

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0102
COMPANY NAME : CONNECTCOUNTY HOLDINGS BERHAD
FINANCIAL YEAR : December 31, 2017

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Rule 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 plays an active role in the establishment of the Company's strategic plan. At the beginning of the financial year, Management would present to the Board the proposed business plans as well as the annual budget for the year. The Board reviews and deliberates those documents at great length, as well as challenging Management's underlying assumptions, prior to approving the same for adoption.</p> <p>During the financial year ended 31 December 2014, the Board has adopted the following two (2) strategic business plans to drive the sales and simultaneously increasing the profit margin of the Group:-</p> <ul style="list-style-type: none">(1) Sales and Marketing Strategies (Sales Growth Plan); and(2) Vertical Integration and Cost Reduction Programs (Margin Growth Plan). <p>For the financial year ended 31 December 2017 ("FYE 2017"), being third year in running after the adoption of the abovementioned strategic business plans, the Board noted both the strategic business plans have yielded positive results and the same have been reflected in the financial performance of the Group i.e. an increase of RM16.8 million in turnover to RM81.7 million for the FYE 2017 as compared to RM64.9 million for FYE 2016.</p> <p>During the financial under review, the Board has reviewed and approved the following strategic business activities of the Group:-</p> <ul style="list-style-type: none">(1) Issuance of New Securities, Increase of Authorised Share Capital and Amendment of Articles of Association;(2) Proposed Acquisition of 51% Equity Interest in Kejuruteraan Asastera Sdn. Bhd. ("KASB");(3) Award of Contract to Rapid Conn Inc., a wholly-owned subsidiary, from DIRECTV Latin America, LLC for the manufacturing of High Definition Multimedia Interface ("HDMI") Devices;(4) Proposed Additional Investment in RCC, China;

	<p>(5) Distribution Agreement between Rapid Conn Inc. and Venus Group Inc.;</p> <p>(6) Incorporation of a new majority-owned sub-subsidiary in China, Shen Zhen Rapid Resins Co., Ltd. <i>(formerly known as Rapid Conn (ShenZhen) Plastic Resins Technology Co., Ltd.)</i> (“RCR”);</p> <p>(7) Disposal of 1,500,000 ordinary shares of RenMinBi (“RMB”)1.00 each fully paid-up in the capital of ShenZhen Rapid Power Co., Ltd. <i>(formerly known as Rapid Power (ShenZhen) Co., Ltd.)</i> (“RCP”), representing 20% shares held in RCP;</p> <p>(8) Proposed Additional Investment in RCS, Singapore; and</p> <p>(9) Proposed appointment of a legal representative for RCR.</p> <p>Further details of the strategic business plans are outlined in the Statement on Management Discussion and Analysis in this Annual Report.</p> <p>The Board has delegated specific powers to relevant Board Committees as well as the Chief Executive Officer (“CEO”). The Board Committees comprise the following:-</p> <ul style="list-style-type: none"> • Audit Committee; • Risk Management Committee; • Nomination Committee; and • Remuneration Committee.
<p>Explanation for departure :</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>Timeframe :</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>YBhg. Tan Sri Dato' Ahmad Fuzi Bin Abdul Razak ("Tan Sri Fuzi") has been appointed to the Board as the Non-Independent Non-Executive Chairman since 7 July 2017. The Chairman primarily responsible for overall matter of the Board and conduct of the Group.</p> <p>The key roles and responsibilities of the Chairman as set out in the Board Charter of the Company include:-</p> <ul style="list-style-type: none">• Ensuring the Board's effectiveness in all aspects of its role and setting of its agenda;• Leading the Company in its relationship with shareholders, financial institutions and media;• Chairing Board and General Meetings;• Ensuring relevant and / or significant issues are on the agenda;• Ensuring all Directors, Executive and Non-Executive, are provided with accurately and timely and clear information / report to enable and encourage them to play their role in the Board meeting. This includes making certain that Directors, especially Non-Executive are advised of all likely future developments and trends, provided with relevant information tailored to their needs and they are properly briefed on issues arising at Board meetings to enable the Board to make sound decisions, monitor effectively and to promote the success of the Company;• Ensuring Executive Directors look beyond their executive function and accept their full share of responsibilities of governance;• Encouraging healthy debate on all issues and maintain independency;• Ensuring Board resolution is put to vote should there be any objection to ensure that it is the will of the majority;• Running the Board and ensuring its effectiveness in all aspects of its role, including regularity and frequency of meetings;• Ensuring there is appropriate delegation of authority from the Board to executive management;• Ensuring all Directors have sufficient time to consider critical issues and obtain answers to any questions or concerns they may

	<p>have and are not faced with unrealistic deadlines for decision making;</p> <ul style="list-style-type: none"> • Upholding the highest standards of integrity and probity; • Ensuring all the Directors are fully informed about all issues on which the Board will have to make a decision, through briefings with the Group Accountant, the Company Secretary, and • Ensuring effective implementation of Board policies and decisions; • Maintaining effective communication that enables the Board to communicate effectively with shareholders; • Interpreting the operations of the Company to the shareholders and accommodate feedback from shareholders; and • Interaction with shareholders and give sufficient opportunity to shareholders to enquire about the Group’s activities and performance, and to relate their expectations and concerns. Facilitating questions and answers sessions pertaining to resolution(s) proposed in the Annual General Meeting or during any meeting with shareholders. 	
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 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>YBhg. Tan Sri Dato' Ahmad Fuzi Bin Abdul Razak is the Non-Independent Non-Executive Chairman while Mr. Ang Chuang Juay is the Executive Deputy Chairman, the de facto chief executive officer of the Group.</p> <p>The roles of the Chairman and the Executive Deputy Chairman are segregated and clearly defined by their individual position descriptions.</p> <p>The Chairman is responsible for leading the Board while the Executive Deputy Chairman focuses on the business and day-to-day management of the Group.</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

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 (2) suitably qualified and competent Company Secretary as follows:-</p> <ul style="list-style-type: none">• Ms. Chua Siew Chuan, FCIS; and• Mr. Cheng Chia Ping, ACIS. <p>Both the Company Secretaries have professional qualifications and are qualified to act as company secretary under Section 235(2) of the Companies Act 2016. One of them is a Fellow member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") whilst the other is an Associate member of the MAICSA.</p> <p>The brief profile of Ms. Chua and Mr. Cheng are as follows:-</p> <p><u>Ms. Chua Siew Chuan ("Ms. Chua"), FCIS</u></p> <p>Ms. Chua has been elected as a Fellow Member of MAICSA since 1997. She has more than 35 years of experience in handling corporate secretarial matters, with working knowledge of many industries and government services.</p> <p>She is the Immediate Past President of MAICSA. Ms. Chua is a Chartered Secretary by profession. She is the Managing Director of Securities Services (Holdings) Sdn. Bhd., a prominent corporate secretarial service provider in Malaysia. Ms. Chua is also the named company secretary for a number of public listed companies, public companies, private limited companies and societies.</p> <p><u>Mr. Cheng Chia Ping, ACIS</u></p> <p>Mr. Cheng has been elected as an Associate Member of the MAICSA since 2012. He has more than 10 years of experience in handling corporate secretarial matters, with working knowledge of many</p>

	<p>industries and non-profit organisations. Mr. Cheng is a Chartered Secretary by profession. He is a Manager (Corporate Secretarial) of Securities Services (Holdings) Sdn. Bhd., a prominent corporate secretarial service provider in Malaysia. Mr. Cheng is also the named company secretary for a number of public listed companies, public companies, private limited companies and societies.</p> <p>All Directors have unrestricted access to the advice and services of the Company Secretaries, who are responsible for ensuring that Board procedures are followed that applicable rules and regulations are complied with.</p> <p>In performing their duties, the Company Secretaries carry out, amongst others, the following tasks:-</p> <ul style="list-style-type: none"> • Statutory duties as required under the Companies Act 2016, ACE Market Listing Requirements of Bursa Securities, Capital Market and Services Act, 2007; • Facilitating and attending Board Meetings and Board Committee Meetings, respectively; • Ensuring that Board Meetings and Board Committee Meetings, respectively are properly convened and the proceedings are properly recorded; • Ensuring timely communication of the Board level decisions to the Management for further action; • Ensuring that all appointments to the Board and/or Board Committees are properly made in accordance with the relevant regulations and/or legislations; • Maintaining records for the purpose of meeting statutory obligations; • Facilitating the provision of information as may be requested by the Directors from time to time on a timely manner and ensuring adherence to Board policies and procedures; • Facilitating the conduct of the assessments to be undertaken by the Board and/or Board Committees as well as to compile the results of the assessments for the Board and/or Board Committee's notation; • Assisting the Board with the preparation of announcements for release to Bursa Securities and Securities Commission Malaysia; and • Rendering advice and support to the Board and Management.
<p>Explanation for departure :</p>	

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

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>In ensuring the effective functioning of the Board, all Directors have individual and independent access to the advice and support services of the Company Secretaries and External Auditors and, may seek advice from the Management on issues under their respective purview.</p> <p>Each Director is provided with complete, relevant and timely information that will enable them to discharge their duties and responsibilities effectively. Prior to each Board Meeting, the agenda together with the detailed reports, relevant documentation and supplementary papers are circulated to the Directors at least three (3) days in advance. This is to enable the Directors to obtain further explanations, where necessary, in order to be adequately informed before the Meeting.</p> <p>The Directors may also interact directly with, or request further explanation, information or updates, on any aspect of the Company's operations or business concerns from the Management to enable the Board to discharge its duties in relation to the matters being deliberated.</p> <p>The Directors, whether as a full Board or in their individual capacity, have full and unrestricted access to all information within the Group. Additionally, all Directors have access to the advice and services of the Group's appointed Company Secretary, who is responsible for ensuring that the Board procedures are followed. The Secretaries are also responsible for providing advice to the Board on the Group's legal and statutory obligations, while highlighting, if any, non-compliance with regards to statutory regulations and policies affecting the Group. The Directors may, at the Group's expense, also seek external independent professional advice, to assist them in making informed decisions with regards to the Group's affairs.</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 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>The Board has adopted a Board Charter which governs how the Company conducts its affairs. The Board Charter is applicable to all Directors of the Company and, amongst other things, provides that all Directors must avoid conflicts of interest between their private financial activities and their part in the conduct of company business.</p> <p>The Board Chartered will be reviewed periodically and any subsequent amendment to the Charter can only be approved by the Board.</p> <p>A copy of the Board Charter is available on the Company's website at www.connectcounty.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

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	:	<p>A Code of Conduct and Ethics has been adopted by the Board to attain best corporate governance practices and compliance with legislation governing duties of the Directors in discharging their duties to achieve corporate objectives. The principle of this code is based on principles in relation to duty of care, integrity, responsibility and corporate social responsibility.</p> <p>The Code has been entrenched into the Board Charter and it is to be reviewed biennially or as and when it is required to ensure the information remains relevant and appropriate.</p> <p>The Code was last reviewed on 13 May 2016.</p> <p>A copy of the Code of Conduct and Ethics for Directors is available on the Company's website at www.connectcounty.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

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 Board has adopted a Whistle Blowing Policy since 19 November 2015 with the following objectives: -</p> <ul style="list-style-type: none">• Provide an avenue for all employees and member of the public to disclose any improper conduct or any action that is or could be harmful to the reputation of the Company and/or compromise the interest of stakeholders;• Provide proper internal reporting channel to disclose any improper or unlawful conduct in accordance with the procedures as provided for under this policy;• Address a disclosure in an appropriate and timely manner;• Provide protection for the whistle-blower from reprisal as a direct consequence of making a disclosure and to safeguard such person's confidentiality; and• Treat both the whistle-blower and the alleged wrongdoer fairly. <div style="border: 1px solid black; padding: 5px;"><p>For matters relating to financial reporting, unethical or illegal conduct, one can report directly to the following designated person:-</p><p><u>Audit Committee Chairperson</u></p><p>Ms. Thong Mei Mei at email address: ctwmei@gmail.com</p></div> <div style="border: 1px solid black; padding: 5px;"><p>For employment-related concerns, one can report directly to the following designated persons:-</p><p><u>Executive Deputy Chairman</u></p><p>Mr. CJ Ang at email address: cjang@rapidconn.org</p></div>

	<p>For any concerns from the shareholders/stakeholders, one can email to the following designated Director:-</p> <p><u>Non-Independent Non-Executive Chairman</u></p> <p>Tan Sri Fuzi at email address: tsfuzi@gmail.com</p> <p>For FYE 2017, none of the designated persons have received any report or concerns vide the abovementioned communication and feedback channels.</p> <p>A copy of the Whistle Blowing Policy is available for viewing under the "Corporate Governance" section of the Company's corporate website at www.connectcounty.com.</p>
<p>Explanation : for departure</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>Timeframe :</p>	

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	:	The Board currently comprises of six (6) members, with three (3) are Independent Directors, two (2) are Non-Independent Non-Executive Directors and one (1) Executive Director. Therefore Practice 4.1 has been complied.
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 4.2

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	:	Applied – No Director exceeded nine years.	
Explanation on application of the practice	:	<p>The Board shall provide justifications and seek shareholders' approval in the event it proposes to retain an independent director who has served the Board in that capacity for more than nine (9) years.</p> <p>For FYE 2017, the Board noted that none of its Board members have attained such tenure.</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

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>For every appointment of Board member, the Board, vide the Nomination Committee ("NC"), would undergo the following three-stage process:-</p> <ul style="list-style-type: none"> • Stage 1: Review of the potential candidates based on the following criteria:- <ul style="list-style-type: none"> - Qualifications; - Skills and competence; - Functional knowledge; - Experience; - Character; - Gender diversity; - Integrity and professionalism; and - Time commitment. • Stage 2: Board Gaps Review <ul style="list-style-type: none"> - The overall composition of the Board; - Combination of skills of existing Directors; and - Any regulatory requirements and/or best practices available. • Stage 3: Recommendation to the Board <ul style="list-style-type: none"> - The Board approves the appointment of Director <p>The Terms of Reference of the NC has been revised by the Board to include the review on the new appointment of senior management based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.</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	:	Applied
Explanation on application of the practice	:	<p>The Board is supportive of the gender boardroom diversity as stated in the Board Charter.</p> <p>The Board currently consists of two (2) female directors which fulfils the recommendation of at least 30% women appointed on-board.</p> <p>The Nomination Committee is responsible to consider candidates for directorship taking into consideration the following:-</p> <ul style="list-style-type: none"> • skill, knowledge, expertise, experience; • professionalism; • integrity; and • the ability to discharge such responsibilities and functions as expected from a director. <p>The Board will review its composition and size as and when required to ensure it fairly reflects the diversity in term of skills, experience, age, cultural background and gender.</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 4.6

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The recent appointment during FYE 2017 was referred by the ACE Credit (M) Sdn. Bhd., a substantial shareholder of the Company, for the nomination of Ms. Thong Mei Mei to be appointed as an Independent Non-Executive Director of the Company. The Board has not utilised independent sources to identify suitably qualified candidates in view of cost consideration and effectiveness, taking into account the operational requirement of the Group.
	:	Notwithstanding the above, the appointment of Ms. Thong was based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender, in compliance with Practice 4.4 of the New MCCG. As such, the Board believes that the Intended Outcome has been met with the additional appointment of Ms. Thong, which has enhanced the diverse mix of skills on Board.
<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 4.7

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Nomination Committee is chaired by Mr. Mok Shiaw Hang, an Independent Non-Executive Director.</p> <p>His duties and responsibilities have been outlined in the Terms of Reference of the Nomination Committee.</p> <p>The Terms of Reference of the Nomination Committee is set out in the Appendix B of the Board Charter and is available on the corporate website www.connectcounty.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 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.

Applica tion	: Applied
Explan ation on applica tion of the practic e	: <u>Annual Assessment on Effectiveness of Board and Individual Directors</u> The Board has delegated to the NC to carry out annual assessment on effectiveness of the Board, its Committees and each individual Director. In FYE 2017, the Board, through the NC, has conducted the following annual assessments to determine the effectiveness of the Board, its Committees and each individual Director in respect of the FYE 2016:- (a) Directors' self-assessment In conducting the evaluation, the following main criteria were adopted by the Nomination Committee:- <ul style="list-style-type: none">• Contribution to interaction;• Quality of Input; and• Understanding of Role. Based on the evaluation conducted for the FYE 2017, the Nomination Committee was satisfied with the performance of the individual Board of Directors. (b) Evaluation on the effectiveness of the Board of Directors and the Committees of the Board In conducting the evaluation, the following main criteria were adopted by the Nomination Committee:- <ul style="list-style-type: none">• Board mix and composition;• Quality of information and decision-making; and• Boardroom activities. Based on the evaluation conducted for the FYE 2017, the Nomination Committee was satisfied with the performance of the Board and Committees of the Board. The Nomination Committee has been tasked to review the attendance of the

Directors at Board and/or Board Committee Meetings. Upon review, the Nomination Committee noted the Board members have devoted sufficient time and effort to attend Board and/or Board Committee Meetings for the FYE 2017.

For the FYE 2017, majority of the Board members achieved a 100% attendance at the Board Meetings held. The attendance record of each Director at Board Meetings during the last financial year is as follows:-

Name of Directors	Total no. of meetings held during tenure of office	Total no. of meetings attended	% of attendance
Tan Sri Fuzi <i>(Appointed w.e.f. 07/07/2017)</i>	2	2	100
CJ Ang	5	5	100
Chang Choon Ming	5	5	100
Lim Bee San	4	5	80
Mok Shiaw Hang	5	5	100
Thong Mei Mei <i>(Appointed w.e.f. 27/11/2017)</i>	1	1	100

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 6.1

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>In compliance with Practice 6.1 of the New MCGG, the Directors' Remuneration policy of the Company is encapsulated as Item 6 – Remuneration Framework in the Board Charter of the Company.</p> <p>Pursuant to the said Remuneration Framework, the remuneration packages of the Executive Director have been structured to attract and retain Directors of right calibre to manage the Group effectively. The Executive Director plays no part in deciding their own remuneration and the respective Board members shall abstain from all discussions pertaining to their remuneration. It is the ultimate responsibility of the Board to approve the remuneration packages of Executive Director.</p> <p>Pursuant to the said Remuneration Framework, the remuneration of the Non-Executive Directors shall be based on experience, degree of responsibilities and contributions, which will be determined by the Board as a whole.</p> <p>The Non-Executive Directors have been accorded a Directors' Fees (inclusive of meeting allowance, chairmanship allowance and membership allowance) (subject to shareholders' approval) as follows:-</p> <table border="1"><thead><tr><th>Directors</th><th>Entitlement</th></tr></thead><tbody><tr><td>For Non-Executive Directors</td><td>Directors' fees of RM2,000/- per month (inclusive of meeting allowance, chairmanship allowance and membership allowance)</td></tr></tbody></table>	Directors	Entitlement	For Non-Executive Directors	Directors' fees of RM2,000/- per month (inclusive of meeting allowance, chairmanship allowance and membership allowance)
Directors	Entitlement				
For Non-Executive Directors	Directors' fees of RM2,000/- per month (inclusive of meeting allowance, chairmanship allowance and membership allowance)				

	For Audit Committee Chairman only	Additional Directors' fees of RM1,000/- per month (inclusive of meeting allowance, chairmanship allowance and membership allowance)	
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 Board has established 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.</p> <p>The composition of the Remuneration Committee is as follows:-</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>Ms. Lim Bee San</td> <td>Chairperson <i>(Independent Non-Executive Director)</i></td> </tr> <tr> <td>Mr. Ang Chuang Juay</td> <td>Member <i>(Executive Deputy Chairman)</i></td> </tr> </tbody> </table> <p>The Remuneration Committee is governed by its Terms of Reference of RC which outlines its remit, duties and responsibilities and the same is available for viewing under the "Investors" section of the Company's corporate website at www.connectcounty.com.</p>		Name	Designation	Ms. Lim Bee San	Chairperson <i>(Independent Non-Executive Director)</i>	Mr. Ang Chuang Juay	Member <i>(Executive Deputy Chairman)</i>
Name	Designation							
Ms. Lim Bee San	Chairperson <i>(Independent Non-Executive Director)</i>							
Mr. Ang Chuang Juay	Member <i>(Executive Deputy Chairman)</i>							
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 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 details of the remuneration for Directors during the FYE 2017 are as follows:						
	<u>Company</u>						
		Directors' Fees (RM)	Salaries (RM)	Allowance (RM)	Benefits-in-kind (RM)	Others Emoluments (RM)	Total (RM)
	Independent Non-Executive Director						
	Lim Bee San	24,000	-	-	-	-	24,000
	Mok Shiaw Hang	24,000	-	-	-	-	24,000
	Thong Mei Mei <i>(Appointed w.e.f. 27/11/2017)</i>	3,545	-	-	-	-	3,545
	Subtotal	51,545	-	-	-	-	51,545
	Executive Director						
	CJ Ang	12,000	-	-	-	-	12,000
	Subtotal	12,000	-	-	-	-	12,000
	Non-Independent Non-Executive Director						
	Tan Sri Fuzi	11,619	-	-	-	-	11,619
	Chang Choon Ming	24,000	-	-	-	-	24,000

	Subtotal	35,619	-	-	-	-	35,619
	Total	99,164					99,164
	Group						
		Directors' Fees (RM)	Salaries (RM)	Allow-ance (RM)	Benefits-in-kind (RM)	Others Emoluments (RM)	Total (RM)
	Independent Non-Executive Director						
	Lim Bee San	24,000	-	-	-	-	24,000
	Mok Shiaw Hang	24,000	-	-	-	-	24,000
	Thong Mei Mei (Appointed w.e.f. 27/11/2017)	3,545	-	-	-	-	3,545
	Subtotal	51,545	-	-	-	-	51,545
	Executive Director						
	CJ Ang	123,882	946,394	-	14,144	40,510	1,124,930
	Subtotal	123,882	946,394	-	14,144	40,510	1,124,930
	Non-Independent Non-Executive Director						
	Tan Sri Fuzi	11,619	-	-	-	-	11,619
	Chang Choon Ming	24,000	-	-	-	-	24,000
	Subtotal	35,619	-	-	-	-	35,619
	Total	211,046	946,394	-	14,144	40,510	1,212,094
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 :	<p>The top five (5) senior management includes one (1) Executive Deputy Chairman of the Company (of which their detailed remuneration has been disclosed under Practice 7.1 of this Report).</p> <p>Whilst for the remaining senior management, the Board is of that view that such disclosure would have adverse effect on the Company's talent retention in the competitive industry. All senior management are remunerated based on their scope of duty and responsibilities.</p> <p>The Remuneration Committee had at its meeting held on 27 March 2018, reviewed and assessed the remuneration package of the top five (5) senior management in respect of the FYE 2017.</p> <p>The Remuneration Committee is of the view that the level of remuneration package of the top five (5) senior management in respect of FYE 2017 is fair and reasonable to retain and reward the talents.</p>
	<p>Alternate Practice:</p> <p>Practice 7.1 has been applied where there is detailed disclosure on named basis for the remuneration of individual Directors. Therefore, the Intended Outcome in respect of the Directors have been met where the stakeholders would be to assess whether the remuneration of directors is commensurate with their individual performance, taking into consideration the company's performance.</p> <p>The Executive Deputy Chairman, being the highest-ranking Management is entrusted by the Board to look after the day-to-day management of the Group, including the recruitment of and the determination of their remuneration packages. In addition, as a check-and-balance system,, the Terms of Reference of the Remuneration Committee has been revised by the Board, where the Remuneration Committee is now responsible to review the remuneration packages of the senior management on a yearly</p>

	<p>basis, to ensure the packages provided commensurate with their individual performance, taking into consideration the company's performance.</p> <p>The division of roles and responsibilities between Board, Board Committees, Individual Directors and Management, as advocated under Practice 2.1, has been encapsulated in the Board Charter and duly adopted by the Board. In view thereof, stakeholders should entrust the Board to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.</p>	
<p><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>Timeframe :</p>		

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 Chairperson is Ms. Thong Mei Mei, an Independent Non-Executive Director while Tan Sri Fuzi is the Non-Independent Non-Executive Chairman.</p> <p>The Board has revised the Terms of Reference of the Audit Committee to formalise such Practice.</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	:	<p>For FYE 2017, there were no new Board members who were former key audit partners to the Group.</p> <p>The Board has revised the Terms of Reference of the Audit Committee to formalise the policy that requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the Audit Committee.</p> <p>As a matter of practice, the Audit Committee has recommended to the Nomination Committee not to consider any key audit partner as a potential candidate for Board Directorship/Audit Committeeship to affirm the Audit Committee’s stand on such policy.</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 8.3

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>The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of external auditors and that such assessment would be carried out annually. The outcome of the assessment would form a basis for the Audit Committee in making recommendation to the Board on the re-appointment of the external auditors for the ensuing year at the AGM.</p> <p>During FYE 2017, the Audit Committee has carried out the annual assessment and in its assessment, the Audit Committee has considered, inter alia, the following factors:-</p> <p>For "suitability" assessment:-</p> <ul style="list-style-type: none">• The external auditors have the adequate resources, skills, knowledge and experience to perform their duties with professional competence and due care in accordance with approved professional auditing standards and applicable regulatory and legal requirements;• To the knowledge of the Audit Committee, the external auditors do not have any record of disciplinary actions taken against them for unprofessional conduct by the Malaysian Institute of Accountants ("MIA") which has not been reserved by the Disciplinary Board of MIA;• The external auditors firm has the geographical coverage required to audit the Group;• The external auditors firm advises the Audit Committee on significant issues and new developments pertaining to risk management, corporate governance, financial reporting standards and internal controls on a timely basis;• The external auditors firm consistently meets the deadlines set by the Group;• The level of quality control procedures in the external audit firm, including the audit review procedures; and• The external auditors' scope is adequate to cover the key financial and operational risks of the Group. <p>For "objectivity" assessment:-</p>

	<ul style="list-style-type: none"> • The nature and extent of the non-audit services rendered and the appropriateness of the level of fees. <p>For “independence” assessment:-</p> <ul style="list-style-type: none"> • The engagement partner has not served for a continuous period of more than five (5) years with the Company; • The Audit Committee receives written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; and • Tenure of the current auditors. <p>The AC noted for the FYE 2017, Messrs. Moore Stephens Associates PLT , the external auditors of the Company confirmed in writing that the engagement quality control reviewer and members of the engagement team in the course of their audits were and had been independent for the purpose of the audit in accordance with the terms of relevant professional and regulatory requirements.</p> <p>Upon completion of its assessment, the AC was satisfied with Messrs. Moore Stephens Associates PLT’s technical competency i.e. suitability and independence during the financial year under review and recommended to the Board the re-appointment of Messrs. Moore Stephens Associates PLT as external auditors for the financial year ending 31 December 2018. The Board has in turn, has recommended the same for shareholders’ approval at the forthcoming 15th AGM of the Company.</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 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted								
Explanation on adoption of the practice	:	<p>The Audit Committee is comprised solely of Independent Directors as follows:-</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>Ms. Thong Mei Mei</td><td>Chairperson <i>(Independent Non-Executive Director)</i></td></tr><tr><td>Ms. Lim Bee San</td><td>Member <i>(Independent Non-Executive Director)</i></td></tr><tr><td>Mr. Mok Shiaw Hang</td><td>Member <i>(Independent Non-Executive Director)</i></td></tr></tbody></table>	Name	Designation	Ms. Thong Mei Mei	Chairperson <i>(Independent Non-Executive Director)</i>	Ms. Lim Bee San	Member <i>(Independent Non-Executive Director)</i>	Mr. Mok Shiaw Hang	Member <i>(Independent Non-Executive Director)</i>
Name	Designation									
Ms. Thong Mei Mei	Chairperson <i>(Independent Non-Executive Director)</i>									
Ms. Lim Bee San	Member <i>(Independent Non-Executive Director)</i>									
Mr. Mok Shiaw Hang	Member <i>(Independent Non-Executive Director)</i>									

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>The members of Audit Committee possess the relevant or related experience and expertise in the financial service industry to effectively carried out their duties and responsibilities.</p> <p>The members of the Audit Committee collectively have the necessary skills and experience and expertise in areas such as accounting and auditing, taxation, finance, legal, sales and marketing and information technology and investment.</p> <p>The outcome of the annual assessment on the Audit Committee was reviewed by the Nomination Committee, and the Nomination Committee and Board were satisfied with the performance of the Audit Committee for FYE 2017.</p> <p>All the members of the Audit Committee received ongoing training and development as detailed in Practice 2.1.</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 9.1

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

Application	: Applied								
Explanation on application of the practice	<p>The Board has adopted a Group Risk Management Framework to manage its risk and opportunities.</p> <p>The Board has established a Risk Management Committee ("RMC") to identify, evaluate, monitor and manage any relevant major risk faced by the Group so that the Group will achieve its business objectives.</p> <p>The Risk Management Committee is made up of a majority of Non-Executive Directors with the following members:-</p> <table border="1" data-bbox="544 1122 1386 1559"> <thead> <tr> <th data-bbox="544 1122 898 1189">Name</th> <th data-bbox="898 1122 1386 1189">Designation</th> </tr> </thead> <tbody> <tr> <td data-bbox="544 1189 898 1312">Mr. Ang Chuang Juay</td> <td data-bbox="898 1189 1386 1312">Chairman <i>(Executive Deputy Chairman)</i></td> </tr> <tr> <td data-bbox="544 1312 898 1435">Ms. Thong Mei Mei</td> <td data-bbox="898 1312 1386 1435">Member <i>(Independent Non- Executive Director)</i></td> </tr> <tr> <td data-bbox="544 1435 898 1559">Mr. Lim Yew Chai</td> <td data-bbox="898 1435 1386 1559">Member <i>(Group Accountant)</i></td> </tr> </tbody> </table> <p>The Risk Management Committee is responsible for identifying, evaluating, monitoring and managing any relevant major risk faced by the Group so that the Group will achieve its business objectives.</p> <p>For the FYE 2017, the Board was provided with the assurance from the Executive Deputy Chairman and the Group Accountant that the risk management and internal controls of the Group were effective and adequate.</p>	Name	Designation	Mr. Ang Chuang Juay	Chairman <i>(Executive Deputy Chairman)</i>	Ms. Thong Mei Mei	Member <i>(Independent Non- Executive Director)</i>	Mr. Lim Yew Chai	Member <i>(Group Accountant)</i>
Name	Designation								
Mr. Ang Chuang Juay	Chairman <i>(Executive Deputy Chairman)</i>								
Ms. Thong Mei Mei	Member <i>(Independent Non- Executive Director)</i>								
Mr. Lim Yew Chai	Member <i>(Group Accountant)</i>								
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 9.2

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	:	The detailed features of the Group’s risk management and internal control framework are disclosed in the Statement of Risk Management and Internal Control in the Annual Report 2017.	
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 internal audit function of the Group is carried out by an external service provider, Morison AAC Corporate Solutions Sdn. Bhd. The outsourced internal auditors report directly to the AC and provide the Board with a reasonable assurance of adequacy of the scope, functions and resources of the internal audit function.</p> <p>The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.</p> <p>The internal audit review of the Group's operations encompasses an independent assessment of the Company's compliance with its internal controls and recommendations are made for further improvement.</p> <p>The following matters (non-exhaustive), in relation to the internal audit function of the Group, are reserved matters for the AC:-</p> <ul style="list-style-type: none">(a) Consider the appointment of the internal auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person(s) as auditors.(b) Review the internal audit plan, consider the internal audit reports and findings of the internal auditors, fraud investigations and actions and steps taken by Management in response to audit findings.(c) Review any appraisal or assessment of the performance of members of the internal audit function. <p>During FYE 2017, the AC had reviewed and assessed the adequacy of the scope, functions, competency and resources of the outsourced internal auditors for the FYE 2016 and that they have the necessary authority to carry out their work.</p> <p>Further details of the Internal Audit Function have been disclosed under the AC Report of 2017 Annual Report.</p> <p>The Audit Committee and Board are satisfied with the performance of the internal auditors, in relation to the provision of outsourced internal audit services to the Group and the Company.</p>

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 Company has outsourced its internal audit function to Morison ACC Corporate Solution Sdn. Bhd.</p> <p>The Engagement Team from Morison is headed by Mr. Clement Cheong, the Internal Audit Director of Morison. Mr. Clement Cheong holds a Master in Business Administration, University of Bath. He is a member of the MIA, Malaysian Institute of Certified Public Accountants, Institute of Chartered Secretaries and Administrators, Institute of Bankers, Malaysia and a Charter Member, Certified Risk Professional. He is assisted by four (4) staff.</p> <p>For the FYE 2017, Morison has confirmed to the AC that all its engagement team personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence.</p> <p>Morison has informed the AC that its internal audit works were carried out in accordance with a framework set by a recognised professional body i.e. International Professional Practice Framework issued by Institute of Internal Auditors, of which final communication of internal audit plan, processes and results of the internal audit assessment are supported by sufficient, reliable and relevant information which signifies a satisfactory conclusion of the internal audit work.</p>
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	:		
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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 Company acknowledges the importance of the long-term commitment with the shareholders. The Board has adopted a Shareholders' Communication Policy that provides guidance as well as ensuring a consistent approach towards the Company's communication with the shareholder. The Company adopts the practice comprehensive, timely and continuing disclosures of information to its shareholders and stakeholders.</p> <p>The Company makes various announcements through Bursa Malaysia, in particular and in timely manner, for example on the release of the quarterly results within two (2) months from the close of a particular quarter.</p> <p>In view of the good corporate governance practices, the Company adheres to corporate disclosure policies as prescribed in the listing requirements by having greater disclosure and transparency through all its communications with its shareholders, investors and the general public.</p> <p>The Company strives to promote and encourage communications with its shareholders through participation at its general meetings, issuance of annual report and also ensures timely dissemination of any information to investors, analysts and the general public.</p> <p>Any further information regarding the Group and the Company may also be obtained from the following designated person:</p> <div style="border: 1px solid black; padding: 10px; margin: 10px auto; width: fit-content;"><p>Mr. Lim Yew Chai, <i>Group Accountant</i> Email address: yc_lim@connectcounty.com Telephone No.: 03-2202 3399 (ext 1613) Facsimile No : 03-2202 2244</p></div>

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 11.2

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	:	Not adopted as the Company is not classified as “Large Company”.	
<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 Notice of AGM which appended together with the Annual Report 2017, was sent to shareholders at least 28 days prior to the date of the meeting to give sufficient time to shareholders to consider the resolutions that will be discussed and decided at the AGM. The Notice of AGM, which sets out the businesses to be transacted at the AGM, was also published in a major local newspaper.</p> <p>The notes to the Notice of AGM also provide detailed explanation for better understanding on each resolution proposed to enable shareholders to make informed and proper decisions in exercising their voting rights.</p>
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 12.2

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 the Directors were present at the 14th AGM of the Company held on 26 May 2017 to engage with the shareholders personally and proactively.</p> <p>Mr. Ang Chuang Juay, the Executive Deputy Chairman has also provided a presentation on the latest electronic appliances manufactured by Rapid Conn (ShenZhen) Co. Ltd, the wholly-owned manufacturing subsidiary of the Company in China.</p> <p>All the directors have committed to attend the forthcoming AGM of the Company, scheduled to be held on 27 June 2018.</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 12.3

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Upon review, the Board noted that prior to implementing the voting in absentia and remote shareholders' participation at general meeting(s), there are several factors/conditions that need to be fulfilled prior to making such consideration:-</p> <ul style="list-style-type: none">• Relevant amendments to the Articles of Association/Constitution of the Company to outline the procedures for enabling such voting/participation;• Availability of technology and infrastructure;• Affordability of the technology and infrastructure;• Sufficient number of shareholders residing/locating at particular remote location(s); and• Age profile of the shareholders. <p>In view thereof, the Board will not be recommending the adoption such voting/participation format at the forthcoming AGM of the Company.</p>
		<p>As an alternative practice, the Company has made the following arrangements:-</p> <p>(1) <u>Venue of AGM at Klang Valley</u></p> <p>Based on an analysis of the shareholders' location as at 30 March 2018, the Company noted that 53.47% of the total 1,554 shareholders of the Company are located in the Klang Valley area comprising Kuala Lumpur and the State of Selangor.</p> <p>Therefore, the venue of the forthcoming AGM has been fixed at Sri Petaling, a central location with easily accessible transportation links to enable the shareholders' attendance.</p>

	<p>(2) <u>Appointment of Proxy(ies)</u></p> <p>For shareholders who are not able to make the journey to the AGM venue, they are allowed to appoint any person(s) as their proxies to attend, participate, speak and vote in his stead at the AGM.</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>Timeframe :</p>	

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

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

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