

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0038
COMPANY NAME : PLASTRADE TECHNOLOGY BERHAD ('PTB")
FINANCIAL YEAR : December 31, 2017

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 PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to 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 roles and responsibilities of the Board and Management, the Board Committees and the individual Directors are set out in the Board Charter which is accessible through the Company's website at www.plastrade-technology.com.</p> <p>It is the primary governance responsibilities of the Board to lead and control the Group. The Board's responsibilities in respect of the stewardship of the Group includes plans for the strategic direction, development and control of the Group and initiatives to embrace the responsibilities listed in the Malaysian Code of Corporate Governance ("the Code"). While the Board sets the strategic plan and policies, the Executive Directors are responsible for making and implementing operational and corporate decisions while the Independent Non-Executive Directors ensure corporate accountability by providing unbiased and independent views, advice and judgement and challenging the Management's assumptions and projections in safeguarding the interests of the shareholders.</p> <p>As explained in the earlier paragraph, the Board has defined the roles and responsibilities for the Board and its Directors. In discharging their fiduciary responsibilities, the Board during its Board meetings focuses on the deliberation and review of the financial performance of the Group, the execution of strategic plan by the Executive Directors, the principal risks faced by the Group and effectiveness of management mitigation plan, the appraisal of executive management and senior management succession plan as well as the integrity of the management information and systems of internal control of the Group.</p> <p>The Executive Directors meets with Senior Management on a regular basis where policies, strategies and operational matters are deliberated and brought to the attention of the Board where appropriate during the Quarterly Board Meetings.</p>

	<p>The respective roles and responsibilities of the Board and Management are clearly set out and understood to ensure accountability.</p> <p>The Board assumes ultimate accountability and responsibility for the stewardship of PTB as follows and are set out in the Board Charter accessible through the website of the Company:</p> <ul style="list-style-type: none"> • Reviewing and approving of corporate strategies and plans, monitoring their implementations through the annual budget and financial plans. • Overseeing and monitoring the conduct and performance of the Company's/Group's business. • Overseeing the process for identifying principal risks and ensuring that appropriate control systems, monitoring and reporting mechanism are in place to effectively monitor and manage these risks. • Appointing and assessing the performance of the Managing Director, the Executive Director and overseeing succession plans for the senior management team. • Overseeing the development and implementation of shareholders communication policy for enhancing and protecting of the reputation of the PTB Group. • Reviewing and overseeing the adequacy and the integrity of the management information and control systems of the PTB Group. • Ensuring that PTB adheres to high standards of ethics and corporate behaviours. <p>The Board maintains specific Board Committees namely Audit Committee, Nomination Committee and Remuneration Committee. These Committees ensure greater attention, objectivity and independence are provided in the deliberations of specific board agenda. The Board has defined the terms of reference for each Committee and the Chairman of these respective committees would report to the Board during the Board meetings on significant matters and salient matters deliberated in the Committees.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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 is primarily responsible for:</p> <ul style="list-style-type: none"> • The leadership of the board to facilitate the effective contribution of all directors at Board meetings and ensuring that no member dominates discussions and appropriate interaction amongst Board members are forthcoming. • Representing the Board, chairing General Meeting of shareholders and ensure effective communication with shareholders and all stakeholders. • The efficient organisation and conduct of the Board's functioning, including establishing the agenda for Board meetings and chairing Board meetings. • Ensuring the Board's decisions have been implemented. • Ensuring that the directors receive accurate, timely and clear information in a form and of a quality appropriate to enable it to discharge their duties. • Ensuring that new directors receive a full, formal and tailored induction on joining the Board. The letter of appointment should set out the director's expected commitment of time. • Ensuring that the directors continually update their skills, knowledge and familiarity with the Company required to fulfill their role both on the Board and on Board Committees.
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>PTB's Board is led by a Chairman and supported by a Managing Director, an Executive Director and, a Non Independent Non Executive Director and five Independent Non-Executive Directors.</p> <p>Currently, day-to-day management of the business operations of the Group is led the Executive Directors and a team of Senior Management Executives. The Board is also kept updated on the Group's strategic direction initiatives, significant operational and regulatory challenges faced by the Group during its meetings.</p> <p>The Executive Directors meets with Senior Management on a regular basis where policies, strategies and operational matters are deliberated and brought to the attention of the Board where appropriate during the Quarterly Board Meetings.</p> <p>The positions of the Chairman and the Managing Director are separately held ensuring balance of power, accountability and division of roles and responsibilities of the Board and the Management of the Group's business and operations. The Board has developed descriptions for responsibilities of the Board Chairman, Managing Director and the individual Board Members. The details of these responsibilities are articulated in the Board Charter which is accessible from the Company's website at www.plastrade-technology.com.</p> <p>As at the date of this CG Report, the Managing Director is Mr Tee Yen Chong.</p> <p>The position of Chairman has yet to be filled following the resignation of Mr Pua Kong Hoi as a Director and Chairman on 16 April 2018.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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>PTB's Board is supported by two (2) External Company Secretaries. Both Company Secretaries of PTB are qualified to act as Company Secretary under Section 235 of the Companies Act 2016, of which one is a Fellow Member and the other, an Associate Member of the Malaysian Institute of Chartered Secretaries & Administrators. The Company Secretaries provide the required support to the Board in carrying out its duties and stewardship role, providing the necessary advisory role with regards to the Company's constitution, Board's policies and procedures as well as compliance with all regulatory requirements, guidance and legislation.</p> <p>All Directors also have full and unrestricted access to the advice and services of the Company Secretaries and may obtain independent professional advice at the Company's expense in order to discharge their duties effectively. The Board is regularly updated on new guidelines, directions and new regulatory issues affecting the Group by the Company Secretaries as well as external consultants. The Company Secretary together with the Executive Directors and Accounts cum Finance Manager (Chief Financial Officer designate pursuant to the ACE Market Listing Requirements) assist the Chairman of the Board and Chairmen of Board Committees to deal with the Board agenda and to provide the relevant information and documents to directors on a timely basis. The Board is satisfied with the support and performance provided by the Company Secretaries in assisting the Board to discharge its duties</p> <p>The Board are of the view that the Company Secretaries have been competent and kept themselves abreast with the evolving regulatory changes and developments through continuous education programmes and attendance of relevant conferences, seminars and training programmes.</p> <p>The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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>A corporate calendar of all scheduled meetings and planned events for the financial year are furnished to all Directors and the Management by the Company Secretary normally during the 4th quarter Board meeting to aid and facilitate the Directors in scheduling and meeting their time commitments.</p> <p>In reviewing and analysing the quarterly interim financial results, the Board was provided with various corroborative information and data. Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors at least seven (7) days prior to the scheduled meetings via emails or physical copies to ensure sufficient time is given to the Directors to read the Board papers and seek clarification, if necessary, and enable them to deliberate issues raised during Board meetings more effectively. Additionally, management was also invited to brief and report in meetings of the Board and Board Committees.</p> <p>The Board was also kept informed progressively of the various requirements and updates issued by the various regulatory authorities. These requirements and updates were provided and briefed by the management, the Company Secretary, external and internal auditors. The management, external and internal auditors were invited to attend Board/Committee meetings to provide additional insights and professional advice on specific items on the meeting agenda.</p> <p>Procedurally, when external advice are necessary, the director who intends to seek such consultation or advice shall notify the Chairman for approval. Upon approval, the Chairman will facilitate obtaining such advice and, where appropriate, disseminate the advice to all directors. The Board has the authority to conduct or direct any investigation required to fulfil its responsibilities and has the authority to retain at the Company's expense, such as legal, accounting or other services, consultants, advisers or experts as it considers necessary from time to time in the performance of its duties.</p> <p>The deliberations and decisions at Board and Board Committee meetings are well documented in the minutes, including matters where Directors abstained from voting or deliberation.</p>

	<p>The Company Secretaries will circulate the draft minutes of meetings for the Board and Board’s Committee review in a timely manner. The Company Secretaries will also follow up with the Management on status of actions taken with reference to the previous minutes of meetings for updating the Board. Action items would stay as matters arising in the minutes of meetings until they are resolved.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The roles and responsibilities of the Board and Management, the Board Committees and the individual Directors are set out in the Board Charter which is accessible through the Company's corporate website at www.plastrade-technology.com. The Board Charter will be reviewed as and when the need arises to keep it current and relevant at all times.</p> <p>The Board will enhance its Board Charter and made it available together with other existing policies on PTB's website at www.plastrade-technology.com as follows:</p> <ul style="list-style-type: none">• Whistle Blowing Policy• Code of Business Conduct and Ethics• Board Policy on Time Commitment• Corporate Disclosure Policy• Shareholders Communication Policy• Board's Procedure for Appointment of Directors• Remuneration Policy <p><u>Board Commitment</u></p> <p>A policy on time commitment was adopted by the Board following the Board's review of its governance procedures to enhance and affirm the directors' commitment to the Group and ensure their devotion of time towards the affairs of the Group and to continuously improve their knowledge and skillsets.</p> <p>The Board is scheduled to meet at least five (5) times a year to review the Group's operations and to approve the quarterly and annual financial statements, with additional meetings being convened when deemed necessary. Furthermore, a 50% minimum attendance requirement is adopted by the Board. To facilitate the Directors' scheduling and planning of their time, an annual meeting calendar is prepared and circulated in advance of each new year. All Directors are also required to inform the Board before accepting any other directorships in other listed companies or groups.</p>

The Executive Directors are engaged full time in the management and operations while the Non-Executive Directors attend Board Meetings and Committee Meetings as and when required as dictated by circumstances. All Directors commit and devote their time to make themselves available to attend to any matters arising which requires their attention individually or collectively.

The Board based on its annual assessment carried out by the Nomination Committee is satisfied with the time commitments given by its Directors as evidenced by the attendance record of the Directors at Board and Committee meetings as set out below.

The Executive Directors are engaged full time in the management and operations while the Non-Executive Directors attend Board Meetings and Committee Meetings as and when required as dictated by circumstances. All Directors commit and devote their time to make themselves available to attend to any matters arising which requires their attention individually or collectively.

The attendance record of the Directors at Board and Committee meetings during the Financial Year Ended 31 December 2017 (“FY2017”) is set out below:

Name of Director	Attendance			
	Board	AC	NC	RC
PUA KONG HOI Managing Director (Resigned as Managing Director on 27 February 2018; Resigned as Director & Chairman on 16 April 2018)	5/5	-	-	2/2
TEE YEN CHONG Managing Director (Appointed on 19 May 2017, re-designated on 27 February 2018)	1/2	-	-	-
TENG CHEE KUAN (F) Executive Director (Resigned on 6 April 2018)	5/5	-	-	2/2
CHOW KWAI FONG <i>Independent Non-Executive Director</i>	5/5	5/5	2/2	2/2
PHANG KOK KWEN Senior Independent Non-Executive Director (Appointed on 19 May 2017)	2/2	2/2	-	-

VINCENT WONG SOON CHOY <i>Independent Non-Executive Director</i>	5/5	5/5	2/2	2/2
DATO' SERI ABDUL AZIM BIN MOHD ZABIDI <i>Non Independent Non-Executive Director</i> (Appointed on 19 May 2017)	1/2	-	-	-
NG KOK CHAI <i>Independent Non-Executive Director</i> (Resigned on 27 February 2018)	5/5	5/5	-	2/2

Note: AC – Audit Committee; NC – Nomination Committee; NR - Remuneration Committee

Directors' Training

The Directors of the Company have attended the Mandatory Accreditation Programme (“MAP”) conducted by The Iclif Leadership And Governance Centre in compliance with the Listing Requirements. Although no formal assessment of the training needs of each director was undertaken the Directors were encouraged to attend relevant training programmes/seminars/briefings to further enhance their skills and knowledge in the latest statutory and regulatory requirements as well as to keep abreast with the business development to assist them in discharging their duties as Directors.

The Board has defined its training policy for its board members. Each Director is expected to attend at least one (1) full day continuing education programme each year. The extent and subject matter which may vary, is left to each individual director’s discretion.

Details of the Directors attendance of training programs/seminars/workshops/briefing during the financial year 2017 are as follows:

Directors Attended	Training Programs/Seminars/Briefing
PUA KONG HOI	○ MPMA Roadshow 2017
TENG CHEE KUAN	○ ISO 9001:20015 Understanding and Implementing Risk & Opportunities
TEE YEN CHONG	○ Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies
PHANG KOK KWEN	○ Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies

		<ul style="list-style-type: none"> ○ Public Listed Companies on (1) Decoding Transaction and RPT Rules, (2) Key Disclosure Obligations Of A Listed Company ○ Seminar Percukaian Kebangsaan 2017 ○ Update of Tax Audits, Investigation & Appeal Process ○ Mastering MPERS Fully Illustrated – Translation of the standard into practical examples, and impact pf 2015 updates ○ Practical Auditing Methodology for SMPs
	CHOW KWAI FONG	<ul style="list-style-type: none"> ○ Public Listed Companies on (1) Decoding Transaction and RPT Rules, (2) Key Disclosure Obligations Of A Listed Company
	VINCENT WONG SOON CHOY	<ul style="list-style-type: none"> ○ 2018 Budget Seminar ○ Public Listed Companies on (1) Decoding Transaction and RPT Rules, (2) Key Disclosure Obligations Of A Listed Company
	DATO' SERI ABDUL AZIM BIN MOHD ZABIDI	<ul style="list-style-type: none"> ○ Global Business Insights Series: Embracing Paradoxes by Professor Salvatore Cantale ○ The Revitalisation of Lasallian Schools – The Journey Forward ○ Sejauh Mana Anda Memahami Hudud
	Mr Ng Kok Chai resigned as a Director on 27 February 2018 and the details of his attendance of training programme/seminars is not included.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied	
Explanation on application of the practice	:	PTB's Code of Business Conduct and Ethics sets out the standards of ethical behaviour and values expected of Directors and employees and serves as a guide and reference in the course of the performance of their responsibilities. The Board has implemented appropriate processes and systems to support, promote and ensure its compliance. The Board through the Nomination Committee will periodically review the Code which is available on the Company's corporate website.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	The Board has adopted a Whistle Blowing Policy ('WBP') which is available on the Company's corporate website, sets out the disclosure procedures and protection for whistle blowers to meet the Group's ethical obligations. Employees and stakeholders are encouraged to raise any serious concerns they have on any suspected misconduct or malpractices without fear of victimisation in a responsible manner rather than avoiding or overlooking them. All whistle-blowing reports are addressed to the Audit Committee Chairman. This policy is administered by the Audit Committee with the assistance of the Management and overseen by Board of Directors
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 4.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board as at the date of this CG Report is comprised of five Independent Non Executive Directors, one Non Independent Non Executive Director and one Executive Director.	
Explanation for departure	:	Please provide an explanation for the departure.	
		Please provide an explanation on how the practice is being applied.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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	:	Not applicable - Step Up 4.3 adopted	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years.

Application	:	Adopted
Explanation on adoption of the practice	:	The Board has adopted the best practices for assessing the independence of Independent Directors annually and the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. When the Board retains an Independent Director who has served in that capacity for more than nine (9) years, the Board would justify its decision and seek shareholders' approval.

Intended Outcome

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

Practice 4.4

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Application	:	Applied
Explanation on application of the practice	:	<p>PTB is led and managed by a diverse competent and experienced Board of Directors with a mix of suitably qualified and experienced professionals having wide and varied spectrum of expertise in the fields of business, manufacturing of plastic, resin and compounds, accounting and taxation. This enables the Board to carry out its responsibilities effectively and ensures accountability. The current Board is drawn from different cultural and socio-economic background with their age ranging from 32 years to 80 years to ensure that different view points are considered in the decision making process.</p> <p>During the year, PTB's senior key management includes a female member while an Executive Director of the female gender was also present on the Board. (Ms Teng Chee Kuan, the Executive Director has since resigned on 6 April 2018).</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>During the year, there was one female Director on the Board. The Nomination Committee (“Nomination Committee”) was therefore of the opinion that no changes need to be made to the existing structure, size and composition of the present Board and accordingly made its opinion and recommendation to the Board.</p> <p>Currently, PTB’s senior key management also includes a female member.</p> <p>Going forward, the Board will be looking to recruit a female Director to join the Board.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to upholding high standards of governance in respect of new appointments to the Board to ensure that the Board is comprised of Directors who have the necessary skills, competencies, commitment and experience to complement the efficiency and effectiveness of the Board as a whole.</p> <p>The Board had adopted the following procedures for the appointment of new Directors effective from 1 April 2017.</p> <p>The Board's Nomination Committee ('NC') is entrusted with the responsibility to review, propose and recommend the appointment of potential new Directors after taking into consideration the current and future needs of the Company.</p> <p>The NC which is responsible for reviewing the effectiveness of the Board as a whole, the Board Committees, the contributions of the individual Directors and the Independence of the Independent Directors, will where appropriate, make its recommendations to the Board on the need to increase the Board size, the composition, the necessary skills, calibre and experience required and where available the potential candidates for appointment.</p> <p>The NC will where practical maintain a database of potential candidates. Potential candidates can be sourced from:</p> <ul style="list-style-type: none">• Existing Directors and substantial shareholders of the Company;• Existing Senior Management employees;• Professional bodies and organisations;• Business associates, shareholders; and• Others. <p>Upon a decision being made by the Board to appoint Directors:</p> <p>a) The NC will identify suitable candidates from its available database or sources maintained taking into consideration the required skills, competencies and experience and such other parameters as may be determined by the Board.</p>

	<p>b) The Chairman of the NC and the Executive Directors will meet with the identified candidates to assess/reassess their suitability for appointment.</p> <p>c) The identified candidate if cleared by the NC will then be recommended to the Board for appointment.</p> <p>d) Prior to their appointment, the identified candidates will be invited to an introductory meeting with the full Board to enable the full Board to form an opinion and assessment on the identified candidates recommended by the NC.</p> <p>e) Subsequent or further meetings with the candidates may be arranged to the satisfaction of the Board, should the need arise.</p> <p>f) The discretion to accept or reject a candidate rests with the full Board of Directors</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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

Practice 4.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The membership classification of the NC is set out in its Terms of Reference. The current Chairman of the NC is the Senior Independent Director, Mr Phang Kok Kwen and NC is comprised exclusively of Independent Non-Executive Directors as follows:</p> <p>Chairman PHANG KOK KWEN <i>Senior Independent Non-Executive Director</i></p> <p>Members CHOW KWAI FONG <i>Independent Non-Executive Directors</i></p> <p>VINCENT WONG SOON CHOY <i>Independent Non-Executive Director</i></p> <p>The primary responsibilities of the NC are set out in detail in its Term of Reference which can be viewed from the Company's corporate website.</p> <p>On 20 April 2018, Mr Tan Ching Yong, an Independent Non Executive Director has been appointed as an additional member of the Nomination Committee.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NC carries out the Board Evaluation exercise annually.</p> <p>In respect of the Financial Year 2017 ("FY2017"), the NC carried out the following activities:</p> <ul style="list-style-type: none">• The NC had evaluated and assessed the performance and effectiveness of the Board as a whole, the Board Committees and the Performance of Each Individual Directors in accordance with the process for evaluating and assessment approved and adopted by the Board for year 2017. The evaluation process amongst others considered whether the Directors had access to all necessary information and appropriate avenues for advice to carry out their responsibilities, whether the Committees had met its purpose and whether it had the necessary authority and processes to carry out its functions and fulfil its obligations. The Board was assessed amongst other criteria and whether the Board had the appropriate vision, mission and strategies, whether processes and procedures were adequate and efficient to enable it to carry out its responsibilities. Based on the evaluation for year 2017 the NC concluded that the Board's dynamics for year 2017 were healthy and effective.• The NC concluded that the Board's dynamics are healthy and effective. The present members of the Board possess the appropriate skills, experience and qualities to steer the Company forward. The Committee is also satisfied that the Directors have carried out their responsibilities effectively. In areas where the Board may not be technically proficient, the Board would be able to garner advice from its consultants in the required field.• The NC was also of the view that each member of the Board had contributed positively and effectively to the functioning of the Board and its Committees in year 2017.• evaluated and assessed the independence of the Independent Directors in accordance with the process approved and adopted by

	<p>the Board. The assessment carried out by the NC apart from looking at the criteria and definition of an Independent Director set out under the Listing Requirements of the Ace Market of Bursa Malaysia Securities Berhad, also considers:</p> <ul style="list-style-type: none"> ➤ whether the Independent Directors have developed, established or maintained any significant relationship which would impair their independence as an Independent Director with the Executive Directors and Major Shareholders other than normal engagements and interactions on a professional level consistent and expected of them to carry out their duties as Independent Non-Executive Directors, Chairman or member of the Board’s Committees; ➤ whether the Independent Directors have engaged in any transactions with the Group; and ➤ whether the Independent Directors have devoted sufficient time commitment and desire to serve. <p>Independence is important and crucial for ensuring objectivity and fairness in the Board’s decision making process.</p> <p>The NC concluded that:</p> <p>i) The Board was in a position to draw on the benefits and experience of its Directors’ in the core areas of accounting, taxation and plastic industry as well as the wide and varied business experience of its Directors.</p> <p>In areas where the Board may not be technically proficient, the Board would be able to garner advice from its consultants in the required field.</p> <p>ii) The Board was also sufficiently balanced with half of the members of the Board are Independent Non-Executive Directors.</p> <p>iii) The Board was sufficiently diverse with:</p> <ul style="list-style-type: none"> • the age of the directors ranging between 32 years to 80 years; • the directors coming from different backgrounds, profession and experience; and • gender diverse with a member of the female gender represented in the Board.
<p>Explanation for departure :</p>	

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

Measure :		
Timeframe :		

Intended Outcome

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 Committee and Board in mindful of the need to remunerate its Directors and retain its Directors to ensure that their commitment remains and therefore their remuneration package is directly linked to their performance, service, seniority, experience and scope of responsibilities.</p> <p>The RC and Board have adopted a remuneration policy since 2017 and is available on the Company’s corporate website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 6.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had established a Board Remuneration Committee ("RC") chaired by Mr Vincent Wong Soon Choy and members of RC are as follows:</p> <p>Chairman VINCENT WONG SOON CHOY <i>Independent Non-Executive Director</i></p> <p>Members CHOW KWAI FONG <i>Independent Non-Executive Director</i></p> <p>PUA KONG HOI <i>Chairman</i></p> <p>TENG CHEE KUAN <i>Executive Director</i></p> <p>NG KOK CHAI <i>Independent Non-Executive Director</i> (ceased as member on 27 February 2018)</p> <p>Following the resignation of Mr Ng Kok Chai on 27 February 2018, the Board deferred reconstitution of the RC.</p> <p>On 6 April 2018 and 16 April 2018, Ms Teng Chee Kuan and Mr Pua Kong Hoi ceased to be members of the RC following their resignation as Directors respectively.</p> <p>On 20 April 2018, Dato Seri Abdul Azim Bin Mohd Zabidi and Mr Tan Ching Yong were appointed as members of the RC.</p>

	The primary responsibilities of the RC are set out in detail in its Term of Reference which can be viewed from the Company's corporate website.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application :	Applied				
Explanation on application of the practice :	In line with corporate governance best practice, the disclosure of the Directors' remuneration on a named basis for the financial year ended 31 December 2017 is set out in the tables below:-				
		Remuneration paid by the subsidiaries	Remuneration paid by the Company		
	Name of Director/ Former Director	Salaries, Bonuses, other benefits & Defined Contribution Benefits (RM)	Meeting Allowances (RM)	Fees (RM)	Total (RM)
	PUA KONG HOI (Resigned as Managing Director on 27 -2-2018; Resigned as Chairman and Director on 16-4-2018)	278,460	1,500	-	279,960
	TEE YEN CHONG (Appointed as Executive Director on 19-5-2017, re-designated as Managing Director on 27-2-2018)	-	300	24,000	24,300
	TENG CHEE KUAN (Resigned on 6-4-2018)	243,328	-	-	244,828
	CHOW KWAI FONG	-	-	19,800	21,300
	PHANG KOK KWEN (Appointed on 19-5-2017)	-	600	48,000	48,600

	Name of Director/ Former Director	Remuneration paid by the subsidiaries	Remuneration paid by the Company		Total (RM)
		Salaries, Bonuses, other benefits & Defined Contribution Benefits (RM)	Meeting Allowances (RM)	Fees (RM)	
	VINCENT WONG SOON CHOY	-	-	19,800	21,300
	DATO' SERI ABDUL AZIM BIN MOHD ZABIDI (Appointed on 19-5- 2017)	-	-	13,200	13,200
	NG KOK CHAI (Resigned on 27-2-2018)	-	-	19,800	21,300
	TOTAL	521,788	8,400	144,600	674,788
Explanation : for departure					
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>					
Measure :					
Timeframe :					

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board is of the view that the disclosure of the senior management's remuneration will impinge on the confidentiality and privacy of the respective individuals and may result in negative repercussions on the Group's human resources taking into consideration the size and dynamics of the Group's current operations.</p> <p>The Board is of the view that the negative repercussions and implications far outweigh the benefits to be derived from adopting the disclosures under the recommended practice 7.2.</p> <p>The Board also believes that the interest of the shareholders will not be prejudiced or compromised as a consequence of non-disclosure on a named basis, the remuneration of its key management's remuneration.</p> <p>Disclosure of the remuneration of the Directors on a named basis has been made in line with Practice 7.1. The Board is entrusted with the stewardship role in driving the performance of the Groups and its results reflected in the disclosures made in the audited financial statements of the Group.</p> <p>In PTB, the assessment of the senior management to ensure that their remuneration is commensurate with their individual performance taking into consideration the Company's performance is entrusted to the Board's RC.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 8.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee ("AC") of PTB comprised wholly of Independent Non-Executive Directors.</p> <p>The AC Chairman, Mr. Phang Kok Kwen is a member of the Malaysian Institute of Accountants. He is not the Chairman of the Board.</p> <p>The detailed Terms of Reference of the AC outlining the composition, duties and functions, authority and procedures of the AC are published and available on the Company's website at www.plastrade-technology.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	Departure	
Explanation on application of the practice	:	<p>PTB has always recognised the need to uphold independence. None of the members of the Board were former key audit partners within the cooling-off period of two (2) years. Hence, there is no such person being appointed as a member of the AC.</p> <p>The AC has not amended to the Terms of Reference of the AC to include the requirements for former key audit partner to observe a cooling-off period of at least 2 years before being appointed as a member of the AC. The AC will incorporate the said requirement into the Terms of Reference of AC during the financial year ending 31 December 2018.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	The AC carried out an assessment of the performance and suitability of Messrs Crowe Horwath based on the quality of services, sufficiency of resources, adequate resources and trained professional staff assigned to the audit. The AC has been generally satisfied with the independence, performance and suitability of Messrs Crowe Horwath based on the assessment and are recommending to the Board and shareholders for approval for the re-appointment of Messrs Crowe Horwath as External Auditors for the Financial Year Ending 31 December 2018.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The AC of PTB comprised wholly of Independent Non-Executive Directors as follows:</p> <p>Mr. Phang Kok Kwen (Chairman) <i>Independent Non-Executive Director</i> <i>(Appointment as Chairman of AC on 4 August 2017)</i></p> <p>Mr Chow Kwai Fong (Member) <i>Independent Non-Executive Director</i> <i>(Redesignated as member of Audit Committee on 4 August 2017)</i></p> <p>Mr. Vincent Wong Soon Choy (Member) <i>Independent Non-Executive Director</i></p> <p>Mr. Ng Kok Chai (Member) <i>Independent Non-Executive Director</i> <i>(Resigned as Director and cease as member of AC on 27 February 2018)</i></p> <p>Mr. Tan Ching Yong (Member) <i>Independent Non-Executive Director</i> <i>(Appointed on 20 April 2018)</i></p>

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	: Applied						
Explanation on application of the practice	: <p>The assessment of Performance of AC is conducted annually.</p> <p>The NC is satisfied with the performance of the AC and each of its members and that they had carried out their duties in accordance with the terms of reference of the AC.</p> <p>The Chairman and members of the AC are financially literate, and have carried out their duties in accordance with the Terms of Reference of the AC.</p> <p>Training attended by the AC members during 2017 are:</p> <table border="1"> <thead> <tr> <th>Directors Attended</th> <th>Training Programs/Seminars/Briefing</th> </tr> </thead> <tbody> <tr> <td>Phang Kok Kwen (Chairman) Independent Non-Executive Director</td> <td> <ul style="list-style-type: none"> ○ Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies ○ Public Listed Companies on (1) Decoding Transaction and RPT Rules, (2) Key Disclosure Obligations Of A Listed Company ○ Seminar Percukaian Kebangsaan 2017 ○ Update of Tax Audits, Investigation & Appeal Process ○ Mastering MPERS Fully Illustrated – Translation of the standard into practical examples, and impact pf 2015 updates ○ Practical Auditing Methodology for SMPs </td> </tr> <tr> <td>Chow Kwai Fong (Member)</td> <td> <ul style="list-style-type: none"> ○ Public Listed Companies on (1) Decoding Transaction and RPT Rules, (2) Key Disclosure Obligations Of A Listed Company </td> </tr> </tbody> </table>	Directors Attended	Training Programs/Seminars/Briefing	Phang Kok Kwen (Chairman) Independent Non-Executive Director	<ul style="list-style-type: none"> ○ Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies ○ Public Listed Companies on (1) Decoding Transaction and RPT Rules, (2) Key Disclosure Obligations Of A Listed Company ○ Seminar Percukaian Kebangsaan 2017 ○ Update of Tax Audits, Investigation & Appeal Process ○ Mastering MPERS Fully Illustrated – Translation of the standard into practical examples, and impact pf 2015 updates ○ Practical Auditing Methodology for SMPs 	Chow Kwai Fong (Member)	<ul style="list-style-type: none"> ○ Public Listed Companies on (1) Decoding Transaction and RPT Rules, (2) Key Disclosure Obligations Of A Listed Company
Directors Attended	Training Programs/Seminars/Briefing						
Phang Kok Kwen (Chairman) Independent Non-Executive Director	<ul style="list-style-type: none"> ○ Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies ○ Public Listed Companies on (1) Decoding Transaction and RPT Rules, (2) Key Disclosure Obligations Of A Listed Company ○ Seminar Percukaian Kebangsaan 2017 ○ Update of Tax Audits, Investigation & Appeal Process ○ Mastering MPERS Fully Illustrated – Translation of the standard into practical examples, and impact pf 2015 updates ○ Practical Auditing Methodology for SMPs 						
Chow Kwai Fong (Member)	<ul style="list-style-type: none"> ○ Public Listed Companies on (1) Decoding Transaction and RPT Rules, (2) Key Disclosure Obligations Of A Listed Company 						

	<i>Independent Non-Executive Director</i>	
	Vincent Wong Soon Choy (<i>Member Independent Non-Executive Director</i>)	<ul style="list-style-type: none"> ○ Public Listed Companies on (1) Decoding Transaction and RPT Rules, (2) Key Disclosure Obligations Of A Listed Company ○ 2018 Budget Seminar
Mr Ng Kok Chai resigned as a Director and cease as a member of AC on 27 February 2018 and the details of his attendance of training programme/seminars is not included.		
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Risk Management is regarded by the Board to be an integral part of the business operations, and good governance practices. Risk is inherent in all business activities, and the Group's objective is not to eliminate risk totally but to provide structural means to identify, prioritise and manage risks involved in all the Group's activities and to balance between the costs and benefits of managing and treating risks, as well as the anticipated returns to be derived therefrom. The Managing Director and Executive Director together with Senior management and Heads of Department review and update the risks face by the Group to ensure that existing mitigation actions against such risks are adequately addressed and reported to the Audit Committee and ultimately the Board. In the periodic management meetings, key risks and mitigating controls are deliberated.</p> <p>The Board is overall responsible for maintaining and ensuring the integrity of a sound system of Internal Control which supports effective and efficient operations to safeguard shareholders' interests and the Group's business and assets. The Internal Audit function currently reviews and appraises the risk management and internal control processes of the Group. The Statement on Risk Management and Internal Control set out on pages 20 to 25 of this Annual Report provides an overview of the Group's approach to ensuring the effectiveness of the risk management and internal processes within the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 Board recognise risk management as an integral part of system of internal control and good management practice in pursuit of its strategic objectives. The Board maintains an on-going commitment for identifying, evaluating and managing significant risks faced by the Group systematically during the financial year under review. The Board had put in place a formal Risk Management framework, as the governance structure and processes for the risk management on enterprise wide, in order to embed the risk management practice into all level of the Group and to manage key business risks faced by the Group adequately and effectively as second-line-of-defense. The duties for the identification, evaluation and management of the key business risk are delegated to the Management, led by the Managing Director. The principles and guidelines of the Risk Management Policy was established, in material aspects, with reference to ISO 31000:2010 – Risk Management – Principles and Guidelines.</p> <p>The key features of the Group's internal control systems are described below:-</p> <ul style="list-style-type: none">• Board of Directors/Board Committees Board Committees (i.e. Audit Committee, Remuneration Committee and Nomination Committee) are established to carry out duties and responsibilities delegated by the Board, governed by written terms of reference. <p>Meetings of Board of Directors and respective Board Committees are carried out on scheduled basis to review the performance of the Group, from financial and operational perspective.</p> <ul style="list-style-type: none">• Integrity and Ethical Value The tone from the top on integrity and ethical value are enshrined in formal Code of Ethics and Conduct for Directors first established and approved by the Board on 12 April 2014. A revised Code of Business Conduct & Ethics was approved by the Board on 24 November 2017. This formal code forms the foundation of integrity and ethical value for the Group.

	<p>Integrity and ethical value expected from the employees are incorporated in the employee manuals and handbooks whereby the ethical behaviours expected with the customers, suppliers and employees are stated. Codes of conduct expected from employees to carry out their duties and responsibilities assigned are also established and formalised in employee manuals and handbooks.</p> <ul style="list-style-type: none"> • Organisation Structure and Authorisation Procedures The Group has a formal organization structure in place to ensure appropriate level of authorities and responsibilities are delegated accordingly to competent staffs in achieving operational effectiveness and efficiency. The authorisation procedures for key processes are stated in the Group’s policies and procedure. • Policies and Procedures The Group has documented policies and procedures that are periodically reviewed and updated to ensure its relevance to regulate key operations in compliance with its International Organisation for Standardisation (“ISO”) certification. <p>Apart from that, the Group has well documented other internal policies and procedures, work instructions, employee manuals and handbooks, which are periodically updated and when needs arise to meet the changing requirements.</p> <ul style="list-style-type: none"> • Human Resource Policy Guidelines on the human resource management are in place to ensure the Group’s ability to operate in an effective and efficient manner by employing and retaining adequate competent employees possessing necessary knowledge, skill and experience in order to carry out their duties and responsibilities assigned effectively and efficiently. <p>Performance evaluations are carried out for all levels of staff to identify performance gaps and for training needs identification.</p> <ul style="list-style-type: none"> • Information and Communication At operational level, clear reporting lines established, in the form of formal organization structure, across the Group and operation reports are prepared for dissemination to relevant personnel for effective communication of critical information throughout the Group for timely decision making and execution in pursuit of the business objectives. Matters that require the Board and the Management’s attention are highlighted for review, deliberation and decision on a timely basis. <p>The Group puts in place effective and efficient information and communication infrastructures and channels, i.e. computerized systems, secured intranet, electronic mail system and modern telecommunication, so that operation data and management information can be communicated timely and securely to dedicated</p>
--	---

	<p>personnel within the Group for decision making and for communication with relevant external stakeholders for execution and information collection.</p> <ul style="list-style-type: none"> Monitoring and Review Regular operational and informal meetings are held to review and monitor operational and financial performances as well as formulate action plans to address any areas of concern. <p>The monitoring of compliance with relevant laws and regulations are further enhanced by review of specific areas of safety, health and environment by relevant authorities and independent consultants engaged by the Group.</p> <p>In addition to the internal audits, significant control issues highlighted by the external auditors as part of their statutory audits and annual audit by external quality auditors to ensure the quality system are in compliance with the requirements of the ISO 9001:2008 Certifications (which serves as an assurance to customers on the quality of Group's products and services) as well as surveillance audit by independent consultants engaged by the Group serve as the fourth-line-of-defense.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

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

Practice 9.3 - 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	:	<p>The Board is committed to the establishment and maintenance of an appropriate control environment and framework that is embedded into the corporate culture, processes and strategies of the Group as well as to articulate and implement risk management and internal control system. The Board delegates the duty of identification, assessment and management of key business risks to the Management while the Audit Committee is delegated with the duty and responsibility to review the adequacy and effectiveness of risk management and internal control systems of the Group and to report the results of the review to the Board for deliberation. Through the Audit Committee, the Board is kept informed on all significant control issues brought to the attention of the Audit Committee by the Management, the internal audit function and the external auditors.</p> <p>The Board had put in place a formal Risk Management framework, as the governance structure and processes for the risk management on enterprise wide, in order to embed the risk management practice into all level of the Group and to manage key business risks faced by the Group adequately and effectively as second-line-of-defense. The duties for the identification, evaluation and management of the key business risk are delegated to the Management, led by the Managing Director.</p> <p>Details of the Group's Risk Management Framework is described in more detail in the Statement of Risk Management & Internal Control on pages 20 to 25 of the Annual Report.</p> <p>Going forward, the Board will be looking into the integration of a Risk Management Committee into the Group's Risk Management Framework to be in line with the recommended practices under MCCG.</p>

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>PTB Group outsourced internal audit services to a professional internal audit services company. The primary responsibility of the internal audit function is to assist the Board and the AC in reviewing and assessing whether the management systems of internal control procedures are adequate and effective as well as provide recommendations to strengthen these internal control procedures so as to foster a strong control environment.</p> <p>The Internal Audit Function has organised its work in accordance to the principles of the internal auditing standards covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders on the audit concerns.</p> <p>An internal audit plan based on risk profile of the Group was produced and presented to the AC for approval. Upon approval by the AC, internal audit reviews were carried out in accordance with the approved internal audit plan.</p> <p>Further details of the internal audit activities are set out in the Audit Committees Report and Statement on Risk Management and Internal Control of the PTB 2017 Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 10.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<ol style="list-style-type: none"> 1. The Internal Audit personnel are free from any relationship or conflicts of interest with any members of the staff or management of the Group. 2. The outsourced internal audit function is manned by one (1) engagement director, three (3) managers/assistant managers and five (5) senior consultants/consultants during the financial year under review. 3. The outsourced internal audit function is reporting to the Audit Committee directly and the engagement director, Mr. Pang Nam Ming, is a Certified Internal Auditor accredited by the Institute of Internal Auditors Global and a professional member of the Institute of Internal Auditors Malaysia. 4. The internal audits are carried out, in material aspects, in accordance with the International Professional Practices Framework established by the Institute of Internal Auditors Global.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the need for transparency and accountability to the Company's shareholders and importance of regular communication with its shareholders, stakeholders and investors on the performance and major developments in the Group. On this note, the Board has defined its shareholder communication policy with the aim of empowering its shareholders through effective communication. In this policy, the Board has set out the practices and means of the Company when communicating with its shareholders (both current and prospective) on the quarterly financial results, circulars, annual reports, corporate announcements and press releases in Bursa Malaysia's website. The Company also maintains its website at www.plastrade-technology.com containing business, investor and product information for the access of the general public.</p> <p>The Group's Annual General Meeting serves as a principal forum for dialogue with shareholders. Shareholders are encouraged to raise questions pertaining to the operations and financials of the Group. In order to encourage shareholders' participation at the general meetings, the Board also takes additional measures as recommended by the Code. This includes Chairman highlighting to shareholders and proxy holders, their right to speak up at general meetings, conducting of poll voting in respect of resolutions involving related party transactions and a review of the performance of the Company during Annual General Meetings.</p> <p>Effective 1 July 2016, Rule 8.29A of the Listing Requirements provides that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, shall be voted by poll. Also, at least one (1) scrutineer will be appointed to validate the votes cast at the General Meeting who must not be an officer of the Company or its related corporation, and must be independent of the person undertaking the polling process.</p> <p>Other than the Board Chairman and Managing Director, Shareholders may convey any concerns that they may have to the Senior Independent Non-Executive Director, Mr Phang Kok Kwen.</p>

	<p>The Board had in place the Shareholders Communication Policy which sets out the aims and practices of the Company in respect of communicating with its shareholders (both current and prospective) and the Corporate Disclosure Policy:</p> <ul style="list-style-type: none"> • To promote and elevate a high standard of integrity and transparency through timely comprehensive, accurate, quality and full disclosure. • To promote and maintain market integrity and investor confidence. • To exercise due diligence to ensure the veracity of the information being disseminated is factual, accurate, clear, timely and comprehensive. • To build good relationship with all stakeholders based on transparency, openness, trust and confidence. • To have in place efficient procedures for management of information, which promotes accountability for the disclosure of material information. <p>The detailed Shareholders Communication Policy and Corporate Disclosure Policy are available on the Company's website at www.plastrade-technology.com.</p> <p>During FY2017, the Board ensured the supply of clear, comprehensive and timely information to the stakeholders in the following manner:</p> <ol style="list-style-type: none"> a) Publication of 2017 annual report; b) Provide all relevant disclosures including quarterly financial results of PTB by way of announcement through Bursa link; c) Frequent updating of information relevant to Investor Relations, such as annual report, financial results and announcements through PTB's corporate website; d) Engagement with shareholders through 2017 Annual General Meeting ("AGM") where the Chairman highlighted to shareholders and proxy holders, their right to speak up at general meetings, the conduct of poll voting for all resolutions tabled at general meetings and review of the performance of the company during AGM.
<p>Explanation for departure :</p>	

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 11.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company is not a Large Company as defined by the Malaysian Code on Corporate Governance 2017. The Company has not adopted integrated reporting based on the globally recognised framework as it is not a statutory requirements.	
		The annual report presently contains financial and nonfinancial information which provides a fairly comprehensive overview of the Group.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 16th AGM of PTB will be held on 24 May 2018. The notice of at least 28 days prior to the date of the AGM, allows sufficient time for the shareholders to consider the proposed resolutions to be tabled at the AGM.</p> <p>In addition, the notice of PTB AGM also included details and relevant explanatory notes to the resolutions proposed to enable the shareholders to make informed decisions in exercising their voting rights.</p> <p>PTB 2017 Annual Report together with the Notice of the 16th AGM dated 25 April 2018 will be available on PTB's corporate website at www.plastrade-technology.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 12.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>All Directors, including members of AC, NC and RC, attended and participated at PTB's AGM in 2017.</p> <p>The presence of all directors presented opportunities for the shareholders to engage with each Director and also allowed the shareholders to raise questions and concerns directly to the Directors.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>PTB currently has 1,007 shareholders as at 30 March 2018 and its AGM will be held at the Tavern Room, Ponderosa Golf & Country Club, No. 3, Jalan Ponderosa 1, Taman Ponderosa, 81100 Johor Bahru, Johor Darul Takzim</p> <p>As the number of shareholders are not overly large and the venue of the meeting place is easily accessible to all shareholders, the need to leverage and adopt the latest technology is not viable at this juncture.</p> <p>Shareholders are entitled to appoint proxies/attorneys to attend and vote on their behalf should they be unable to do so in person.</p> <p>PTB will only consider leveraging on such technology when it is commercially viable to do so.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

**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.

Click here to enter text.

