

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7099
COMPANY NAME : ATTA GLOBAL GROUP BERHAD
FINANCIAL YEAR : 31ST MARCH 2018

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has overall responsibility on the strategic direction of the ATTA groups and plays an active role in directing Management in an effective and responsible manner. The management functions have been delegated to the executive directors. The Directors assume full responsibility for the group's overall performance with its objectives, strategic planning, development and implementation, decision making, business performance. resources and standards of conducts for the assurance of the corporate goals.</p> <p>All Directors have access to the advice and services of the Company Secretary. The Board have access to all information within the company. All Directors are given the chance to freely express their views. The Board meets once a every quarter or at more frequent intervals as and when there is need to convene a Board Meeting.</p> <p>The following are among the key responsibilities of the Board:</p> <ul style="list-style-type: none"> ➤ Approval of corporate and strategic directions of the Group ➤ Overseeing the conduct of the business of the Group. ➤ Material acquisitions and disposals ➤ Declaration of Dividends ➤ Changes to the management and control structure within the Company and its subsidiaries ➤ Changes to Board members, Board Committee members, CFO and the Company Secretary
Explanation for departure	:	N/A
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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 1.2

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>The Chairman of the Board recognizes the importance of good corporate governance practices that are transparent and consistently put into practice and committed to observing the MCCG and Listing Requirements of Bursa Securities and has ensured that a high standard of corporate governance is practised throughout the Group to safeguard the Group Assets, operations and shareholder value.</p> <p>The Chairman ensures that the Board is properly briefed on issues arising at Board meetings and receives, in a timely manner, adequate information which must be accurate, complete and reliable to fulfil their duties, such as reports on the Group’s financial and overall performance,</p> <p>The Chairman together with the Board take responsibility and perform an annual review on the Company’s compliance and ensure all latest changes and updates in the MCCG during the year have been adopted and updated. They also ensure that the Group maintain good manufacturing practices and adhere to the government environment policies at all times.</p>
Explanation for departure	:	N/A
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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	:	Departure
Explanation on application of the practice	:	N/A
Explanation for departure	:	<p>The positions of Chairman and Chief Executive Officer are currently being held by the same person, Mr. Ooi Chieng Sim. The Board is aware that convergence of the two roles is not in compliance with best practice. However, the Nominating Committee has assessed, reviewed and determined that the Chairmanship of Mr. Ooi Chieng Sim should remain based on the following justification and aspects contributed by Mr. Ooi Chieng Sim as Chairman of the Board:</p> <ul style="list-style-type: none"> - he has exercised due care in the interest of the Company and Shareholders during his tenure as an Executive Chairman - he has provided objectively in decision making and ensured effective check and balance in the proceedings of the Board.
<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 1.4

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>Both Company Secretaries of ATTA are qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016.</p> <p>In promoting good corporate governance practices, the Company Secretaries assist the Board in meeting regulatory requirements and best practices. All Directors have unlimited direct access to the professional advice and services of the Company Secretaries as well as access to all information within the Company whether as a full board or in their individual capacity.</p> <p>The Company secretaries coordinating with Management on the preparation of Board papers, attend all Board and Board committee meetings to ensure that deliberations at Board and Board Committee meetings are well captured and minuted.</p>
Explanation for departure	:	N/A
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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>The agenda and a set of comprehensive Board papers consisting of financial results and business performance, corporate exercise (if any) draft announcements on the quarterly results and any other matter raised for the concern of the Board are distributed five (5) days ahead prior to each meeting to ensure that Directors have sufficient time to study and prepare for discussion and decision making.</p> <p>The deliberations and decisions at Board and Board Committees meetings are well recorded in the minutes. The minutes of the Meetings are circulated to all Directors and tabled for confirmation at the next meeting. The minutes of Meetings are duly signed by the Chairman and properly kept at the Registered office.</p>
Explanation for departure	:	N/A
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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	:	There is a Board Charter in place which has established clear functions reserved for the Board and those delegated to management in the Board Charter (the “Charter”) which serve as reference point for Board activities. The Charter provides guidance for Directors and management on the responsibilities of the Board, its Committees and requirements of Directors which are subject to periodical review to ensure consistency with the Board’s strategic intent as well as relevant standards of corporate governance.
Explanation for departure	:	N/A
<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>The Group is committed and has formalised a set of ethical standards through a code of conduct, which is subject to periodical review, to ensure Directors and employee practise ethical, business-like and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.</p> <p>Where any conflict of interest arises, it is mandatory practice for the director concerned to declare his interest and abstain from the decision making process.</p> <p>The Code of Conduct and Ethics can be viewed from the Company’s website at www.attaglobalgroup.com</p>
Explanation for departure	:	N/A
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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	:	The Board has established a Whistle Blowing Policy to improve the overall organisational effectiveness and uphold the integrity and ethical behaviour within the Group. The Whistle Blowing Policy can also be accessed at the Company’s website www.attaglobalgroup.com	
Explanation for departure	:	N/A	
<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 4.1

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Departure
Explanation on application of the practice	:	N/A
Explanation for departure	:	<p>The current Board comprises seven (7) members, an Executive Chairman, two (2) Executive Directors, a Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors (INED) which has complied with the Listing Requirements of Bursa Securities of having at least one-third (1/3) of the Board members as independent Non-Executives Directors</p> <p>The Board opines that the existing Independent Non-Executive Directors are able to perform their duties objectively and independently and actively participate in the Board’s discussions.</p> <p>The Current size and composition of the Board is well-balanced taking into account that the Directors come from different backgrounds with commercial, financial and technical experience.</p> <p>The 3 INED satisfy the independence test under the main Market Listing Requirements of Bursa Malaysia Securities Berhad. The assessment of the independence of the INEDs are conducted on an annual basis by the Nominating Committee via the following:</p> <ul style="list-style-type: none"> - Self assessment Evaluation Form to ensure that the INEDs were independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or ability to act in the best interest of the Company. - For of declaration of independence, to facilitate the process of determining the Director’s independence on an annual basis by each INED.
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.2

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders’ approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders’ approval through a two-tier voting process.

Application	:	Applied – Annual shareholders’ approval for independent directors serving beyond 9 years.
Explanation on application of the practice	:	<p>The concept of independence adopted by the Board is in tandem with the definition of an independent Director under Para 1.01 and practice Note.13 of the MMLR of Bursa Securities.</p> <p>The Nominating Committee and the Board have determined upon their annual assessment that Mr Sudesh a/l K.V.Sankaran who was appointed as an INED on 20 December 2004 have served on the Board for fourteen (14) years, exceeded the term limit of nine years. The Board believes that the length of service of an INED on the Board does not interfere with his exercise of independent judgement and act in the best interest of the Group notably in discharging his role and would seek shareholders’ approval to retain him as Independent Non-Executive Director in the Annual General Meeting.</p>
Explanation for departure	:	N/A
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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 application of the practice	:	N/A	
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 4.4

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	:	The Board appoints Directors and Senior Management based on merit, objective criteria, differing backgrounds with wide range of functional knowledge, skills, expertise and experience. The current directors come from differing backgrounds with commercial, financial and technical experience.
Explanation for departure	:	N/A
<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 4.5

The board discloses in its annual report the company’s policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:	N/A	
Explanation for departure	:	The Company does not have any policy on gender diversity. However, the Board endeavours to have at least one woman Director participating on the Board at all times. The Board also endeavours to have diversity in its workforce in terms of experience, qualification, ethnicity and age. Currently, the Board has one female Director, Ms. Loh Yee Sing.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

Application	:	Applied
Explanation on application of the practice	:	<p>The Nominating Committee recommends to the Board candidates for all directorships by considering their skills, knowledge, professionalism, expertise and experience.</p> <p>In the case of candidates for the position of independent non-executive director, the Committee evaluates the candidate’s ability to discharge such responsibilities/function.</p> <p>However, the Nominating Committee would also utilise independent resources to identify candidates for appointment of directors if the need arises.</p>
Explanation for departure	:	N/A
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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 Nominating Committee was established on 18 Jan 2002 and comprised wholly of Independent Non-Executive Directors as follows:</p> <ul style="list-style-type: none"> • Sudesh a/l K.V. Sankaran, Chairman • Dato’ Dennis Chuah, member • Loh Yee Sing, member
Explanation for departure	:	N/A
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 5.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee undertakes annual assessment of the effectiveness of the Board, Committees and individual directors annually using a set of customised self-assessment questionnaires to be completed by each director.</p> <p>The criteria used in the assessment of the Board and the Board Committees focussed on board mix and composition, sufficient with appropriate mix of knowledge, devote sufficient time commitment to their roles and responsibilities, comply with the definition of INED as defined by the listing requirements.</p> <p>The Nominating Committee had on 28 May 2018 conducted and carried out an annual assessment of the Board and its individual members, the Audit Committee and its members, and the Remuneration Committee and satisfied that the current board size and effectiveness of the Board and Board Committees and thus, no change of composition of the Board is made. The assessment and evaluation was properly documented.</p>
Explanation for departure	:	N/A
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company’s desire to attract and retain the right talent in the board and senior management to drive the company’s long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 6.1

The board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company’s website.

Application	:	Applied
Explanation on application of the practice	:	<p>The remuneration of Directors is reviewed periodically giving due recognition to performance, industry, norms and competitive pressures so as to ensure that the Group can attract and retain executives of the necessary quality.</p> <p>The disclosure is made in accordance with Bursa Securities requirement that the Company should disclose on a named basis for executive Directors remuneration and categorized into the appropriate component including salary, bonus, benefits-in-kind and other emoluments</p> <p>The Remuneration policy are available for reference on the Company’s website at www.attaglobalgroup.com</p>
Explanation for departure	:	N/A
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company’s desire to attract and retain the right talent in the board and senior management to drive the company’s long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 6.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company’s website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Remuneration Committee was established on 18 Jan 2002 and comprising the following:</p> <ul style="list-style-type: none"> • Sudesh a/l K.V. Sankaran, Chairman • Dato’ Dennis Chuah, member • Ooi Chieng Sim, member <p>The full details of the Terms of Reference of the Remuneration Committee is accessible for reference at the group’s website, www.attaglobalgroup.com</p>
Explanation for departure	:	N/A
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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 – Band Disclosure Method	
Explanation on application of the practice	:	Disclosure made on named basis for individual Directors for each remuneration type is by band disclosure method as shown in the CG Overview Statement of the Annual Report 2018 in the interest of confidentiality.	
Explanation for departure	:	N/A	
<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	:	N/A
Explanation for departure	:	<p>In the interest of confidentiality, individual remuneration of each senior management is not disclosed. The Board further note that the disclosure of the details in excess of the above may be detrimental to its business interest, given the competitive human resources environment for personnel with the requisite knowledge, expertise and experience in the Company’s business activities, where poaching has become common place.</p> <p>The Board further believes that the interest of the shareholders will not be prejudiced as a result of such non-disclosure of the identity and remuneration of the Company’s top five senior management personnel who are not Directors of the Company.</p>
<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 7.3 - 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	:	The Audit Committee Chairman is Dato’ Dennis Chuah and is in line with practice 8.1 of the MCCG which states the Chairman of the AC is an Independent Non-Executive Director and is not the Chairman of the Board.	
Explanation for departure	:	N/A	
<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	:	The Company has not appointed a former key audit partner from its external auditors as a member of Audit Committee. Such a policy would be established when the need arises. The Board will observe a cooling -off period of at least two (2) years.
Explanation for departure	:	N/A
<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 had on 11 July 2018 deliberated the outcome of the annual assessment of the External Auditor which included an assessment of the engagement team’s qualifications, credentials, the level of understanding demonstrated off the group business, quality and timeliness report provided to the Audit Committee, their audit work approach, and their ability to provide value added advice and services. The Audit Committee is satisfied with the External Auditor’s performance and recommended to the Board for approval the re-appointment of Grant Thornton as External Auditor for the financial year ending 31 March 2019.</p> <p>The External Auditor had also confirmed their independence throughout the conduct of their engagement with the Group in accordance with independence criteria set.</p>
Explanation for departure	:	N/A
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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 :	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 8.5

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	:	The Audit Committee members have attended the relevant development and training programmes area of finance to keep abreast of relevant industry issues and to enhance their knowledge to enable them to discharge their duties more effectively.	
Explanation for departure	:	N/A	
<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 company’s risk management framework and system of internal control cover financial, operational and compliance controls.</p> <p>The group maintain a formal organization structure with clear established internal control systems to identify, assess, review, monitor and manage the group’s significant risks.</p> <p>The Risk Management Committee is made up of key management staff and Executive Director, reviews the risk profiles of the Group.</p> <p>During the period under review, the process was carried out through management meetings held to discuss key risks and the appropriate mitigating controls, significant risks affecting the group’s strategic and business plans are escalated to the Board at their scheduled meetings.</p>
Explanation for departure	:	N/A
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company’s objectives is mitigated and managed.

Practice 9.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The key risks relating to Group’s strategic and business plans are addressed at the Board and Senior management meetings on a periodical basis, the responsibility of managing the risk of each department within the Group lies with respective Heads of Department.</p> <p>The statement on Risk Management and Internal Control in the Annual Report provides an overview on the state of internal controls and risk management within the Group.</p> <p>The internal audit report on findings of assessment on internal control system, highlighted the risk and implications, and recommended improvements to the management on weaknesses are reported to the Audit Committee regularly.</p>
Explanation for departure	:	N/A
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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	:	The Board does not have a separate Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies

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 was outsourced to professional internal audit service provider, Axcelasia Columbus Sdn. Bhd. (“Axcelasia”) firm which undertakes independent, objective, and systematic reviews of the risk management, internal control system and cooperate governance</p> <p>The Internal Auditors Report directly to the Chairman of the Audit Committee and assists the Board in reviewing the adequacy and integrity of the internal control system to manage risk exposures over key process within the Group.</p> <p>Axcelasia provides reasonable assurance to the Audit Committee that the execution of internal audit functions adopts an approved risk based internal audit plan. Attended AC meetings to table the internal audit report on findings together with Management’s response and proposed action plans, to the AC for its review. The internal audit function also follows up and reports to the AC the status of implementation by Management on the recommendations highlighted in the internal audit reports.</p>
Explanation for departure	:	N/A
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 10.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group outsourced its internal audit function to an external professional firm, Axcelasia Columbus Sdn. Bhd., therefore the internal audit personnel are independent from the operational activities of the Company and they do not hold management authority and responsibility over the operations that internal audit cover in its scope of works.</p> <p>As the internal audit function is outsourced, it is not practical to disclose the number of resources in the said department, names and qualification of the person responsible for internal audit. However, the Audit Committee undertook the annual assessment of the quality of the internal auditor using an Evaluation Form.</p>
Explanation for departure	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 11.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board believes that shareholders and stakeholders to be informed of all material business matter which influence the Group. Besides the key channels of communication through the Annual Report, general meetings and announcements to Bursa Securities, there is also continuous effort to enhance the Group’s website at attaglobalgroup.com as a channel of communication and information dissemination.</p> <p>The Group welcome dialogue with investor and financial analysts from time to time as a means of effective communication that enables the Board and Management to convey permissible information about the Group’s performance, corporate strategy and major development plans.</p>
Explanation for departure	:	N/A
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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	:	N/A
Explanation for departure	:	This is not applicable to the Company in view that the Company does not fall within the definition of "Large Companies as defined in MCCG 2017.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 12.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied
Explanation on application of the practice	:	The Company serves the Notice of its AGM together with Annual Report to shareholders at least 28 prior to the meeting.
Explanation for departure	:	N/A
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 12.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied
Explanation on application of the practice	:	All Directors are encouraged to attend the General Meetings and the Chairman of the Audit, Nominating and Remuneration Committee together with the Chief Financial Controller would be available at the AGM to respond to the relevant questions posted by the shareholders. Barring unforeseen circumstances, all Directors will attend the General Meetings.
Explanation for departure	:	N/A
<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	:	N/A
Explanation for departure	:	The Company’s AGM are currently convened in a specified venue and attended by approximately 50 shareholders (not a large number of shareholders). In view of the number of shareholders and the size of the Company, participation of shareholders of the Company at the general meetings is currently by way of attending in person or by proxy. Hence, the need to have meetings in remote locations does not arise for the time being.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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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