

# Statement on Corporate Governance

The Board is pleased to present to the shareholders herein the manner in which the Company has applied the Principles of good governance and the extent of compliance with the Recommendations as set out in the Malaysian Code on Corporate Governance 2012 ("MCGG 2012" or "the Code") issued by the Securities Commission. These Principles and Recommendations aimed to enhance the effectiveness of corporate governance framework to safeguard the interest of shareholders and other stakeholders as prescribed under Paragraph 15.25 of Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Listing Requirements"). The Board will continuously evaluate the Group's corporate governance practices and procedures, and where appropriate will adopt and implement the best practices as enshrined in "the Code" to the best interest of the shareholders of the Company.

## PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

### Clear Functions reserved for Board and Management

Dayang is led by an experienced and diversified Board that is made up of Directors who are specialized in oil & gas, property development and construction sector, plantation sector, marine sector, banking sector and professional in accounting sector. This wide spectrum of skills and experience provide the Board with a diverse set of expertise and knowledge in discharging its responsibilities for the proper functioning of the Board.

The Board is focused on the Group's overall governance by ensuring the implementation of strategic plans and that accountability to the Group and stakeholders is monitored effectively. The Executive Directors take on primary responsibilities in managing day to day business whilst the Independent Directors are involved in various committees and contribute in areas such as performance monitoring and providing independent view for enhancement of corporate governance and controls.

The role of the management is to manage the Company in accordance with the direction set by the Board. The Board plays the strategic role in overseeing that the management carries out the delegated duties to achieve the Group's corporate objectives.

### Clear roles and responsibilities

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. The principal functions and responsibilities of the Board include the following:

**(a) Reviewing and adopting strategic plans for the Group.**

The Board plays an active role in reviewing and adopting strategic business plans for the Group by ensuring that strategies proposed are discussed at length and critically examined.

**(b) Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed.**

The Group's business performance and results are periodically reviewed by the Board via annual and quarterly financial results, operational updates, key risks mitigation plans, updates of matters arising from previous meetings as well as corporate and regulatory updates received from the management.

**(c) Identifying principal risks and ensuring implementation of appropriate systems to manage these risks with a view to the long term viability of the Group.**

Risk Management activities are set out in the Statement of Risk Management and Internal Control on page 46 of the Annual Report.

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**(d) Ensuring corporate accountability to shareholders**

The Board endeavoured to adopt an effective shareholder communications strategy, encouraging effective participation at general meetings and developing and implementing an investor relations program for the Company to communicate effectively with its shareholders.

**(e) Reviewing the adequacy and integrity of the Group's internal control and management systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.**

The Board has entrusted the Risk Management Committee to monitor and ensure that the internal control systems of the Group is adequate to mitigate the Group's risk exposures to an acceptable level.

## Code of Ethics and Conduct

The Group is committed to conduct its businesses and operations with integrity, openness and accountability and to also conduct its affairs in an ethically responsible and transparent manner. The Group has a Code of Ethics and Conduct that set out the standards and ethical conduct expected of all employees and Directors of the Group.

The Ethics Conduct covers the areas of conflict of interest, confidential information, insider information, protection of the Group's assets etc.

## Access to Information and Advice

All Directors have direct access to the advice and services of the Company Secretaries on compliance issues and ensure that the Company's policies and procedures are followed. The Directors are also empowered to seek independent professional advice at the expense of the Company, should they consider it necessary in their course of duties.

All Directors are provided with an agenda together with appropriate board papers containing information on major financial, operational and corporate matters of the Group prior to the Board meetings. This is issued 5-7 days before the Board meeting to enable the directors to review the papers in preparation for the meeting and to obtain further explanations, where necessary.

All matters discussed and resolutions passed at each Board meeting are recorded in the minutes of the Board meeting. These minutes are circulated to all Directors for their perusal and confirmation and any Director can request for further clarification on the minutes prior to their confirmation.

## Qualified and Competent Company Secretaries

The Board is supported by the services of qualified Company Secretaries. The roles and responsibilities of the Company Secretaries include:

- (a) Advising the Board in relation to the constitution of companies arising from the relevant laws and regulations.
- (b) Maintaining the statutory records of the Group of Companies.
- (c) Attending meetings of the Board and shareholders and ensuring that the meeting proceedings are properly convened and minuted.
- (d) Regularly update and advise the Board on new statutory and regulatory requirements.
- (e) Briefing the Board on the proposed contents and timing announcements to be made to regulators.
- (f) Facilitating communication between the Board and Management.
- (g) Facilitating compliance with the Listing Requirements and Companies' Legislation that are applicable to the group companies.

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## PRINCIPLE 2: STRENGTHEN COMPOSITION

### Board Balance

The Board currently consists of twelve (12) members, comprising 4 Executive Directors and 8 Non-Executive Directors of which seven (7) are independent. At least one third of the Board are Independent Directors who are independent of management and are free from any businesses or other relationships that could materially interfere with the exercise of independent judgment.

The present composition of the Board is in compliance with Paragraph 15.02(1) of the Listing Requirements of Bursa Malaysia Securities Berhad which requires one third of the Board members to comprise independent members.

The Board continually evaluates its requirements as to the appropriate mix of skills and experience required to ensure that its composition remains optimal for the effective discharge of its responsibilities. Their expertise and know-how have been gained through their years of involvement in their respective fields.

The Independent Directors do not participate in the day to day management of the Group and do not engage in any business dealing with the Group in order to ensure that they remain truly capable of exercising independent judgment and act in the best interests of the Group and its shareholders.

A brief profile and status of each Director is presented on pages 9 to 14.

As part of its efforts to ensure the effective discharge of its duties, the Board has delegated specific functions to other Board Committees as prescribed under the MCCG 2012, namely:

- i) Audit Committee
- ii) Joint Remuneration & Nomination Committee
- iii) Corporate Social Responsibility Committee and
- iv) Risk Management Committee.

Each committee has been given clear terms of reference that have been approved by the Board to operate and deliberate on issues before putting up for recommendation to the Board. The respective Board Chairman will report to the Board on any significant development and deliberations conducted at the Board Committee level.

In respect of the assessment for the financial year ended 31 December 2015, the Board was satisfied that the Board and Board Committees have discharged their duties and responsibilities effectively. The Board was also satisfied that the Board composition in terms of size, mix of skills and experience was adequate.

### Audit Committee

The composition of the Audit Committee meets the Main Market Listing Requirement where all the members of the Committee are Non-Executive Directors. The members of the Audit Committee comprise:

Name	Position
Mr Chia Chu Fatt	Chairman
Encik Polit Bin Hamzah	Member
Tuan Haji Abdul Aziz Bin Ishak	Member
Mr Koh Ek Chong	Member
Encik Ali Bin Adai	Member

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The Audit Committee is responsible for reviewing issues of accounting policies and presentation for external reporting, monitoring the work of the internal audit function and ensures the objective and professional relationship is maintained with the external auditors. The role of the Audit Committee and the number of meetings held during the year as well as the attendance record of each member are spelt out in the Audit Committee Report on page 43 to 45 of the Annual Report.

## Joint Remuneration & Nomination Committee

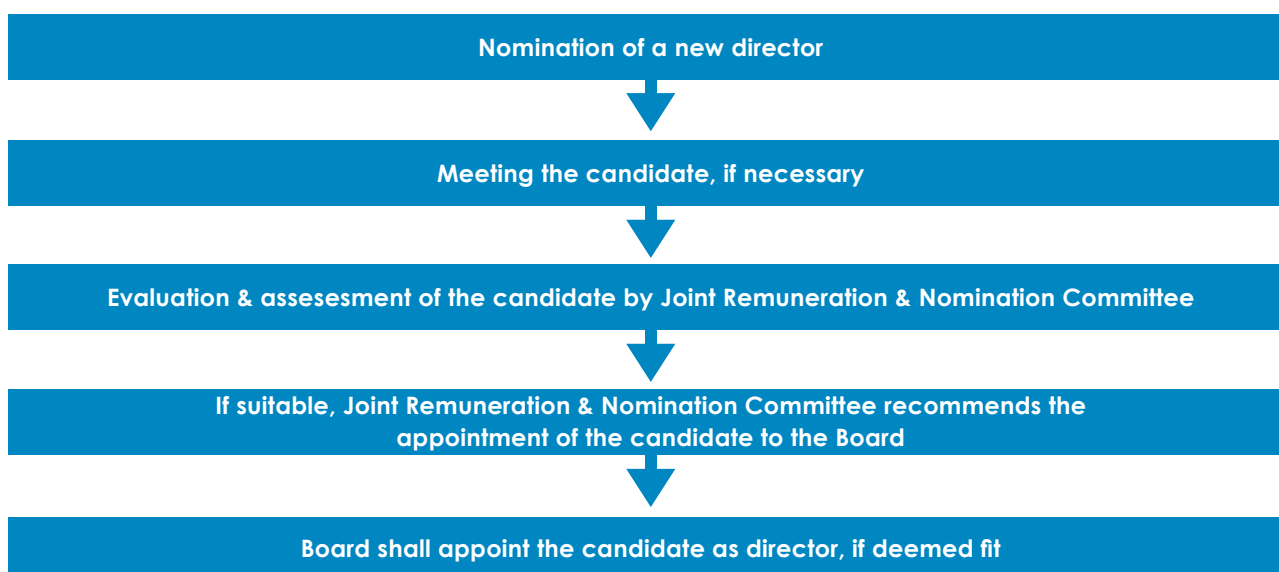
The Joint Remuneration & Nomination Committee comprises of 4 Non-Executive Directors. The members are:

Name	Position
Encik Polit Bin Hamzah	Chairman
Mr Chia Chu Fatt	Member
Tuan Haji Abdul Aziz Bin Ishak	Member
Mr Koh Ek Chong	Member

The Remuneration and Nomination Committee responsibilities include amongst others, reviewing the Board's composition and making recommendations to the Board for appointments of new Directors by evaluating and assessing the suitability of candidates for appointment to the Board. Due consideration is given to the required mix skills, knowledge, expertise, experience, professionalism and integrity that the proposed Directors shall bring to the Board.

The process adopted by Dayang for Board appointments is as follows:

## Process of Appointment of Director



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The Committee is also responsible to review the performance of the Directors, Directors retiring by rotation and seeking re-election at the forthcoming Annual General Meeting. The Committee also assesses the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director on an annual basis.

The Committee is also responsible to recommend the remuneration packages for the Executive Directors of the Company to the Board. The Board recommends the remuneration of the Non-Executive Directors for approval of shareholders at the Annual General Meeting. Interested directors shall abstain from deliberation in respect of their remuneration.

The Committee would conduct an annual review of the composition of the Board and makes recommendations to the Board accordingly with a view of meeting the current and future requirements of the Group. Among other evaluation criteria is the commitment displayed, the depth of contribution, ability to communicate and undertake assignments on behalf of the Board.

The Joint Remuneration & Nomination Committee meets as and when required and at least once a year. During the year under review the Joint Remuneration & Nomination Committee met three times to carry out its responsibilities and the attendance of the members for the meetings held are as follows:-

Name	Attendance
Encik Polit Bin Hamzah	2/3
Mr Chia Chu Fatt	3/3
Tuan Haji Abdul Aziz Bin Ishak	2/3
Mr Koh Ek Chong	3/3

A summary of key activities undertaken by the Committee in the discharge of its duties for the financial year ended 31 December 2015 is set out as follows:

- Reviewed the Directors who were due for re-election by rotation and re-appointment,
- Reviewed Board's representation and the required mix of skills and experience and other qualities of the Board;
- Reviewed the composition of the Committees on their compliance with the provisions of the regulations;
- Reviewed the independence of the Independent Directors and their tenure of service.

## Corporate Social Responsibility Committee

The responsibilities of the Committee are as follows:

- To develop and implement the Group's Corporate Social Responsibility framework;
- To incorporate environmentally friendly practices whilst carrying out our operations;
- To establish culture socially responsible behaviors among management and employees;
- To create opportunities for the Group to participate in the development of a caring and harmonious community and
- Benchmarking corporate governance to best practices to look after the interests of minority shareholders.

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The members of the Corporate Social Responsibility Committee are as follows:

Name	Position
Tengku Dato' Yusof Bin Tengku Ahmad Shahrudin	Chairman
Chia Chu Fatt	Member
Gordon Kab @ Gudan Bin Kab	Member

Please refer to page 23 to 28 for details in relation to Corporate Social Responsibility.

## Risk Management Committee

The objectives of the Risk Management Committee are:

- To establish the risk policies and risk frameworks;
- To identify, evaluate and monitor the risks portfolio,
- To formulate mitigation strategies/action plans to manage the overall risk associated with our activities;
- To recommend appropriate risk management policies and procedures which shall be reviewed regularly to ensure that they are both appropriate and adequate for the long term viability of the Group and
- To ensure a proper balance between risk incurred and potential returns to our shareholders.

The Risk Management Committee shall have authority and access to all information, records and reports relevant to the Group's activities in order to perform its duties. The Committee shall invite any Director and/or employees of the Group as it may deem appropriate, to attend a Committee meeting and assist in the discussion and consideration of matters relating to the Committee.

During the financial year under review, the Risk Management Committee met twice together with the respective Head of departments/ Units and the Internal Auditor to identify and discuss the existing and potential critical risk areas faced by the Group and the management action plans to mitigate such risks by working with the internal auditors in providing periodic reports and updates to the Audit Committee.

The members of the Risk Management Committee are as follows:

Name	Position
Gordon Kab @ Gudan Bin Kab	Chairman
Datuk Ling Suk Kiong	Member
Tengku Dato' Yusof Bin Tengku Ahmad Shahrudin	Member
Joe Ling Siew Loung @ Lin Shou Long	Member
Polit Bin Hamzah	Member

## Gender Diversity

The Board acknowledges the recommendation of MCGG 2012 on the establishment of boardroom gender diversity policy. The Company currently has two (2) female members on Board. However, the Board has no immediate plans to implement a gender diversity policy or target, as it is of the view that the suitability of candidates is dependent on each candidate's competency, skills, experience, character, time commitment, integrity and other qualities regardless of gender.

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In the election for Board appointment, the Board believes in and provides equal opportunity to candidates who have the skills, experience, core competencies and other qualities regardless of gender, ethnicity and age.

## Appointment and Retirement of Directors

The procedure on re-election of directors by rotation is set out in the Company's Articles of Association. In accordance with Article 86 of the Company's Articles of Association, at least one-third (1/3) of the Directors for the time being, or the number nearest to one-third (1/3) shall retire from office at each Annual General Meeting. All Directors of the Company are subject to re-election by the shareholders and are subject to retire from office at least once every three (3) years. The Directors due to retire at the forthcoming AGM are shown in the Notice of Meeting (Ordinary Resolution 3 to 6).

Directors over seventy (70) years of age are subject for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965. The director seeking re-appointment at the forthcoming AGM is shown in the Notice of Meeting (Ordinary Resolution 7).

## Remuneration of Directors

Directors' remuneration is linked to experience, scope of responsibilities, service seniority as well as performance. The Non-Executive Directors are paid a meeting allowance for each Board meeting and Committee meeting they attend. The aggregate Directors' remuneration paid or payable or otherwise made to all the Directors of the Company who served during the financial year are as follows:

	Executive Directors (RM)	Non Executive Directors (RM)	Total (RM)
Fees	1,699,800	654,180	2,353,980
Salary	2,930,480	-	2,930,480
Bonus	18,047,006	-	18,047,006
Other emoluments	1,070,159	-	1,070,159
Allowances	138,800	36,000	174,800
Total	23,886,245	690,180	24,576,425

The number of Directors whose total remuneration falls within the following band is as follows :-

RANGE OF REMUNERATION	NUMBER OF EXECUTIVE DIRECTORS	NUMBER OF NON-EXECUTIVE DIRECTORS
RM50,001 – RM100,000	-	8
RM150,001 – RM200,000	1	-
RM250,001 – RM300,000	1	-
RM7,550,001 – RM7,600,000	1	-
RM7,900,001 – RM7,950,000	1	-
RM7,950,001 – RM8,000,000	1	-

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Details of the Directors' remuneration are set out in applicable bands of RM50,000 in accordance with Appendix 9C Part A(11) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Whilst the Code prescribed for individual disclosure of directors remuneration packages, the Board is of the view Directors' remuneration are appropriately and adequately addressed by the band disclosure method adopted by the Board.

There is no service contract made between any Director and the Company or its subsidiary companies.

## PRINCIPLE 3: REINFORCE INDEPENDENCE

### Assessment of Independent Directors

The responsibilities of the Independent Non-Executive Directors include providing independent and objective views to Board deliberations and decision – making and the Board members are responsible to act in the best interest of the shareholders of the Company. In view thereof, the Joint Remuneration & Nomination Committee and the Board assesses annually the independence of the Group's independent directors.

In accordance to the Main Listing Requirements, an Independent Director should be independent and free from any business or other relationship that could interfere with the exercise of independent judgement and should be willing to express his opinion freely at the Board.

The Joint Remuneration & Nomination Committee and the Board are of the view that all seven (7) Independent Non-Executive Directors continue to remain objective and independent in expressing their views and in participating in deliberations and decision making of the Board.

The Board is satisfied with the level of independence demonstrated by all the independent non-executive directors and their ability to act in the best interests of the Company.

### Tenure of Independent Directors

The Code recommended that the tenure of an Independent Director shall not exceed a cumulative term of 9 years. However, the Board may provide justification to retain a Director who has served a cumulative term of 9 years as an Independent Director subject to shareholders' approval. Currently, none of the Independent Directors have served on the Board for 9 years.

### Separation of positions of the Chairman and Managing Director

The positions of the Chairman and the Managing Director are held by two different individuals in line with the Code's recommendation. There is a clear segregation of responsibilities between the Chairman and the Managing Director to ensure a balance of power and authority.

### Board Chairman

- (a) Representing the Board to Shareholders and to chair and ensure efficient organization and conduct of the Board and/or meeting of the shareholders.
- (b) Ensuring that executive directors look beyond their executive function and accept their share of responsibilities in governance.
- (c) Guiding and mediating Board actions
- (d) Performing other responsibilities assigned by the Board from time to time.



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## Managing Director

- (a) Responsible for the overall management of the Group ensuring organizational effectiveness and implementation of Board policies and strategies.
- (b) Directing all aspects of the business operations in a cost effective manner
- (c) Ensure that the Group's Financial Reports present a true and fair view and operational results are in accordance with the relevant accounting standards
- (d) Ensure compliance with governmental procedures and regulations

## Chairman to be a Non-Executive Director

The Code recommends that the Chairman of the Board to be a non-executive member of the Board and in the event the Chairman of the Board is not an independent director, the Board should comprise a majority of Independent Directors. The Chairman of the Board is an independent director which is in compliance with the CG Code.

## PRINCIPLE 4: FOSTER COMMITMENT

### Time Commitments

The Board is expected to commit sufficient time as and when required to carry out their responsibilities, besides attending meetings of the Board and Board Committees. All directors hold not more than five (5) directorships in public listed companies.

The Board meets at least four (4) times a year at quarterly intervals with the meetings scheduled in advance before the end of the preceding year to facilitate the Directors in managing their meeting plans. Additional meetings are convened to deliberate on matters requiring immediate attention that need to be made between scheduled meetings.

In the event Directors are unable to attend Board meetings physically, the Company's Articles of Association allow for such meetings to be conducted via telephone, video conferencing or any other form of electronic or instantaneous communication.

During these meetings, the Board reviews the Group's financial performance, business operations, reports of the various Board Committees and results are deliberated and considered. Management and performance of the Group and any other strategic issues that affect or may affect the Group's businesses are also deliberated.

The Board had met six (6) times during the financial year ended 31 December 2015 where it deliberated and considered a variety of matters affecting the Group's operations including the Group's financial results, business plan and the direction of the Group. All proceedings of the Board meetings are duly minuted by the Company Secretary and signed by the Chairman of the Meeting.

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The details of attendance of the directors held during the financial year are as follows:-

Name of Director	No of Meetings Attended
Datuk Ling Suk Kiong	5/6
Tengku Dato' Yusof Bin Tengku Ahmad Shahrudin	4/6
Joe Ling Siew Loung @ Lin Shou Long	6/6
Gordon Kab @ Gudan Bin Kab	5/6
Jeanita Anak Gamang	4/6
Tuan Haji Abdul Aziz Bin Ishak	6/6
Polit Bin Hamzah	4/6
Chia Chu Fatt	6/6
Wong Ping Eng	5/6
Azlan Shah Bin Jaffril	5/6
Koh Ek Chong	6/6
Ali Bin Adai	6/6
Datuk Hasmi Bin Hasnan (resigned on 23.12.15)	1/6

## Directors' Training

The Board acknowledges that continuous education is vital for the Board members to gain insight into the state of the economy, latest regulatory developments and management strategies. Therefore, the Directors are encouraged to evaluate their own training needs on a continuous basis and to determine the relevant programmes, seminars and briefings that would enhance their knowledge to enable the Directors to discharge their responsibilities more effectively. All members of the Board have completed their Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad.

For the year under review, the Directors have individually or collectively attended the following programmes:

- The Annual General Meeting – A Practical Insight and Managing Shareholders' Expectations
- Enforcement of Bursa Requirement
- Governance, Director Duties and Listing Requirement Updates for Directors of PLCs 2015
- National Tax Budget Seminar 2015 by Lembaga Hasil Dalam Negeri
- Managing Income Tax Audits and Capitalising on Voluntary Disclosure Penalty Waiver/Reduction from May to November 2015
- Understanding The Legal and Practical Aspects of Withholding Taxes
- Goods & Services Tax (GST) training course
- GST Post Implementation Updates & Developments
- The Malaysian Private Entities Reporting Standards Outreach Programme
- Tax Seminar 2016 Budget Proposals
- Transactions by Directors & Practical Issues and Solutions by SSM
- Company Secretaries Training Programme Essential Part A to Part C by SSM
- Seminar on Law of Contract and Its Applications by SSM
- SSM Sarawak Seminar 2015
- Naim Holdings Berhad's Corporate Retreat/Boot Camp in Chiang Mai
- Naim Holdings Berhad's Senior Management Retreat

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## PRINCIPLE 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING

### Financial Reporting

The Board aims to present a balanced, clear and timely assessment of the Group's financial position and prospects by ensuring quality financial reporting through the annual audited statements and quarterly financial results to the stakeholders, in particular, shareholders, investors and the regulatory authorities.

The Board is assisted by the Audit Committee to oversee the financial reporting processes to ensure that the financial statements of the Group and the Company comply with applicable financial reporting standards in Malaysia and that all applicable accounting policies used are supported by reasonable prudent judgments and estimates. The Board has taken due care and reasonable steps to ensure that the requirements of accounting standards and relevant regulations were fully met.

### Sustainability and Independence of External Auditors

The Group has established a transparent and appropriate relationship with the External Auditors through the Audit Committee of the Company.

During the year, the Audit Committee met with the external auditors twice to discuss their audit plans, audit findings and their reviews of the Group's Financial Results/Statutory Statement of Accounts. In addition, the external auditors are invited to attend the Annual General Meeting of the Company and are available to answer shareholders' questions on the conduct of the statutory audit and the preparation and contents of their audit report.

The External Auditors have also confirmed 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.

## PRINCIPLE 6: RECOGNISE AND MANAGE RISKS

### Sound Risk Management Framework

The Risk Management Committee whose current members comprised of five (5) members of the Board assists the Audit Committee in discharging its risks management and control responsibilities.

The Risk Management Committee has been tasked to identify and communicate the existing and potential critical risks areas faced by the Group and the management action plans to mitigate such risks by working with the Internal Auditors in providing periodic reports and updates to the Board.

The Board confirms the Group is committed to ongoing review of the entire control, compliance and risk management controls.

### Internal Audit Function

The Company has an in-house internal audit function, which reports directly to the Audit Committee on the adequacy and effectiveness of the current system of internal controls from the perspectives of governance, risks and controls.

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During the financial year under review, the internal audit function also performed a follow-up to assess the status of management-agreed action plans on recommendations raised in preceding cycles of internal audit. The outcome thereof was summarized in a follow-up report to the Audit Committee highlighting those issues that had yet to be fully addressed by management including specific timeliness for those outstanding matters to be resolved.

Details of the Company's internal control system and framework are set out in the Statement on Risk Management and Internal Control and Audit Committee Report of this Annual Report.

## PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Board recognizes the importance of effective and timely communication with shareholders and investors to ensure that they are informed of all material business matters affecting the Group. This is done through timely dissemination of information on the Group's performance and major developments which are communicated via the following channels:-

- (i) the Annual Report and relevant circulars dispatched to shareholders and published on the Company's website and Bursa Securities.
- (ii) the convening of AGM and/or Extraordinary General Meeting.
- (iii) the release of quarterly financial announcements.
- (iv) press release and analysts briefings.

The Group also maintains a corporate website at [www.desb.net](http://www.desb.net) whereby shareholders as well as members of the public may access for the latest information on the Group. Alternatively, they may obtain the Company's latest announcements via the website of Bursa Malaysia Securities Berhad at [www.bursamalaysia.com](http://www.bursamalaysia.com).

### Investor Relations

The Group's investor relationship is helmed by the Group Managing Director and the Head of Corporate Affairs who will attend to the needs of the investment community, shareholders, fund managers and analysts.

As there may be instances where investors and shareholders may prefer to express their concerns to an Independent Director, Mr Chia Chu Fatt continues to play his role as the Independent Director of the Board to whom concerns may be conveyed. Mr Chia is also the Chairman of the Audit Committee of the Board and a member of the Remuneration and Nomination Committee.

His email contact is [andycfchia8@gmail.com](mailto:andycfchia8@gmail.com).

## PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

### Annual General Meetings

The Company recognizes the importance of communicating with its shareholders and investors. Announcements and release of financial results on a quarterly basis provide the shareholders and the investing public with an overview of the Group's performance and operations.

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The Company's Annual General Meeting is the principal forum for dialogue and interaction with the shareholders of the Company whereby the shareholders have direct access to the Board and are given the opportunity to present their views or seek clarification on the progress, performance and major developments of the Company. The Board also shares with the shareholders the Board's responses to questions submitted in advance by the Minority Shareholder Watchdog Group. The External Auditors of the Company are also invited to attend the AGM to answer any questions relating to the conduct of the audit and contents of the Auditor's Report.

All members present at each meeting have the rights to demand for a poll voting in accordance with the provisions of the Articles of Association of the Company on the voting for any resolutions. The voting process at each meeting shall be by way of show of hands unless a poll is demanded. The Chairman may demand for a poll for any substantive resolutions put forward for voting at the shareholders' meetings, if so required.

This statement is made in accordance with a resolution of the Board of Directors dated 12 April 2016.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors is required under Paragraph 15.26(a) of the Main Market Listing Requirements to issue a statement explaining their responsibility in the preparation of the annual financial statements.

The provisions of the Companies Act, 1965 requires the directors to be responsible in preparing the financial statements for each financial year which gives a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and the results of the operations, changes in equity and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements for the financial year ended 31 December 2015, the directors have :-

- adopted the appropriate accounting policies and applied them consistently;
- ensured that all applicable accounting standards have been followed;
- made judgments and estimates that are prudent and reasonable; and
- ensured the financial statements have been prepared on a going concern basis.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Companies Act 1965.

In addition, the Directors have overall responsibility to safeguard the assets of the Company and the Group by taking reasonable steps to prevent and detect fraud and other irregularities.