and place the interest of the Company above all other interests; and
- ii. They have met the criteria for independence set out in Chapter 1 of the Bursa Securities Main Market Listing; and they continue to be able to exercise independent judgement and to act in the best interest of the Company.

Following by this assessment, the Board is of the opinion that the independent Directors continue to remain objective and independent in expressing their respective views and in participating in deliberations and decision-making of the Board and the Board Committee.

The Board is further of the view that the length of service of the independent Directors on the Board do not in any way interfere with their independent judgement and ability to act in the best interest of the Group. Hence, based on the recommendation by the Nomination Committee, the Board recommends that the Independent Directors continue in their present positions.

STATEMENT ON CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

APPLICATION OF PRINCIPLES AND RECOMMENDATIONS (continued)

Principle 3: Reinforce Independence (continued)

3.2 The tenure of an independent director should not exceed a cumulative term of nine years. Upon completion of the nine years, an independent director may continue to serve on the board subject to the director's re-designation as a non-independent director

As at the date of this statement, none of the Independent Directors' tenure exceeded a cumulative term of 9 years.

Whilst the length of service is not regarded by the Board to entirely demonstrate the independence of the independent non-executive directors, the Board will justify and seek shareholders' approval in the event the Board intends to retain the Independent Director after serving a cumulative term of 9 years.

3.3 The board must justify in the notice convening the annual general meeting and submit for shareholders' approval the retention of all independent directors who have served the company for an aggregate of more than nine years at every annual general meeting

Please refer to the paragraph above.

3.4 The positions of Chairman and MD should be held by different individuals, and the Chairman must be a non-executive member of the Board

DYAM Tunku Ismail Ibni Sultan Ibrahim is the Chairman of the Group while Datuk Ahmad Zaki bin Zahid is the Managing Director of the Group. The Chairman is a non-executive director. The Chairman and Managing Director are unrelated parties.

3.5 The Board must comprise a majority of independent directors where the Chairman of the Board is not an independent director

The Group is led by an effective and experienced Board, comprising nine (9) members, made up of five (5) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director, two (2) Executive Directors and one (1) Managing Director. We had also appointed one (1) Alternate Director.

Whilst the Chairman is not an independent director, the board is made up by majority independent directors.

Hence, the composition of the Board satisfies the Bursa Malaysia Main Market Listing that 1/3 of the Board must be Independent Directors.

Principle 4: Foster Commitment

4.1 The Board should set out expectations on time commitment for its members and protocols for accepting new directorships

All directors are expected to devote sufficient time to carry out their responsibilities and are required to notify the Board before accepting any new directorship.

Each Board member is expected to achieve at least 50% attendance of total Board Meetings in any applicable financial year with appropriate leave of absence be notified to the Chairman of the Board and/or Company Secretary, where applicable.

The Board Charter has specified that any director shall notify the Chairman before accepting any new directorship and the notification shall include the indication of time that will be spent on the new appointment.

STATEMENT ON CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

APPLICATION OF PRINCIPLES AND RECOMMENDATIONS (continued)

Principle 4: Foster Commitment (continued)

4.2 The Board should ensure its members have access to appropriate continuing education programmes

The Board recognises the needs to attend trainings in order to enhance their skills and knowledge and keep abreast with the relevant change in laws, regulations and business environment so that they can discharge their duties effectively.

During the financial year, the Group organised a training course entitled "Driving Growth When The Markets Is Contracting" for all the Directors and Senior Management in compliance with paragraph 15.08 of the Bursa Malaysia Main Market Listing. This program highlights the relevant topics which cater to enhance the Directors' knowledge and skills in discharging duties effectively. All the Directors attended the said training.

The Group will continue to organise development and training programmes for the benefit of Directors and in addition, the Directors individually are encouraged to equip themselves on the new developments in the business environment by attending other relevant courses, trade fairs, seminars and conferences.

Principle 5: Uphold Integrity in Financial Reporting

5.1 The Audit Committee should ensure financial statements comply with applicable financial reporting standards

The Audit and Risk Management Committee consists entirely of Independent Non-Executive Directors with the Chairman is a member of the Malaysian Institute of Accountants. The Audit and Risk Management Committee assists the Board in reviewing information for disclosure purposes such as quarterly reports and financial statements to ensure that the Group's financial statements are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards so as to offer a balanced and comprehensive assessment of the Group's financial position and prospects to the shareholders.

The Audit and Risk Management Committee is delegated with the task of assessing whether the External Auditors are suitable for reappointment for the following financial year, of which competence and independence are key considerations. These was discussed during the Audit and Risk Management Committee meeting.

The detail of responsibilities, composition, and terms of reference and activities of the Committee are outlined in this Annual Report under the Audit and Risk Management Committee's Report.

A Responsibility Statement by the Directors is set out on page 32 of this Annual Report.

5.2 The Audit Committee should have policies and procedures to assess the suitability and independence of external auditors

The Audit and Risk Management Committee keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors. The Audit and Risk Management Committee ensures that the external auditors do not supply a substantial volume of non-audit services to the company. The Audit and Risk Management Committee also ensures that the external audit function is independent of the activities it audits and reviews the contracts for the provision of non-audit services by external auditors and ensures that it will not give rise to instances of conflict of interests.

Through the Audit and Risk Management Committee, the Board has established a formal and transparent arrangement for maintaining appropriate relationships with the Group's auditors, both external and internal. The auditors have continued to meet with the Audit and Risk Management Committee at least 2 times in a year mainly to review the audit plan, the results of the audit and any other matters that requires the Audit and Risk Management Committee's attention. The Audit and Risk Management Committee Report is set out on pages 33 to 36.

The Audit and Risk Management Committee will make recommendation to the Board in relation to appointment of the external auditors via completion of external auditors' evaluation form and presentation of Board Paper during the Board Meeting.

The external auditors have confirmed to Audit and Risk Management Committee that they are, and have been independent throughout the conduct of the audit engagement in accordance with independence criteria set out by the Malaysian Institute of Accountants.

STATEMENT ON CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

APPLICATION OF PRINCIPLES AND RECOMMENDATIONS (continued)

Principle 6: Recognise and Manage Risk

6.1 The Board should establish a sound framework to manage risks

This is addressed under paragraph 1.2 of this statement.

6.2 The Board should establish an internal audit function which reports directly to the audit committee

The Company outsources the internal audit function as it is the most cost effective means of implementing an internal audit function. The internal auditors report directly to the Audit and Risk Management Committee.

Principle 7: Ensure Timely and High Quality Disclosure

7.1 The Board should ensure the company has appropriate corporate disclosure policies and procedures

All the information disseminated is in accordance with Bursa Malaysia disclosure rules and regulations and all other relevant laws and regulations. The Board has taken steps to ensure that no market sensitive information is disclosed to any party prior to making an official announcement to Bursa Securities.

7.2 The Board should encourage the company to leverage on information technology for effective dissemination of information

The Board supports the use of information technology for the effective dissemination of information. The Group has established its corporate website at www.knusford.com.my which has served as a useful reference source of information to our shareholders, investment analysts, business partners and other stakeholders.

Principle 8: Strengthen Relationship between Company and Shareholders

8.1 The Board should take reasonable steps to encourage shareholders participation at general meetings

The Board presents the progress and performance of the Group to provide shareholders with the opportunity to seek clarification on the Group's businesses and financial performance during the AGM and EGM. The Directors, Chairman of the Audit and Risk Management Committee, and External Auditors will be available to respond to the questions of shareholders during the Annual General Meeting.

8.2 The board should encourage poll voting

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice will be put to vote by way of poll.

At the forthcoming annual general meeting, all resolutions shall be decided on a poll basis.

8.3 The Board should promote effective communication and proactive engagements with shareholders

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors. The Board will ensure the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements made during the year. The Company will conduct dialogues with financial analysts and/or the media from time to time as a means of effective communication to enable the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests.

STATEMENT ON CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

APPLICATION OF PRINCIPLES AND RECOMMENDATIONS (continued)

ADDITIONAL INFORMATION

(A) Board Meetings

The Board meets on a quarterly basis with additional meetings being convened when necessary to deliberate and consider matters relating to the Group's financial performance, strategy and corporate development. The Board also oversees and monitors the performance of the subsidiaries' operations. Management reports are made available to the Board members for review.

For the financial year ended 31 December 2016, the Board met five (5) times with the following recorded attendance of the Directors who held office:

Name of Director	Designation	Board of Directors Meeting
DYAM Tunku Ismail Ibni Sultan Ibrahim	Non-Independent Non-Executive Director	3/5
Datuk Ahmad Zaki Bin Zahid	Managing Director	5/5
Lim Chen Heng	Executive Director	3/5
Lee Hun Kheng (Appointed on 25 May 2016)	Executive Director	3/3
Bernard Hilary Lawrence	Senior Independent Non-Executive Director	5/5
Avinderjit Singh A/L Harjit Singh	Independent Non-Executive Director	4/5
Lim Foo Seng	Independent Non-Executive Director	5/5
Mohd Salleh Bin Othman	Independent Non-Executive Director	5/5
Lee Wai Kuen	Independent Non-Executive Director	5/5
Lim Jenq Kuan (Resigned on 25 May 2016)	Executive Director	2/2

Currently all Board members comply with paragraph 15.06 of the MMLR on the restriction of five (5) directorships in listed issuers.

(B) Appointment and Re-election of Directors

The Board is guided by formal recommendations by the Nomination Committee for any new appointment to the Board. Newly appointed Board members are subject to retirement at the Annual General Meeting ("AGM") of the Company following their appointment. Article 82 of the Company's Articles of Association also provide that at least one-third (1/3) of the Directors shall retire by rotation at each Annual General Meeting and that all Directors shall retire once in every three (3) years. A retiring Director shall be eligible for re-election.