

SUSTAINABILITY STATEMENT

In line with the Main Market Listing Requirements on sustainability reporting issued by Bursa Malaysia Securities Berhad ("Bursa"), we are proud to present our inaugural Sustainability Statement together with this Annual Report.

Whilst the Board is primarily responsible for the sustainability performance of the Group, a Risk and Sustainability Committee ("RSC") headed by our Chief Executive Officer has been established to assist the Board in identifying material sustainability matters, managing and monitoring their progress on a regular basis. The main task of the RSC covers the determination of the Economic, Environment and Social ("EES") risks and opportunities within the eco-system of the Group. Among the responsibilities of the RSC include identifying the EES impacts on our Group, implementation of the approved sustainability strategies and action plans to achieve the Group's milestones and goals.

STAKEHOLDER ENGAGEMENT

Our Group believes that engagement of the various stakeholders is integral in steering us towards our long term sustainability goals. Our business divisions aim to maintain a constant line of communication with their stakeholders, both at formal and informal levels. It is through this practice of open communication that our Group is able to build a trustworthy relationship with our stakeholders which include customers, investors, suppliers, employees, regulatory and statutory bodies, local communities, higher learning institutions and local community/welfare organisations.

Listed below are the issues of concern impacting different shareholders and the various form of engagement which the Group has undertaken:-

Stakeholders	Issue of Concern	Forms of Engagement
Customers	Product quality, support services, inventory supply and pricing	<ul style="list-style-type: none"> o Feedback to principals on quality improvement and quantity forecast o Sales and technical visit to principals o Customer service centre o Customer survey form
Shareholders	Group financial performance, business strategy and governance	<ul style="list-style-type: none"> o Annual General Meeting o Quarterly and statutory announcements to Bursa
Suppliers	Product quality, payment schedule, pricing and delivery schedule	<ul style="list-style-type: none"> o Regular updates and briefing on purchasing policy o Supplier evaluation/audit o Meeting and feedback to suppliers
Employees	Career development, compensation policy, retirement planning, employee welfare, health and safety	<ul style="list-style-type: none"> o Annual performance review o Intranet portal o Training o Meeting/discussion
Regulatory and Statutory bodies	Statutory compliance, labour practices and environmental guidelines	<ul style="list-style-type: none"> o Active engagement with respective regulating agencies and bodies
Higher institution, local community and welfare organization	Career opportunity, community welfare	<ul style="list-style-type: none"> o Participate in Higher institution career fairs o Social contribution and community service programmes

As this is the inaugural report for our Group in Sustainability matters, a training workshop has been conducted and attended by the key personnel of the Group. Subsequent to this, a working committee has been established and regular meetings arranged to identify and brief the respective working committees with regard to the 3 key aspects which have material impact on our long term sustainability objectives, namely Economic, Environmental and Social.

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ECONOMIC

The Group considers the quality of our products and services as vital to our success and, where possible, industry's best practices are adopted. We have identified customer satisfaction, productivity and succession planning as the three (3) material indicators that are critical in the economic aspect.

Customer satisfaction has been an integral part to our Group's success over the years as satisfied customers will lead to customer loyalty in the long term. Therefore, the following actions were undertaken by the Group during the year:

- customer survey were conducted on regular basis to obtain feedback from our customers on areas of improvement;
- customers' complaints were addressed timely;
- regular trainings were conducted to enhance our sales and service personnel's skills in handling customers queries and requirements; and
- feedback from customers relating to product and services was relayed to our Principals.

Productivity and efficiency are critical in today's highly competitive and unpredictable market. Our focus on productivity includes:

- streamlining sales and operations processes to ensure delivery of better value products and faster response time to customers; and
- continuous cost rationalisation process to ensure efficient utilisation of resources and time which in turn enabled us to provide competitive products and services to customers.

Succession Planning has always been the key focus of the Group, as the importance of smooth transition for key positions with minimum impact on the operation is critical. With this, the Group has a succession programme in place where internal talents within the Group are identified, developed and groomed to take over the key roles in future. This succession plan is not only limited to the top management but applies to different levels of management within the Group. The progress of the successors is reviewed and assessed by the top management from time to time and proper training and guidance is provided as and when required.

ENVIRONMENT

Being cognizant of the need to conserve the environment, the Group implemented various environmental and waste management practices in its daily operation which include:

- enhance environmental awareness amongst our employees and suppliers through regular feedback;
- employees were encouraged to practice energy savings and promote recycling in their daily life. Waste segregation dustbins, reducing paper printing, replacing fluorescents lamps with energy efficient LED tubes and inverter technologies electrical appliances in stages were some of the initiatives that have been introduced throughout the year to conserve energy and reduce wastages;
- only authorised waste service centres and waste collectors were engaged to perform waste collection services as they have the responsibility to recycle any of the disposed parts and/or dispose the wastes generated from our operation in an orderly manner;
- we encouraged the use of fully synthetic oil during the regular services to prolong the service interval and resulted in lower volume of used oil being disposed of; and
- grease, oil and silt traps were installed at our workshop to minimise their discharge into the environment.

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SOCIAL

Employee Training, Education and Career Development

We recognize that human capital is the key driver to our business sustainability and performance. Therefore, we continue to invest in developing individual talents within the Group to be equipped with the required skills to handle their daily challenges. The training programmes, both internal and external, focus on employee's leadership competencies, personal effectiveness and building team spirit.

In addition to training and continuous education, we also provide career advancement opportunities for current employees. Experienced speakers were invited to share their experience with the Group on various topics which included the impact of latest technology development on the Group's current and future business. The Young Executive Council ("YEC") was established to mould and motivate young leadership within the Group.

In this front, we have targeted to provide up to 20 hours of job-related training program for each employee. The Table below shows the training hours in 2017:

Year	Total Training Hours	Total Employee	Average training hour per employee
2017	12,933	1,352	9.57

Diversity & Equal Opportunity

The Group promotes inclusiveness and equal opportunity, regardless of ethnicity, nationality, gender or age of employees. Active communication between the staff and management is encouraged as it promotes better understanding and a conducive working environment.

We view the diversity of our people as a source of strength. We seek to create an environment that allows all our employees to thrive because the diversity of experiences, knowledge and approaches they bring are necessary to drive performance and innovation.

As at end of financial year, the ethnicity and gender of the Group's employees are as follows:

Ethnicity

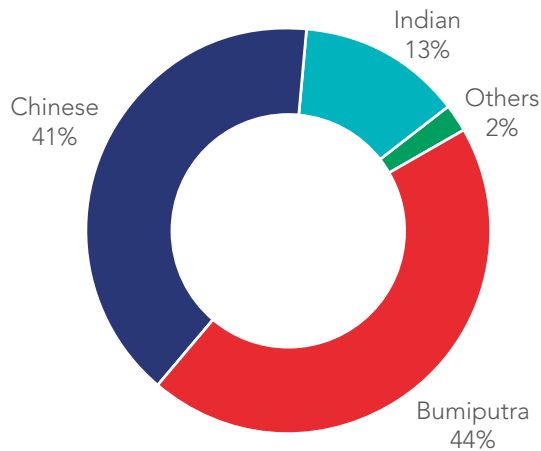
	Bumiputra	Chinese	Indian	Others	Total
Total Employee	601	547	171	33	1,352
Percentage	44%	41%	13%	2%	100%

Gender

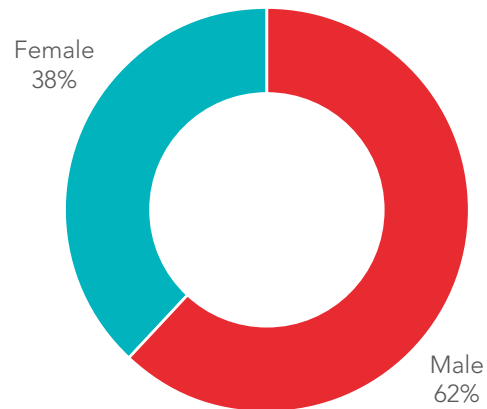
	Male	Female	Total
Total Employee	837	515	1,352
Percentage	62%	38%	100%

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Ethnicity



Gender

Communities Activities & Contributions

We acknowledge the importance of assisting the less fortunate and have always ensure that we contribute back to the society as part of our humble efforts which could change the lives of people in need as even a small gesture such as donation would have a large impact on the community. Therefore, the various activities we have carried out during the year include the following:

CSR Activity 1: Visits/Support to Old Folk Home

In conjunction with New Year 2017, we organised a 1-day visit to Wan Hing old folks home on 6 January 2017.

Our aim is to bring cheer to these senior citizens as we recognise their contributions towards the society during their younger days. We conducted various activities during this visit which included short introduction, get to know session, singing, photography session and presenting our gift to these old folks. The activities concluded with a dinner with these old folks.



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CSR Activity 2: Zoo Negara Volunteer Program

Another CSR activity for the year 2017 took place at ZOO Negara on 15 April 2017. A total of 21 participants from our Machinery Division gathered early in the morning for this volunteer program. The participants were divided into 4 groups and were assigned with different types of food preparation. The teams were individually briefed on the precise and detailed methods on the food preparation. After dedicating 2 hours to prepare and customize the food accordingly to each species of animals, the participants were then required to make their way into the animal feeding cages and set up the food according to their natural habitat. Through this, the Machinery Division learnt the importance of the caring for the environment and Mother Nature.

CSR Activity 3: Persatuan Penjagaan Kanak-kanak Cacat Klang, Selangor

On 10 June 2017, a group of 15 participants has visited Persatuan Penjagaan Kanak-kanak Cacat Klang, Selangor. This home caters to the young, mentally and physically disabled orphans who are in need of home and care.

We contributed daily groceries and food, which included birthday cakes to celebrate their birthdays. In line with the belief of moving towards a more "CARING" Group, we displayed our passion and affection by organising various activities with the disabled orphans as follows:



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CSR Activity 4: Blood Donation

We organized two blood donation sessions in 2017 with the 1st session on 19th of January and 2nd session on 25th of April. Both sessions were carried out at Lot 9 Lobby Area at the University Malaya Medical Centre (UMMC), Petaling Jaya.

We had managed to garner a total 66 blood donors during the 1st session and 53 blood donors for 2nd session.



Workplace Safety and Health

We view the safety and health impact on every single employee in the Group seriously. We have zero tolerance on safety matters as we understand that any serious injury may cause the employee to lose his/her working capability permanently.

All our subsidiaries have their own Safety and Health Committees to monitor and review the safety and health related matters on a regular basis. The safety officer, who is properly trained and qualified, performs regular inspections at the office and factory and reports on any non-compliance issues as well as accidents to the Safety and Health Committee.

Fire drills are carried out on regular basis to ensure that the Emergency Response team and employees are familiar with their roles during emergency such firefighting skills for trained personnel and vacating the premises in an orderly manner via dedicated route to the assembly bay within acceptable timeframe.

Unplanned fire drill at Lot 9 TCIM was carried out on 24 August 2017



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Compliance with Laws and Regulations

We treat compliance with laws and regulations seriously, therefore, we ensure all our activities comply with laws and regulations at all times.

We also provide training to all the employees who handle the Goods & Services Tax ("GST") matters to ensure we comply with the GST Act 2014. We have an in-house Tax Department to advise our subsidiaries on GST matters. In addition, we have also engaged an external tax consultant firm to review and advise us on GST matters.



Anti-Fraud and Corruptions

The Company has zero tolerance on fraud and corrupt practices and hence requires our employees to cultivate a culture of honesty, reliability, transparency and accountability throughout the organisation and among our stakeholders.

The Fraud Prevention Policy which was adopted by the Company on 26 February 2013 was applied to all our subsidiaries. The Policy clearly defines corruptions, fraud, compliance channel, Group Compliance Officer, Investigation Officer, Governing Committee, and In-house Investigation Unit.

The said Policy also stipulates the actions that the Group will take to address all matters reported in respect of fraud, corruption and other irregularities as well as mechanisms to report to management and to assist management with all instances of fraud, corruption and other irregularities.

All employees and stakeholders operating within the Policy are entitled to confidentiality and protection against victimization.