
STATEMENT ON CORPORATE GOVERNANCE

INTRODUCTION

The Board is fully committed to adopting and continuously practising good corporate governance that is central to the effective operation of the Company and its subsidiary companies ("Group") to ensure the highest standard of accountability and transparency, as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and financial performance of the Group.

The Board is pleased to present this statement outlining the applications by the Group of the principles and recommendations as set out in The Malaysian Code of Corporate Governance 2012 ("Code") with reference to the Corporate Governance Guide ("Guide") issued by Bursa Malaysia Securities Berhad ("Bursa Securities") for the financial year ended 31 May 2015.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Clear Functions of the Board and Management

The Company is led by an experienced Board, which comprises one (1) Independent Non-Executive Chairman, one (1) Executive Vice Chairman (EVC), one (1) Executive Director, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors.

The Board assumes full responsibility for the overall management of the Group by providing a clear and achievable business direction and objectives. In addition to its stewardship responsibilities, the Board also ensures that Management has in place appropriate processes for risk assessment, management and internal controls and that the Group's businesses are carried out in compliance with good governance practices.

The Management, under the direction and responsibility of the EVC, is responsible for implementing and executing the Board's corporate decisions and strategies, in addition to the day-to-day operations of the Group.

Clear Roles and Responsibilities of the Board

The Board is primarily responsible for charting and reviewing the strategic direction of the Group. The principal duties and responsibilities of the Board are, inter alia, as follows:

- Formulating and charting the strategic direction and setting out the Group's short and long-term plans and objectives;
- Reviewing, approving and monitoring the Group's annual budgets, financial performance, key operational initiatives, and major investment and funding decisions of the Group;
- Overseeing and reviewing the Group's business operations within a systematic and controlled environment;
- Assessing the performance of and developing a succession plan for the Executive Vice Chairman and other Senior Management;
- Overseeing the development and implementation of a shareholders' communication policy for the Company;
- Reviewing the risk management framework and the adequacy and integrity of the Group's internal control system and management information system to ensure compliance with the relevant laws, rules, regulations, directives, guidelines and the business objectives of the Group; and
- Promoting ethical and best corporate governance cultures within the Group.

The Board plays an active role in formulating the Group's strategic direction with the EVC and the Management team. The Board does not involve itself in the day-to-day business operations of the Group, which are delegated to the EVC and the Management team.

The key matters reserved for the Board's approval include the Annual Business Plan, significant corporate proposals including mergers and acquisitions, Group business restructuring and new issue of securities; acquisitions and disposal of significant assets and expenditure above a certain amount. The EVC has an overall responsibility for the day-to-day management of the Group's business and operations and for implementing the Board's policies and decisions. He is supported by the Management team.

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The roles of the Non-Executive Chairman and the EVC are distinct and separate with a clear division of responsibilities to ensure a balance of power and authority. The Chairman holds a non-executive position and is primarily responsible for ensuring the Board's effectiveness and conduct in discharging its responsibilities.

The Board has established an Audit Committee and a Remuneration and Nomination Committee which are entrusted with specific responsibilities to oversee the affairs of the Company and with authority to act on behalf of the Board in accordance with their respective Terms of Reference.

The activities of the Audit Committee and the Remuneration and Nomination Committee are further discussed in separate sections of this Statement.

Formalised Ethical Standard through Code of Ethics

The Board, in discharging its oversight role, conducts its business in strict adherence to the Company Directors' Code of Ethics established by the Companies Commission of Malaysia.

A summary of the Code of Ethics is available on the Company's website at www.ancomlogistics.com.my.

The Code of Ethics requires all Directors to observe high ethical business standards and to apply these values to all aspects of the Group's business and professional practices and act in good faith in the best interests of the Company and its shareholders.

Strategically Promoting Sustainability

The Board practices good corporate governance in the application of sustainability practices throughout the Group, the benefits of which are believed to translate into better corporate performance and value creation for its shareholders.

The Group continues to carry out activities which demonstrate its commitment towards creating a better environmental, social and governance and sustainability agenda during the financial year ended 31 May 2015 as reported in the *Corporate Social Responsibility Statement* in this Annual Report.

Access to Information and Advice

All Directors have unrestricted access to information of the Group and on an ongoing basis, the Directors interact with the Management team to seek further information, updates or explanation on any aspect of the Group's operations or businesses. All Directors have unrestricted access to the service and advice of the Company Secretary who will advise and update the Directors on new statutory enactments as well as applicable rules, regulations and compliance matters. The Directors may obtain independent professional advice in furtherance of their duties whenever necessary at the Company's expense.

Prior to the Board/Committee meetings, the Directors are provided with an agenda on matters to be discussed together with the meeting papers which contain minutes of meetings, operational and financial performance reports, details of corporate proposals, the Quarterly Interim Financial Reports or the Annual Audited Financial Statements, reports of the Board Committees, Internal Audit Reports and other matters for the Directors' perusal before the Board/Committee meetings.

In most instances, Senior Management is invited to be in attendance at Board and Board Committee meetings to provide insight and to furnish clarification on issues that may be raised by the Board. Whenever appropriate, professional advisers appointed by the Company on its corporate proposals are invited to attend the Board meetings and to provide the Board with explanation and clarifications to facilitate informed decision making.

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Qualified and Competent Company Secretaries

The Board is supported by two (2) qualified and competent Company Secretaries. The Company Secretaries play an advisory role to the Board on matters pertaining to compliance of procedures, rules and regulatory requirements. They regularly update and appraise the Board on new regulations issued by the regulatory authorities. The Company Secretaries attend and ensure all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory register of the Company.

The Company Secretaries work closely with the Chairman and the EVC to ensure that there are timely and appropriate information flows within the Board and to the Board Committees and to the Management.

Board Charter

In discharging its duties, the Board is guided by the Board Charter. A copy of the Company's Board Charter is available at the Company's website at www.ancomlogistics.com.my.

The Board Charter serves to ensure that all Board members acting on the Group's behalf are aware of their role and responsibilities to ensure accountability. The Board Charter focuses on the following areas:

- Board composition and Board Committees;
- The duties and responsibilities of the Board members; and
- The Code of Ethics for the Board members.

The Board Charter shall be reviewed and updated from time to time to reflect changes to the Board's practices and amendments to the relevant rules, requirements and regulations.

2. STRENGTHEN COMPOSITIONS

Remuneration and Nomination Committee

The Board has combined the functions of the Remuneration Committee and Nomination Committee into a Remuneration and Nomination Committee ("R&N Committee").

The Terms of Reference of the R&N Committee are available on the Company's website at www.ancomlogistics.com.my.

During the financial year, the membership of the R&N Committee, comprising entirely of Independent Non-Executive Directors, was as follows:

Lim Hock Chye	(Chairman)
Safrizal bin Mohd Said	(Member)
Dato' Abdul Latif bin Abdullah	(Member)
Abdul Latif bin Mahamud	(Member)

The R&N Committee is responsible for reviewing and assessing the performance and effectiveness of the Board and the Board Committee as a whole, and of its Directors individually and collectively. Should there be any Board vacancy or should there be any need for new blood and talent in the Board, the R&N Committee is responsible for identifying and recommending suitable candidates for Board membership. In such evaluation, the R&N Committee will consider the candidates' qualifications, skills, knowledge, expertise and experience, professionalism, integrity and in the case of Independent Non-Executive Directors, the candidates' ability to discharge such responsibilities and functions as expected of them. The Board is also responsible for reviewing the gender diversity of the Board composition.

The final decision as to who shall be appointed a Director remains the responsibility of the Board, after considering the recommendation of the R&N Committee.

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The R&N Committee also determines and recommends to the Board on the adoption of the framework of the Directors' remuneration in all its forms. It is the ultimate responsibility of the Board to decide the remuneration of the Directors. The Directors' fees will be endorsed by the Board for approval by the shareholders at the annual general meeting.

Annual Assessment

The Board reviews and evaluates the performance of its own as well as its Board Committees annually. The results of this assessment form the basis of the R&N Committee's recommendation to the Board for new appointments, if any, and re-election of Directors at the Company's annual general meeting.

During the financial year ended 31 May 2015, the R&N Committee met once with all members registering full attendance. The R&N Committee, after reviewing the current composition of the Board and the Board Committees, was satisfied that the composition of the Board and Board Committees was appropriate in terms of the required mix of skill and experience and core competencies as required under the Board Charter and the Terms of Reference of the Board Committees. Accordingly, the R&N Committee recommended that the current composition of the Board and Board Committees be retained and no new appointment was recommended.

The R&N Committee has taken note of the recommendation in the Code pertaining to the establishment of a policy on boardroom diversity including gender diversity.

The R&N Committee has not identified any woman candidate for appointment to the Board in the current year under review. The Committee will keep a look out for suitable women candidates for appointment to the Board and Board Committees in order to satisfy the gender diversity requirements by 2016.

Remuneration of Directors

The R&N Committee also assumes the task of recommending to the Board the remuneration package for the Executive Directors in all its forms, drawing from outside advice as necessary at the Company's expense, and taking into consideration the Executive Directors' responsibilities, contributions and performance, as well as the market rate for similar positions in comparable companies. The R&N Committee is also responsible for recommending the remuneration of the Non-Executive Directors, including Directors' fees, after taking into account a comparison with payments by similar companies, to the Board for its endorsement.

It is the ultimate responsibility of the Board as a whole to decide the remuneration for the Directors. The Directors' fees will be submitted to the shareholders for approval at the annual general meeting of the Company.

The R&N Committee also reviewed the remuneration of the EVC and made recommendations on the same for the Board's approval. The EVC did not participate in the Board deliberation on his remuneration at the Board meeting. The EVC has decided not to receive any remuneration from the Company during the financial year.

The following is the remuneration of the Non-executive Directors of the Company:

Directors' fee

For the last financial year, the Chairman of the Board and the Non-Executive Directors of the Board received RM60,000 and RM50,000 respectively as Directors' fees per annum. The members of the Audit Committee received RM15,000 each while the members of the R&N Committee received RM5,000 each per annum.

In addition, the Non-Executive Directors also received attendance allowances amounting to RM416.67 for each Board and Board Committee meeting attended. Other than the Non-Executive Chairman who is provided with a car and a driver, the other Non-Executive Directors are not entitled to any benefits-in-kind ("BIK").

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During the last financial year under review, the R&N Committee of the Company's holding company engaged a firm of consultants to provide a review of the directors' fees for Non-Executive Directors of 30 Malaysian Public Listed Companies listed on the Main Board of Bursa Securities, based on their most recent annual reports as at 1 January 2014. The R&N Committee did not engage any study to review the Directors' remuneration during the financial year. However, based on the members of the R&N Committee's personal experience, the R&N Committee was of the opinion that there was no major development in the marketplace that had affected the level of Directors' remuneration significantly during the financial year. As such, the R&N Committee was of the view that the amount of Directors' fees and allowances paid in the previous year was also reflective of the current market rates and recommended the same amount of remuneration be paid to the Non-Executive Directors in the current financial year.

The Board has endorsed the R&N Committee's recommendation and will propose the same quantum of Directors' fees for the Board and Board Committees for the current financial year subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

Subject to the approval of the Company's shareholders of the Directors' fees at the forthcoming 49th annual general meeting of the Company, the details of the remuneration received and receivable by the Directors from the Company and its subsidiaries during the financial year, by category and in bands of RM50,000, are as shown below:

Remuneration by category		Executive Director	Non-Executive Director	Total
Fees	RM'000	-	325	325
Salaries	RM'000	480	-	480
Other emoluments	RM'000	209	14	223
Benefits-in-kind	RM'000	-	16	16
Total	RM'000	688	355	1,044

Remuneration in bands of RM50,000	Executive Director	Non-Executive Director	Total
RM50,001 to RM100,000	-	5	5
RM650,0001 to RM700,000	1	-	1
Total	1	5	6

The EVC did not receive any remuneration during the financial year.

In addition to the above, the Company has taken up Directors' and Officers' Liability ("D&O") insurance for the benefit of all the Directors. The D&O insurance covers the Directors' defence costs and legal representation expenses should any action be taken against them for their actions taken as Director of the Company and/or its subsidiaries. Nevertheless, it does not indemnify a Director if he is proven to have acted fraudulently or dishonestly or for any intentional breach of the law.

3. REINFORCE INDEPENDENCE Assessment of Independence

The Board, through the R&N Committee, assesses the independence of the Independent Directors. The criteria of an Independent Director include the following:

- The Independent Director is neither an employee nor is related to any major shareholders/Management of the Group and does not participate in the day-to-day operation of the Group and has fulfilled the definition of "Independent Directors" in the Listing requirements;
- He/she is free from any business or other relationship with the Group which would materially interfere with the exercise of his/her independent judgement on matters at hand; and

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- He/she is a person of calibre, credibility and has the necessary skill and experience to bring an independent judgement to bear on the issues of strategy, business performance, resources and standards of conduct. He/she is able to provide independent views in the Board's discussions.

Tenure of Independence

The Board notes Recommendation 3.2 of the Code that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years.

From the date the Independent Directors are appointed, they are required to provide an undertaking to Bursa Securities confirming and declaring that they are Independent Directors as defined under Paragraph 1.01 of the Listing Requirements.

The Board is of the view that the length of service of the Independent Directors should not affect a Director's independence. The important criteria that must be possessed by the Independent Directors are their independence from Management and that they be free from any business and other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company. In addition, as the Board has adopted the criteria set out under the definition of "Independent Directors" in the Listing Requirements to assess independence of directors, the Board believes that Recommendation 3.2 of the Code (assessment of independent director should also include tenure) and Recommendation 3.3 of the Code (the Board is allowed to seek shareholders' approval for Independent Directors after nine (9) years' tenure to remain as Independent Director) are irrelevant.

Pursuant thereto, the Board is satisfied that Safrizal bin Mohd Said and Lim Hock Chye have fulfilled the criteria of being Independent Directors and will continue to retain them as Independent Directors of the Company, notwithstanding that they have served as Independent Directors of the Board for more than nine (9) years as at 31 May 2015.

Separation of the Positions of the Chairman and the EVC

The position of the Chairman and the EVC are held by two (2) different persons with different roles and responsibilities. The distinct and separate roles of the Chairman and the EVC, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision making.

Prior to August 2014, the Board comprised seven (7) Directors. Two of them were Executive Directors, namely Dato' (Dr) Siew Ka Wei, who is the EVC, and Lim Hock Heng, Executive Director. Two (2) were Non-Independent Non-Executive Directors, namely Dato' Abdul Latif bin Abdullah (who is the Chairman of the Board) and Abdul Latif bin Mahamud and three (3) were Independent Directors, namely, Safrizal bin Mod Said, Edmond Cheah Swee Leng and Lim Hock Chye.

Dato' Latif bin Abdullah was re-designated as Independent Non-Executive Chairman in August 2014.

As mentioned above, the composition of the Board complies with the Listing Requirements which require at least one-third (1/3) of its members to be Independent Directors.

It is a recommendation of the Code that the Chairman of the Board must be an Independent Director. The Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director.

Prior to August 2014, the composition of the Board did not comply with the recommendation of the Code in this respect.

The Chairman of the Board, Dato' Abdul Latif bin Abdullah, was a Non-Independent Non-Executive Director up to August 2014, when the Board then consisted of four (4) Non-Independent Directors and three (3) Independent Directors. Subsequent to Dato' Latif bin Abdullah's re-designation, the Board's composition changed to three (3) Non-Independent Directors and four (4) Independent Directors. The composition of the Board from then on complied with the requirements of the Code.

Prior to August 2014, the Board is satisfied that Dato' Latif bin Abdullah has discharged his duties by showing strong leadership to the Board in marshalling the Board's priorities more objectively, even though he was designated as a Non-Independent Chairman.

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4. FOSTER COMMITMENT

Time Commitment

All the Directors have committed sufficient time to carry out their duties for the tenure of their appointments. To ensure that the Directors have the time to focus on and fulfil their roles and responsibilities, the Directors do not hold more than five (5) directorships in public listed companies as required in the Listing Requirements,

To help the Directors in planning their attendance at the Board and Committee meetings, at the end of each calendar year, the Company Secretaries draw a proposed timetable for all the Board and Committee meetings, including the annual general meeting, to be held in the next calendar year. Reminders are also sent to the Directors prior to each of the Board/Committee meetings.

The Directors are also required to inform the Board should they accept new board directorships in other public listed companies.

The Board holds its Board meetings quarterly and additional meetings are convened as and when necessary as determined by the Chairman. The attendance records below indicate the level of commitment of the Directors in carrying out their duties as Directors of the Company.

There were four (4) Board meetings, five (5) Audit Committee meetings and one (1) R&N Committee meeting held during the financial year. The attendance records of the Directors are as follows:

Name of Director	Attendance
Board Meeting:	
Dato' Abdul Latif bin Abdullah	3/4
Dato' (Dr) Siew Ka Wei	4/4
Lim Hock Heng	4/4
Abdul Latif bin Mahamud	3/4
Safrizal bin Mohd Said	3/4
Edmond Cheah Swee Leng	3/4
Lim Hock Chye	4/4
Audit Committee Meeting:	
Safrizal bin Mohd Said	5/5
Abdul Latif bin Mahamud	4/5
Lim Hock Chye	5/5
R&N Committee Meeting:	
Lim Hock Chye	1/1
Safrizal bin Mohd Said	1/1
Dato' Abdul Latif bin Abdullah	1/1
Abdul Latif bin Mahamud	1/1

In addition, all the Directors attended the 48th Annual General Meeting of the Company in November 2014.

All the Directors have fulfilled the required attendance of Board meetings during the financial year as prescribed under the Listing Requirements.

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Continuing Education Programme and Training

All Directors have completed the Directors' Mandatory Accreditation Programme prescribed by Bursa Securities.

The Board has assumed the onus of determining and overseeing the training needs of the Directors and will encourage Directors to attend courses, seminars and training to enhance their skills and knowledge and to keep abreast of the relevant changes in laws, regulations and the business environment to effectively discharge their responsibilities. In addition to the updates on relevant guidelines and statutory and regulatory requirements provided by the Company Secretaries from time to time, the Directors have attended the following seminars/courses/training, according to their individual needs as a Director or as members of a Board Committee on which they serve, during the financial year.

Abdul Latif Bin Mahamud

- Risk Management & Internal Control: Workshop for Audit Committee Members organised by CG Board and Bursa Malaysia Berhad in June 2014.

Safrizal Bin Mohd Said

- The National Tax Seminar organised by the Inland Revenue Board in October 2014;
- The 2015 Budget Seminar organised by the Chartered Tax Institute of Malaysia in October 2014; and
- The 7 Habits of Highly Effective People programme organised by Franklin Covey in April 2015.

Edmond Cheah

- Risk Management & Internal Control: Workshop for Audit Committee Members organised by CG Board and Bursa Malaysia Berhad in June 2014;

Lim Hock Chye

- Risk Management & Internal Control: Workshop for Audit Committee Members organised by CG Board and Bursa Malaysia Berhad in June 2014;

Dato' Abdul Latif bin Abdullah, Dato' (Dr) Siew Ka Wei and Lim Hock Heng did not attend any Directors' training during the financial year. The Board will identify suitable seminars/courses/training for them to attend in the next financial year.

Re-election of Directors

In accordance with the Company's Articles of Association, a Director is subject to retire and be eligible for re-election at the first annual general meeting of the Company after his appointment.

The Articles also provide that at least one-third (1/3) of the Board, who are longest in office since their last election, shall be subject to retirement by rotation every year and that each Director shall retire at least once in every three (3) years but he shall be eligible for re-election at the annual general meeting. The EVC does not have a service contract for which the notice period for termination is more than one year. The EVC is also subject to retirement at least once every three (3) years and he shall be eligible for re-election at the annual general meeting.

The motions to re-elect Directors are voted on individually, unless a resolution for the re-election of two (2) or more Directors by a single resolution shall have been passed by the annual general meeting without any vote against it.

The R&N Committee is responsible for making recommendations to the Board on the re-election of Directors who are retiring pursuant to the Articles of Association of the Company.

To assist shareholders in making their decisions in the re-election of Directors, sufficient information such as personal profiles, attendance at Board and Committee meetings and the shareholdings in the Company of the Directors standing for re-election is furnished in the Annual Report.

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5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

Compliance with Applicable Financial Reporting Standards

The Board strives to present true and fair, comprehensive, balanced and meaningful evaluation and assessment of the Group's financial performance, financial position and future prospects of the Group in the Annual Audited Financial Statements and the Quarterly Interim Financial Reports of the Company and of the Group.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Company and the Group, to enable them to ensure that the financial statements are prepared in accordance with the Companies Act, 1965 ("CA"), the Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs"), the Listing Requirements and other statutory and regulatory requirements.

The Group's Quarterly Interim Financial Reports are reviewed by the Audit Committee together with the Management while the Annual Audited Financial Statements are reviewed by the Audit Committee together with the Management and the External Auditors. Thereafter, the Audit Committee will recommend to the Board to approve the same prior to releasing them to Bursa Securities within the stipulated time frame.

Assessment of Suitability and Independence of External Auditors by the Audit Committee

The Company has a formal and transparent relationship with the External Auditors, primarily through the Audit Committee and the Board.

Under its Terms of Reference, the Audit Committee has explicit authority to communicate directly with the External Auditors. Meetings with the External Auditors are held as appropriate to discuss audit plans, audit findings and the financial statements. Whenever required, the Audit Committee will hold private sessions with the External Auditors in the absence of the Management to discuss the issues affecting the Group, if any.

The Audit Committee is empowered by the Board to assess the independence of the External Auditors and to review all issues in relation to their appointment, re-appointment, resignation or dismissal. The assessment focuses on whether there exists any relationship between the External Auditors and the Directors or Senior Management and major shareholders of the Group as well as any conflict of interest situation arising therefrom, including the extent of non-audit services performed by the External Auditors during the financial year, that will give rise to questions about the External Auditors' independence and objectivity in carrying out the responsibilities entrusted to them.

6. RECOGNISE AND MANAGE RISKS

Sound Framework to Manage Risk

The Board acknowledges its responsibility to maintain a sound Risk Management and Internal Control system covering not only financial controls but also operational and compliance controls to identify risks in operations and finance and to design measures to manage those risks. This system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's corporate objectives, as well as to safeguard shareholders' investments and the Group's assets. The Board, through the Audit Committee, seeks regular assurance on the continuity and effectiveness of the internal control system through independent reviews by the Internal Auditors and the External Auditors.

As per its Terms of Reference, the Audit Committee has been explicitly accorded the power to appoint, and to decide on, the remuneration and the resignation/dismissal of the Internal Auditors. It has also been empowered to ensure that the internal audit function reports directly to the Audit Committee, that it is independent of the functions it audits and has all the authorities and resources to carry out its responsibilities. It will also approve the Internal Audit Plan and review and assess the performance of the internal audit function.

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Internal Audit Function

To assist the Board in maintaining a sound system of internal control for the purposes of safeguarding shareholders' investments and the Group's assets, the Board has outsourced the internal audit function to an independent professional consulting firm during the financial year. The Internal Auditors conduct regular audits to review the adequacy and effectiveness of the Group's Risk Management and Internal Control system in identifying and managing principal risks, ensuring compliance with the law and regulations, and preserving the quality of assets and the integrity of the management information system. Audit findings and recommendations are reported to the Audit Committee for attention and action.

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

Corporate Disclosure Policy

The Board acknowledges the importance of timely and thorough dissemination of information to its investors and shareholders. The Board regards regular communications with the public via various announcements and the issuance of Annual Reports, Circulars and press releases as key to building a good relationship with its shareholders.

In line with the Listing Requirements and best practices recommended by the Code, the Company must disclose to the public all material information necessary for informed investment decisions and take reasonable steps to ensure that all who invest in the Company's securities enjoy equal access to such information. The Board strives to disclose such information to the public as soon as practicable through Bursa Securities, the media and the Company's website at www.ancomlogistics.com.my, and to ensure that such information is handled properly to avoid leakage and improper use of such information.

Information is considered material if it is reasonably expected to have a material effect on the price, value and market activity of the Company's securities or the decision of a holder of security or an investor in determining his/her choice of actions.

The Company Secretary is responsible for compiling such information for the approval of the Board as soon as possible and for releasing such information to the market as stipulated by Bursa Securities.

Leverage on Information Technology

The Company disseminates information in relation to its financial performance, operations and corporate developments through the Annual Reports, Quarterly Interim Financial Reports, Circulars and various general announcements. The Company releases all material information publicly through Bursa Securities and via the Company's website at www.ancom.com.my.

Shareholders and investors are also encouraged to convey their queries and concerns to the Company via the Company's website at www.ancomlogistics.com.my or email at corp@ancom.com.my. The queries will be attended to by the Company's Senior Management or the Board, as the case may be.

8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Shareholders' Participation at General Meetings

The Company's general meetings provide a means of communication with shareholders. At the general meetings, the Board encourages and welcomes shareholders to ask questions regarding the affairs of the Group, its financial performance and on the resolutions being proposed at the meetings. The EVC will give a briefing on the performance during the financial year and his view and insights on the future prospects of the Group's businesses. The Chairman, when presenting the agenda items for voting, will give a brief background on the items to be voted on and shareholders are invited to give their views and comments before voting takes place.

The Company holds its general meetings at places that are easily accessible and at a time convenient to the shareholders to encourage them to attend the meetings.

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In line with the Listing Requirements, to encourage more shareholder participation at the Company's general meetings, the Company allows any member who is entitled to attend and vote at the general meeting to appoint a proxy to attend and vote for him/her and the proxy so appointed may but need not be a member of the Company and need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies. The Company's Articles of Association explicitly allow the right of a proxy to speak at general meetings. Notices of meeting convening the general meetings and related Circulars are sent to the shareholders in accordance with the regulatory and statutory provisions. All notices are advertised in a national English newspaper within the prescribed deadlines.

All meetings are recorded by the Company Secretaries and minutes of the general meetings are available for inspection in accordance with the provisions of the CA.

Poll Voting

At the general meetings, the Chairman of the meeting will inform the shareholders of their right to demand for a poll vote. However, all resolutions put forth to the shareholders for approval are generally carried out by a show of hands, unless otherwise demanded by shareholders in accordance with the Articles of Association of the Company.

CONCLUSION

The Board recognises the importance of the Group practising good corporate governance and has made it a corporate policy to continually improve on its corporate governance practices and structure to achieve an optimal governance framework.