

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Ta Win Holdings Berhad recognises the importance of good Corporate Governance and is committed to uphold and implement a high standard of Corporate Governance throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance of the Group.

The Board is pleased to present this Statement which outlines the key aspects of how the Group has applied the principles and best practices of the Malaysian Code of Corporate Governance 2017 ("the Code") for the financial period ended 30 June 2019. The detailed application for each practice as set out in the Code is disclosed in the Corporate Governance Report (CG Report") which is available on the Company's website : [www.ta-win.com](http://www.ta-win.com).

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

### I BOARD RESPONSIBILITIES

#### 1.0 Board Leadership on Objectives and Goals

##### 1.1 Board's Roles and Responsibilities

The Board is responsible to ensure long term success and delivering of sustainable value to its stakeholders through its leadership and management of the Group's businesses. For the foregoing, the Board sets the strategic direction of the Group while exercising oversight on day-to-day management and operation delegated to Executive Directors and the Senior Management to ensure that the conduct of the business of the Group is in compliance with relevant laws, practices, standards and guidelines applicable to the Group. The Board sets the appropriate tone at the top, providing leadership and managing good governance and practices throughout the Group.

To ensure orderly and effective discharge of the Board's function and responsibilities, the Board has in place an internal governance model for the Group where specific powers of the Board are delegated to the relevant Board Committees and the Senior Management. The respective Chairman of the Board Committees will report to the Board on key issues deliberated by the Board Committees in order to develop effective communication.

#### Internal Governance Model

Board of Directors	Board Committees	Executive Directors & Senior Management	Risk Management Committee
<ul style="list-style-type: none"><li>- Leadership and oversight</li></ul>	<ol style="list-style-type: none"><li>1. Audit Committee</li><li>2. Nomination Committee</li><li>3. Remuneration Committee</li></ol> <ul style="list-style-type: none"><li>- Entrusted by the Board with specific responsibilities to oversee the Group's affairs</li></ul>	<ul style="list-style-type: none"><li>- Day to day operations and management decisions</li></ul>	<ul style="list-style-type: none"><li>- Managing Risks</li></ul>

##### 1.2 The Chairman

Dato' Yeo Boon Leong, JP, the Non-Executive Chairman of the Company is responsible for the leadership, effectiveness, conduct and governance of the Board.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### I BOARD RESPONSIBILITIES (CONTINUED)

#### 1.0 Board Leadership on Objectives and Goals (continued)

##### 1.3 Chairman and Chief Executive Officer (“CEO”)

The position of Chairman and CEO are distinct and separate. This segregation ensures there is a balance of power and authority so that no one individual can influence or dominate the Board’s decision.

The Chairman is responsible for the achievement of the Group’s strategic vision and also leading the Board in its collective oversight of management, while the CEO focuses on the business and day-to-day management of the Group and the implementation of the Board’s decisions and policies.

Currently, the Group is without a CEO. However, the Executive Directors collectively have assumed the role of CEO.

Appointment of CEO will be made when a suitable candidate is identified.

##### 1.4 Company Secretaries

The Board is assisted by two qualified and competent company secretaries, who are members of the professional bodies prescribed by the Minister, to ensure that Board procedures are followed and the applicable rules and regulations for the conduct of the affairs of the Board are complied with. The company secretaries have an oversight on overall corporate secretarial functions.

##### 1.5 Access to information and advice

Every Director has unhindered access to the advice and dedicated support services of the Company Secretaries as well as to all information within the Group.

A set of Board papers on the matters to be deliberated are made available to Directors prior to each Board Meeting to enable the Directors to obtain further information.

The deliberations and decisions at Board and Board Committee meetings are well documented in the minutes, including matters where Directors abstained from voting. Minutes of each Board meeting are circulated to all Directors in advance for their perusal prior to confirmation of these minutes at the commencement of the Board Meeting. The Directors are allowed to make comments before the minutes were tabled for confirmation as a correct record of the proceedings.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### I BOARD RESPONSIBILITIES (CONTINUED)

#### 2.0 Demarcation of responsibilities

##### 2.1 Board Charter

The Board Charter which sets out the roles, composition, responsibilities, operations and processes of the Board and also outlines the matters and decisions reserved for the Board. It serves as a reference and primary induction literature providing insights to prospective Board members and senior management. In addition, it would assist the Board in the assessment of its own performance and that of its individual Directors.

On 29 November 2018, the Board reviewed its Board Charter and acknowledged that necessary updates on the Board Charter are required in order to be in line with the practices recommended by the Code and the changes in the Board's composition. On 27 February 2019, the Board approved the amendments made to the Board Charter. The Board Charter is available at the Company's website at [www.ta-win.com](http://www.ta-win.com).

#### 3.0 Good business Conduct and Corporate Culture

##### 3.1 Code of Conduct and Ethics

The Group has in place a Code of Conduct and Ethics which sets out the rules or standard for all who participating in the Group and represent themselves outside the Group. Its covers among others, all aspect affecting the business operations such as standards of conduct, conflicts of interest, other business opportunity, bribes, gifts, gratuities, hospitality, confidentiality and sensitive information, insider dealing, accuracy of information, compliance with laws & regulations, health & safety, protection of assets, corruption and money laundering.

The employees are made aware that relevant disciplinary actions will be taken for unethical behaviour and gross misconduct that is in contravention with the ethos of the said Code. Heads of Departments play an important role to oversee the culture of the Group to ensure it engenders ethical conduct.

On 27 February 2019, the Board reviewed and approved the amendments made to the Code of Conduct and Ethics.

The Code of Conduct and Ethics is available at the Company's website at [www.ta-win.com](http://www.ta-win.com).

##### 3.2 Whistle Blowing Policy

The Group has in place a Whistle Blowing Policy to provide an avenue for all employees of the Group and the members of the public to voice their grievances and raise concerns on any improper conduct and irregularities through an established channel without fear of reprisal.

The policy also sets out the steps the Company will take in respect of the report received from the employees and members of the public with the strict enforcement of this policy. It will reduce the risk to the Group's reputation from fraudulent acts.

On 27 February 2019, the Board reviewed and approved the amendments made to the Whistle Blowing Policy.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### II BOARD COMPOSITION

#### 4.0 Board's objectivity

##### 4.1 Composition of the Board

The changes of composition of the Board during the financial period end 30 June 2019 are as follows:-

Date	Director	Appointment/ Resignation / Retirement
22 February 2018	Datin Azreen Binti Abu Noh	Appointed as Independent Non-Executive Director
22 February 2018	Dato' Paduka Dr. Thomas Hii King Hiong	Appointed as Independent Non-Executive Director
22 February 2018	Huang, Ching-Fan	Resigned as Independent Non-Executive Director
22 February 2018	Wu, Ying-Ju	Resigned as Independent Non-Executive Director
23 February 2018	Dr. Aliyah Binti Dato' Hj. Baharuddin Marji	Resigned as Independent Non-Executive Director
2 April 2018	Dato' Chin Swee Chong	Resigned as Non-Independent Executive Director
20 April 2018	Tan Poo Chuan	Re-designated as Non-Independent Executive Director
3 May 2018	Mohd Khasan Bin Ahmad	Resigned as Independent Non-Executive Director
29 June 2018	Chen, Hung-Lin	Resigned as Managing Director
29 June 2018	Lai Kian Huat	Retired as Independent Non-Executive Director
2 August 2018	Yao Kee Boon	Appointed as Independent Non-Executive Director
14 August 2018	Chen, Hsi-Tao	Resigned as Deputy Chairman, Non-Independent Non-Executive Director
9 November 2018	Dato' Sri Ngu Tieng Ung, JP	Appointed as Non-Independent Executive Director

The number of Independent Directors at the beginning and at the end of the financial period ended 30 June 2019 are as follows:

	1.1.2018	30.6.2019
Number of independent Directors	5	3
Number of Board Members	10	6
Percentage of Independent Director	50%	50%

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### II BOARD COMPOSITION (CONTINUED)

#### 4.0 Board's objectivity (continued)

##### 4.1 Composition of the Board (continued)

The current Board of Directors are as follows :-

Directors	Directorate
Dato' Yeo Boon Leong, JP	Chairman, Non-Independent Non-Executive Director
Dato' Sri Ngu Tieng Ung, JP <i>- appointed on 9 November 2018</i>	Non-Independent Executive Director
Tan Poo Chuan	Non-Independent Executive Director
Datin Azreen Binti Abu Noh <i>- appointed on 22 February 2018</i>	Independent Non-Executive Director
Dato' Paduka Dr. Thomas Hii King Hiong <i>- appointed on 22 February 2018</i>	Independent Non-Executive Director
Yao Kee Boon <i>- appointed on 2 August 2018</i>	Independent Non-Executive Director

##### 4.2 Tenure of Independent Director

No Independent Director is currently serving beyond nine (9) years.

However, if the Board intends to retain an independent director beyond nine (9) years and twelve (12) years, it will justify and seek annual shareholders approval appropriately.

##### 4.3 Policy of Independent Director's Tenure

The Board has not adopted a policy which limits the tenure of its Independent Directors to nine (9) years.

##### 4.4 Diverse Board and Senior Management Team

The Board acknowledges the importance of fostering diversity to enhance effectiveness of the Board and Senior Management. Having a range of diverse dimensions brings different perspectives to the boardroom and to various levels of Management within the Group.

Nomination Committee is responsible to identify and select potential candidate(s) and to make recommendations to the Board for the appointment of Director(s) based on a set of selection criteria in order to ensure the Board has the right mix of skill to meet its objectives.

The Executive Directors are responsible for selection and appointment of candidates for Senior Management position based on selection criteria which best matches the requirements of the open position.

All appointments and employment are based on objective criteria including (but not limited to) diversity in skills, experience, age, cultural background and gender.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

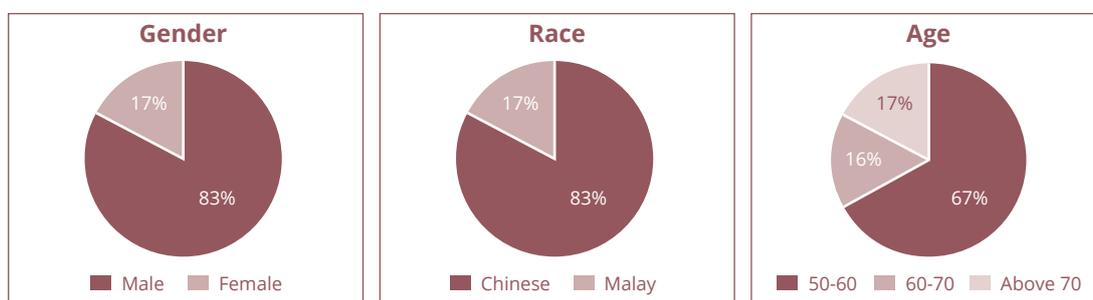
### II BOARD COMPOSITION (CONTINUED)

#### 4.0 Board's objectivity (continued)

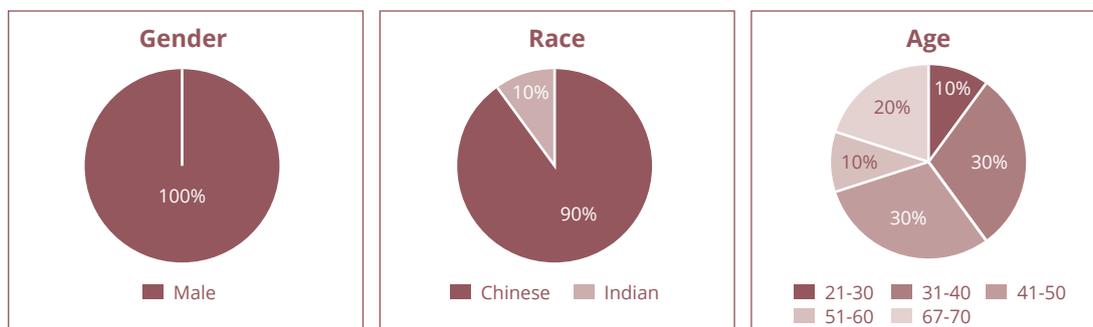
#### 4.4 Diverse Board and Senior Management Team (continued)

The Group is committed to maintaining an environment of respect for people in all business dealings and achieving a workplace environment free of harassment and discrimination on the basis of gender, physical or mental state, ethnicity, nationality, religion or age.

##### Gender, Ethnicity and Age diversity in the Board



##### Gender, Ethnicity and Age diversity in the Senior Management



#### 4.5 Gender Diversity

The Board is judicious of the gender diversity recommendation promoted by the Code in order to offer greater depth and breadth for discussions and constructive debates in Board and Senior Management level.

The Board has in year 2015, set its target to obtain 25% woman in the Board. In view of the changes in Board composition during the financial period ended 30 June 2019, the female representation has been increased from 10% to 17% as at 30 June 2019 as compared to the female representation at the end of the last financial year ended 31 December 2017.

Appointment of additional women to the Board in order to meet the target will be made when a suitable candidate who can add value to the Board is identified.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### II BOARD COMPOSITION (CONTINUED)

#### 4.0 Board's objectivity (continued)

##### 4.6 New candidates for Board Appointment

The Company has in place its procedures and criteria for appointment of new directors. Selection of candidates to be considered for appointment as Directors is facilitated through recommendations from the Directors, management, major shareholders or external parties including the Company's contacts in related industries.

The Company has sourced for the most suitable candidates from various sources such as recommendation of the existing Board and referrals from external sources to fill the casual vacancy arising from the resignation of En. Mohd Khasan Bin Ahmad. Mr. Yao Kee Boon was appointed as the Independent Non-Executive Director upon evaluation by the Board.

##### 4.7 Nomination Committee

Presently, the Nomination Committee is chaired by Mr. Yao Kee Boon in place of En. Mohd Khasan Bin Ahmad, who resigned as Director of the Company on 3 May 2018.

The members of Nomination Committee are made up entirely of Independent Non-Executive Directors, whose present membership is:-

1. Mr. Yao Kee Boon (Chairman, Independent Non-Executive Director)
2. Datin Azreen Binti Abu Noh (Independent Non-Executive Director)

The Chairman had led the annual review of Board effectiveness and ensured that the performance of each individual Director is independently assessed and will lead the succession planning and appointment of future Board members.

#### 5.0 Overall Board Effectiveness

##### 5.1 Annual Evaluation

The Board has adopted a formal and objective annual evaluation of the Board, Board Committees and Directors' performance.

During financial period ended 30 June 2019, the Company Secretaries assisted in the preparation of documents and facilitation the annual evaluation.

The evaluation process was led by Chairman of the Nomination Committee with the assistance of the Company Secretaries. Each Director participated in the evaluation by answering a set of questionnaire.

The evaluation process was based on self and peer assessments whereby the Directors assessed each other and themselves, the Board as a whole and the performance of each Board Committee. The results of all assessments and comments were collated and summarised by the Company Secretaries and were deliberated at the Nomination Committee meeting and thereafter the Nomination Committee's Chairman reported the results and deliberation to the Board.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### II BOARD COMPOSITION (CONTINUED)

#### 5.0 Overall Board Effectiveness (continued)

##### 5.1 Annual Evaluation (continued)

###### Activities of the Nomination Committee

During the financial year period ended 30 June 2019, the Nomination Committee met thrice and carried out the following mentioned activities, in accordance with its TOR and in compliance with Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"):-

- a) assessed and recommended the appointment of Directors to the Board and Board Committees.
- b) assessed the size and composition of the Board, board balance and contribution of each Director and the effective of the Board Committees.
- c) assessed the independence of each Independent Director by taking into their self-assessments/ declarations and based on the guidelines as set out in the MMLR and other criteria such as, tenure, relationship between the Independent Directors and the Company and their involvement in any significant transaction with the Company.
- d) deliberated on the re-election of the affected Directors retiring pursuant to the Company's Articles of Association before making recommendations to the Board for its consideration.
- e) conducted an evaluation and assessment o the compliance status of the Company in respect of the Code.
- f) assessed the training needs for Directors.
- g) reviewed the succession planning programme.

###### Time Commitment

The meeting dates where the Board and Board Committees met during the financial period ended 30 June 2019 are as follows:-

Board meeting	Audit Committee Meeting	Nomination Committee meeting	Remuneration committee meeting
22 February 2018	22 February 2018	22 February 2018	20 April 2018
20 April 2018	20 April 2018	28 September 2018	29 May 2019
25 May 2018	25 May 2018	29 May 2019	
14 August 2018	14 August 2018		
29 November 2018	29 November 2018		
27 February 2019	27 February 2019		
29 May 2019	29 May 2019		

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### II BOARD COMPOSITION (CONTINUED)

#### 5.0 Overall Board Effectiveness (continued)

##### 5.1 Annual Evaluation (continued)

##### Time Commitment (continued)

During the financial period ended 30 June 2019, the attendance records of Board and Board Committees meetings are as follows:-

Directors	Board Meeting	Audit Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting
Dato' Yeo Boon Leong, JP <i>Appointed as member of Remuneration Committee on 22 February 2018</i>	7/7	-	-	2/2
Tan Poo Chuan <i>Appointed as member of Nomination Committee on 22 February 2018 and ceased as member of Nomination Committee on 20 April 2018</i>	7/7	-	0/0	-
Datin Azreen Binti Abu Noh <i>Appointed as Director, Chairman of Remuneration Committee and member of Nomination Committee on 22 February 2018</i>  <i>Appointed as member of Audit Committee on 2 August 2018</i>	6/7	4/4	2/2	2/2
Dato' Paduka Dr. Thomas Hii King Hiong <i>Appointed as Director and member of Audit Committee on 22 February 2018</i>  <i>Re-designated as Chairman of Audit Committee and appointed as member of Remuneration Committee on 2 August 2018</i>	7/7	6/6	-	1/1
Yao Kee Boon <i>Appointed as Director, member of Audit Committee and Chairman of Nomination Committee on 2 August 2018</i>	4/4	4/4	2/2	-

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### II BOARD COMPOSITION (CONTINUED)

#### 5.0 Overall Board Effectiveness (continued)

##### 5.1 Annual Evaluation (continued)

##### Time Commitment (continued)

During the financial period ended 30 June 2019, the attendance records of Board and Board Committees meetings are as follows:- (continued)

Directors	Board Meeting	Audit Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting
Dato' Sri Ngu Tieng Ung, JP <i>Appointed as Director on 9 November 2018</i>	3/3	-	-	-
Chen, Hsi-Tao <i>Stood down as member of Remuneration Committee on 22 February 2018</i> <i>Resigned as Director on 14 August 2018</i>	2/4	-	-	0/0
Chen, Hung-Lin <i>Resigned as Director on 29 June 2018</i>	3/3	-	-	-
Lai Kian Huat <i>Appointed as member of Audit Committee on 22 February 2018</i> <i>Retired as Director and ceased to be member of Audit Committee on 29 June 2018</i>	3/3	2/2	-	-
Mohd Khasan Bin Ahmad <i>Resigned as Director and ceased to be member of Audit, Nomination and Remuneration Committee on 3 May 2018</i>	2/2	2/2	1/1	1/1
Dato' Chin Swee Chong <i>Resigned as Director on 2 April 2018</i>	1/1	-	-	-

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### II BOARD COMPOSITION (CONTINUED)

#### 5.0 Overall Board Effectiveness (continued)

##### 5.1 Annual Evaluation (continued)

###### Time Commitment (continued)

During the financial period ended 30 June 2019, the attendance records of Board and Board Committees meetings are as follows:- (continued)

Directors	Board Meeting	Audit Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting
Dr. Aliyah Binti Dato' Hj. Baharuddin Marji  <i>Stood down as member of Audit, Nomination and Remuneration Committee on 22 February 2018</i>  <i>Resigned as Director on 23 February 2018</i>	1/1	1/1	1/1	0/0
Huang, Ching-Fan  <i>Resigned as Director on 22 February 2018</i>	0/1	-	-	-
Wu, Ying-Ju  <i>Resigned as Director and ceased to be member of Audit and Nomination Committee on 22 February 2018</i>	0/1	0/1	0/1	-

The Board is satisfied with the level of commitment given by the Directors in fulfilling their roles and responsibilities as Directors of the Company. To ensure that the Directors devote sufficient time to carry out their roles and responsibilities and in line with the MMLR, a Director of the Company must not hold directorships of more than five (5) Public Listed Companies.

In the intervals between Board Meetings, any matters requiring urgent Board decisions and/or approvals can be sought via circular resolutions which are supported with all the relevant information and explanations required for informed decisions to be made.

The Directors are required to submit an update on their other directorships from time to time for monitoring of the number of directorships held by the Directors of the Company and for notification to Companies Commission Malaysia accordingly.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### II BOARD COMPOSITION (CONTINUED)

#### 5.0 Overall Board Effectiveness (continued)

##### 5.1 Annual Evaluation (continued)

###### Directors' Training

During financial period ended 30 June 2019, the seminars, courses, workshops, programmes and talks attended by the present Directors, amongst others, including the following :-

Name of Directors	Course attended	Date of seminar
Tan Poo Chuan	Mandatory Accreditation Training Programme for Directors of Public Listed Companies ("MAP") organised by The Iclif Leadership and Governance Centre ("Iclif")	23-24 July 2018
Dato' Paduka Dr. Thomas Hii King Hiong	MAP organised by Iclif	23-24 July 2018
Datin Azreen Binti Abu Noh	MAP organised by Iclif  Cyber Security in the Boardroom - Acceleration from Acceptance to Action organised by Deloitte	3-4 September 2018  27 June 2019
Yao Kee Boon	MAP organised by Iclif	12-13 November 2019

In addition, Directors' education also includes briefings by the Internal Auditors, External Auditors and the Company Secretaries on the relevant updates on statutory and regulatory requirements from time to time during the Audit Committee and Board meetings.

Save for the above disclosures, the rest of the Directors although did not attend any official training during the financial period under review, enhanced their knowledge and kept abreast with the latest development on statutory and regulatory requirements from the briefings given by the Internal Auditors, External Auditors and the Company Secretaries from time to time during the Audit Committee and Board Meetings. They also enhanced their knowledge by focusing on business news and extensive reading of relevant business and regulatory materials. They actively seek advice and interact with the relevant professional personnel to enhance their skills and knowledge on specific area.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### III REMUNERATION

#### 6.0 Level and Composition of Remuneration

##### 6.1 Remuneration policy

The Board has in place a set of policies and procedures for remuneration of Directors and Senior Management. The objective of Remuneration Policy of the Company is to attract, retain and motivate Directors and Senior Management of the quality required to manage the business of the Group. The remuneration of Executive Directors and Senior Management comprises basic salary, allowances, bonuses and other customary benefits as appropriate. In the case of the Non-Executive Directors, a basic fee as ordinary remuneration and meeting allowances will be paid.

The Executive Directors play no part in deciding their own remuneration. It is the ultimate responsibility of the Board to approve the remuneration package of Executive Directors. The Directors' Fee payable and other benefits payable to Directors are subject to the members' approval at the Annual General Meeting ("AGM") in accordance with Section 230(1) of the Companies Act 2016.

On 27 February 2019, the Board reviewed and adopted the new Remuneration Policy and Procedures for Directors and Senior Management to ensure it is relevant and appropriate in the current structure of the Group. The Remuneration Policy and Procedures for Directors and Senior Management is available on the Company's website at [www.ta-win.com](http://www.ta-win.com).

##### 6.2 Remuneration Committee

A Remuneration Committee was established by the Board comprising of Non-Executive Directors, a majority of whom are Independent Directors.

The present membership of Remuneration Committee is as follows:-

- 1) Datin Azreen Binti Abu Noh (Chairman, Independent Non-Executive Director)
- 2) Dato' Paduka Dr. Thomas Hii King Hiong (Independent Non-Executive Director)
- 3) Dato' Yeo Boon Leong, JP (Non-Independent Non-Executive Director)

Remuneration Committee's primary responsibilities include establishing, reviewing and recommending to the Board the remuneration packages of each individual Executive Director and Senior Management to ensure that their remuneration is commensurate with that of their responsibilities and commitment.

The Chairman of the Committee may request for a meeting as and when deemed necessary. The remuneration of Directors shall be the ultimate responsibility of the full Board after considering the recommendation of the Committee.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### III REMUNERATION (CONTINUED)

#### 7.0 Remuneration of Directors and Senior Management

##### 7.1 Details of Directors' Remuneration

Details of Directors' remuneration of the Company and of the Group for the financial period ended 30th June 2019 are as follows:

#### Company

Description	Salaries (RM)	Bonuses (RM)	Fees (RM)	Other Remuneration (RM)	Total (RM)
<b><u>Executive Directors</u></b>					
Dato' Sri Ngu Tieng Ung, JP	-	-	-	3,500.00	3,500.00
Tan Poo Chuan	-	-	-	7,700.00	7,700.00
Chen Hung-Lin*	-	-	-	3,500.00	3,500.00
Dato' Chin Swee Chong*	-	-	50,000.00	1,400.00	51,400.00
<b><u>Non-Executive Directors</u></b>					
Dato' Yeo Boon Leong, JP	-	-	114,346.15	9,500.00	123,846.15
Dato' Paduka Dr. Thomas Hii King Hiong	-	-	65,000.00	13,400.00	78,400.00
Datin Azreen Binti Abu Noh	-	-	65,000.00	11,200.00	76,200.00
Yao Kee Boon	-	-	43,870.97	7,700.00	51,570.97
Chen, Hsi-Tao*	-	-	15,000.00	7,000.00	22,000.00
Lai Kian Huat*	-	-	26,564.38	3,500.00	30,064.38
Mohd Khasan Bin Ahmad*	-	-	16,387.10	2,100.00	18,487.10
Dr. Aliyah Binti Dato' Hj. Baharuddin Marji*	-	-	7,285.71	-	7,285.71
Huang, Ching-Fan*	-	-	7,142.86	-	7,142.86
Wu, Ying-Ju*	-	-	7,142.86	-	7,142.86
Total	-	-	417,740.03	70,500.00	488,240.03

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### III REMUNERATION (CONTINUED)

#### 7.0 Remuneration of Directors and Senior Management (continued)

##### 7.1 Details of Directors' Remuneration (continued)

Details of Directors' remuneration of the Company and of the Group for the financial period ended 30th June 2019 are as follows: (continued)

#### Group

Description	Salaries (RM)	Bonuses (RM)	Fees (RM)	Other Remuneration (RM)	Total (RM)
<b>Executive Directors</b>					
Dato' Sri Ngu Tieng Ung, JP	510,000.00	-	-	3,500.00	543,500.00
Tan Poo Chuan	510,000.00	30,000.00	-	7,700.00	547,700.00
Chen Hung-Lin*	159,443.75	50,000.00	-	3,500.00	212,943.75
Dato' Chin Swee Chong*	-	-	50,000.00	1,400.00	51,400.00
<b>Non-Executive Directors</b>					
Dato' Yeo Boon Leong, JP	-	-	114,346.15	9,500.00	123,846.15
Dato' Paduka Dr. Thomas Hii King Hiong	-	-	65,000.00	13,400.00	78,400.00
Datin Azreen Binti Abu Noh	-	-	65,000.00	11,200.00	76,200.00
Yao Kee Boon	-	-	43,870.97	7,700.00	51,570.97
Chen, Hsi-Tao*	-	-	15,000.00	7,000.00	22,000.00
Lai Kian Huat*	-	-	26,564.38	3,500.00	30,064.38
Mohd Khasan Bin Ahmad*	-	-	16,387.10	2,100.00	18,487.10
Dr. Aliyah Binti Dato' Hj. Baharuddin Marji*	-	-	7,285.71	-	7,285.71
Huang, Ching-Fan*	-	-	7,142.86	-	7,142.86
Wu, Ying-Ju*	-	-	7,142.86	-	7,142.86
<b>Total</b>	<b>1,179,443.75</b>	<b>110,000.00</b>	<b>417,740.03</b>	<b>70,500.00</b>	<b>1,777,683.78</b>

\* ceased as Directors of the Company during financial year ended 30 June 2019

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### III REMUNERATION (CONTINUED)

#### 7.0 Remuneration of Directors and Senior Management (continued)

##### 7.2 Remuneration of Top Five Senior Management

The top five (5) Senior Management's remuneration for the financial period ended 30 June 2019 is as follows :-

Range of Remuneration (RM)	Top Five Senior Management
250,000-500,000	1
200,000-250,000	1
150,000-200,000	2
100,000-150,000	1
Total	5

The Board is of the opinion that the disclosure of the Senior Management Personnel names and the various remuneration component (salary, bonus, benefits in-kind, other emoluments) would not be in the best interest of the Group due to confidentiality and sensitivity of each remuneration package.

## PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT

### I AUDIT COMMITTEE

#### 8.0 Effective and Independent Audit Committee

##### 8.1 Audit Committee Composition and Chairman

The present Chairman of the Audit Committee is Dato' Paduka Dr. Thomas Hii King Hiong. He was re-designated as Chairman of Audit Committee on 2 August 2018. The former Chairman of Audit Committee was En. Mohd Khasan Bin Ahmad, who resigned as Director on 3 May 2018. The Chairman of the Board is Dato' Yeo Boon Leong, JP.

Having the positions of Board Chairman and Audit Committee Chairman assumed by different individuals allows the Board to objectively review the Audit Committee's findings and recommendations.

The Chairman of the Audit Committee is responsible to ensure the overall effectiveness and independence of the Audit Committee. The roles and responsibilities of the Committee as well as the rights are set out in the Terms of Reference of Audit Committee, which is published on the Company's website.

Details of activities carried out by the Audit Committee during the financial period ended 30 June 2019 are set out in the Audit Committee Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

## PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

### I AUDIT COMMITTEE (CONTINUED)

#### 8.0 Effective and Independent Audit Committee (continued)

##### 8.2 Policy on appointment of a former key audit partner as Audit Committee member

As a measure to safeguard the independence and objectivity of the audit process, the Company has incorporated a policy stipulation that governs the appointment of a former key audit partner to the Audit Committee.

The policy, which is codified in the Audit Committee's Terms of Reference, requires a former key audit partner to observe a cooling-off period of at least two (2) years before he can be considered for appointment as an Audit Committee member.

##### 8.3 Policies and Procedures to assess the suitability, objectivity and independence of the external auditors

The policies and procedures to assess the suitability, objectivity and independence of the external auditors are in place. The said policies and procedures are made available in the Company's website.

In the annual assessment on the suitability, objectivity and independence of the auditors, the Audit Committee is guided by the factors as prescribed under MMLR as well as the policies and procedures which were adopted by the Board.

On 29 November 2018, the Audit Committee and the Board reviewed the said policies and procedures and thereafter on 27 February 2019, the Board reviewed and adopted the new policies and procedures upon recommendation of the Audit Committee.

##### 8.4 The Audit Committee comprises solely Independent Directors

The Audit Committee consists of three (3) Independent Non-Executive Directors.

##### 8.5 All Audit Committee members are financially literate

All members of the Audit Committee are financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process. Both former and present Chairman of the Audit Committee, En. Mohd Khasan Bin Ahmad and Dato' Paduka Dr. Thomas Hii King Hiong are members of Malaysian Institute of Accountants (MIA). They possess sufficient financial knowledge to provide satisfactory input on financial matters. The Committee members possess the necessary knowledge, experience, expertise and skills which contributed to the overall effectiveness of the Audit Committee.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

## PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

### II RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

#### 9.0 Effective Risk Management and Internal Control Framework

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##### 9.2 Risk Management and Internal Control

The Board affirms its overall responsibility for maintaining a sound internal control system and risk management as well as reviewing the adequacy and integrity of the system.

The Risk Management Committee assessed and monitored the efficacy and effectiveness of the risk management controls and measures taken whilst the adequacy and effectiveness of the internal controls were reviewed by the Audit Committee in conjunction with the activities and reports of the outsourced Internal Auditors.

##### 9.3 Risk Management Committee

The Risk Management Committee is made up of senior management staff and Executive Director.

The Risk Management has clear written Terms of Reference and the Board receives reports of its proceedings and deliberations. The Risk Management Committee will report to the Board the outcome of its meetings and such reports are incorporated in the minutes of the Board meeting.

#### 10.0 Effective governance, risk management and internal control

##### 10.1

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##### 10.2 Internal Audit Function

The Group's internal audit function is outsourced to a professional service firm, Messrs Ivan Law & Co., to provide the Audit Committee with an independent assessment on the adequacy and effectiveness of the Group's system of internal controls.

During the financial period ended 30 June 2019, the outsourced internal audit function carried out audits in accordance with the risk-based internal audit plan reviewed and approved by the Audit Committee. The results of their review presented in the Internal Audit Report, which include a summary of internal audit findings and management's responses, were discussed with Senior Management and subsequently presented to the Audit Committee. Follow up visits were also conducted by Internal Auditors to ensure that management's action plans in respect of the matters highlighted in the internal audit reports have been adequately addressed. None of the internal control weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

To ensure effectiveness of the Group Internal Audit function, the Audit Committee assessed the following in respect of internal audit amongst others, the terms of engagements, scope of work, Company's financial budget, Internal Audit Reports and quality of deliverables:-

- a) the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work; and
- b) the internal audit plan, processes, the results of the internal audit assessment, processes or undertakings and whether or not appropriate action is taken on the recommendations of the internal audit function.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

## PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

### II RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONTINUED)

#### 10.0 Effective governance, risk management and internal control (continued)

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##### 10.2 Internal Audit Function (continued)

The engagement partner of the outsourced internal audit function, Mr. Ivan Law, has diverse professional experience in internal audits, risk management and corporate governance advisory and possess relevant qualification.

The internal audit staff on the engagement are free from any family relationship with any Directors and/or major shareholders and do not have any conflict of interest with the Group.

The internal audit was conducted using a risk-based approach and was guided by a recognised framework.

## PRINCIPLE C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### I COMMUNICATION WITH STAKEHOLDERS

#### 11.0 Continuous Communication between the Company and Stakeholders

##### 11.1 Effective Communication Channels

The Board leverages on a number of formal channels for effective dissemination of information to shareholders and other stakeholders, particularly through Annual Reports, Circular to Shareholders, announcements to Bursa Malaysia Securities Berhad, media releases, AGM, Extraordinary General Meeting ("EGM") and the Company's website, [www.ta-win.com](http://www.ta-win.com).

##### 11.2 Integrated Reporting

The Company is not a Large Company as defined by the Code. The Company will consider adopting integrated reporting if the Board is of the view that the benefits of the adoption outweigh the costs.

### II CONDUCT OF GENERAL MEETINGS

#### 12.0 Encourage Shareholders Participation at General Meeting

##### 12.1 Notice of Annual General Meeting

The Twenty Fourth AGM of the Company was held on 29 June 2018 while the Notice of Twenty Fourth AGM of the Company was issued on 30 April 2018. Almost two months Notice of the AGM was given which was well in advance of the 21-days requirement under the Companies Act 2016 and MMLR.

The Notice of Twenty Fourth AGM provided further explanation beyond the minimum content stipulated in the MMLR for the resolutions proposed along with the background information and reports or recommendation that were relevant, where required and necessary, to enable shareholders to make an informed decision in exercising their voting rights.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

## PRINCIPLE C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONTINUED)

### II CONDUCT OF GENERAL MEETINGS (CONTINUED)

#### 12.0 Encourage Shareholders Participation at General Meeting (continued)

##### 12.2 Attendance of Directors at General Meetings

Save for En. Mohd Khasan Bin Ahmad who resigned as Director on 3 May 2018, the respective Board's members had attended the following general meetings held during the financial period ended 30 June 2019 :-

Date	Meeting
27 February 2018	EGM
29 June 2018	Twenty Fourth AGM
26 March 2019	EGM

En. Mohd Khasan Bin Ahmad extended his apologies to the shareholders for not attending Company's EGM held on 27 February 2018.

##### 12.3 Leverage Technology to facilitate voting and remote shareholders participation

Shareholders are provided with sufficient notices of general meetings and accompanying explanatory material such as notes, circular and Annual Report in order for the shareholders to make arrangements to attend the general meetings and exercise their rights. Shareholders are encouraged to appoint proxy/proxies to vote on their behalf if they are unable to attend the meeting. The copies of the proxy forms are available in the Company's website and in the Company's Annual Report.

The Company's Twenty Fourth AGM and EGM on 27 February 2018 were held at Ramada Plaza Melaka, which is located in the heart of the historical city Melaka. This venue is easily accessible and it is familiar to most shareholders of the Company since past AGMs were held at the same venue.

The Company's EGM on 26 March 2019 was held at the factory of Ta Win Industries (M) Sdn. Bhd., a subsidiary of the Company, situated in Melaka with the intention to create a sense of "family" to its shareholders and to allow its shareholders to have more understanding of the Group's businesses by leading them to visit the factory after the meeting.

The Company has less than four thousand (4,000) shareholders (inclusion of preference shareholders) as such, while all practical efforts are taken to ensure that shareholders' ability to participate at general meetings, considering the cost involved, it is not economically justifiable to enable voting in absentia or remote shareholders' participation at general meetings. Nonetheless, with the advent technology, the appointed proxies may communicate with shareholders instantaneously on matters deliberated at all general meetings.

However, the Company will explore on the leverage of technology to enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at AGMs and EGMs of the Company where circumstances permit.

This Corporate Governance Overview Statement was approved by the Board of Directors on 22 October 2019.