

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 7086  
**COMPANY NAME** : ABLEGROUP BERHAD  
**FINANCIAL YEAR** : December 31, 2022

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("Board") has the overall responsibility for overseeing the Group's business and performance, operation progress and affairs to ensure that the Group's objectives and shareholders' value are met.</p> <p>The Company's Board Charter defines the specific duties and responsibilities of the Board, amongst others. The Board Charter is available on the Company's website at <a href="http://www.ablegroup.com.my">www.ablegroup.com.my</a>.</p> <p>The Board has delegated specific duties and responsibilities to the Committees of the Board, namely the Audit Committee ("AC"), Nomination Committee ("NC") and Remuneration Committee ("RC"), each operates within clearly defined terms of reference. The Chairman of the various Committee reports to the Board the outcome of the Committees' meetings and recommendations of all matters considered at its meeting. The functions and activities of each Committee are elaborated in their respective report set out in the Annual Report 2022.</p> <p>The Board, together with the Management promotes good corporate governance culture within the organisation which reinforces ethical, prudent and professional behaviour amongst employees and Board members.</p> <p>The Board meets on a quarterly basis and additional meetings will be convened as required from time to time to consider urgent proposals or matters that require the Board's immediate decision. Quarterly meetings are scheduled in advance so that the Directors can plan ahead to ensure attendance at Board meetings. Quarterly performance reports alongside other operation updates are presented to the Board by Management for review and approval.</p>
<b>Explanation for departure</b>	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the Board is responsible for ensuring the integrity and effectiveness of the governance processes of the Board and will consult and discuss with the Board promptly over any matter of major concern. The Board, under the leadership of the Chairman, discharges their duties and works effectively and performs their responsibilities with all key and pertinent issues discussed in a timely manner. The Chairman encourages all Directors to participate during board discussion and share their views on the matters being tabled for review including the Company's affairs and issues and all Directors are entitled to have access to the Management and members of key senior management for matters requiring further details and clarifications.</p> <p>The Chairman ensures the conduct and working of the Board is in an orderly and effective manner and board meetings are managed effectively, leading the Board in its collective oversight of the management, facilitating active discussion and participation by all Directors prior to decision making and ensures that sufficient time is allocated to discuss all relevant issues at Board meetings.</p> <p>The Chairman also maintains good contact and effective relationships with external parties, investing public, regulatory agencies and other stakeholders.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The positions of the Chairman and Managing Director are held by different individuals.</p> <p>There is a clear and distinct division of responsibilities between the Chairman and the Managing Director to ensure appropriate balance of power and role, responsibility and accountability at the Board level.</p> <p>The Chairman is primarily responsible for ensuring that the conduct and working of the Board are in an orderly and effective manner besides providing leadership for the Board whilst the Managing Director manages and oversees the daily business and operations of the Group; drives and provides strategic direction and guidance and ensures effective implementation of Board policies and procedures.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## 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 Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b>	: Departure
<b>Explanation on application of the practice</b>	:
<b>Explanation for departure</b>	: The Chairman of the Board, Mr Yeoh Chong Keat is a member of the AC, NC and Chairman of the RC of the Board.  The Chairman of the Board did not dominate any of the discussion at the AC, NC and RC level. Decisions made by these Board Committees are reported and recommended to the Board and such matters are further reviewed and discussed at Board level before decisions are made.
	: The Board took cognisance of this Practice and opined that with only 4 members on the Board and taking into account the fact that matters within the purview of the said Board Committees are matters reserved for the decision of the Board, there is adequate check and balance in the board room despite having the Board Chairman as a member of the AC, NC and the Chairman of the RC during the year in review.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	: Choose an item.

## 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

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by two (2) professional Company Secretaries who are members of the prescribed professional body and holders of practicing certificate pursuant to the requirements of the Companies Act 2016. The Board has full and unrestricted access to the experienced Company Secretary in ensuring the effective functioning of the Board. The Company Secretary plays an advisory role and keeps the Board abreast of statutory and regulatory requirements, corporate governance practices and other relevant rules or guidelines that govern the activities of the Company from time to time.</p> <p>The Company Secretary is also responsible for advising the Directors of their legal duties and obligations including duties to disclose interest in securities, any conflict of interest in transactions involving the Group, prohibition on dealing in securities, amongst others.</p> <p>Prior to the Board and Committees meetings, the Company Secretary ensures that meetings agendas are disseminated to the Directors and Committee members and coordinate with Management in the compilation of meetings papers in a timely manner so as to allow the Directors to have adequate time to review and be prepared for discussion to ensure effective proceedings of the meetings.</p> <p>The Company Secretary organises and attends all Board and Board Committee meetings as well as general meetings of shareholders and is responsible for ensuring that the meetings are properly convened with the presence of a requisite quorum and that accurate and proper records of the proceedings and/or resolutions passed are taken accordingly. After the conclusion of the meetings, the Company Secretary will follow up with Management on the implementation of decisions made by the Board where relevant, including any statutory filings or notifications arising from the decisions made by the Board at the meeting.</p> <p>The appointment and removal of the Company Secretary shall be the decision of the Board.</p>
<b>Explanation for departure</b>	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**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 1.6**

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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Prior to the scheduled Board and Board Committees meetings, relevant meeting papers including but not limited to quarterly and year-to-date financial results, minutes of previous meetings, annual budget and/or business plans, operation reports and updates on statutory regulations and requirements, amongst other documents, will be circulated together with the meeting agendas at least three (3) days before the date of the meetings to enable the Directors to review and consider the matters to be tabled to facilitate effective review and discussion of the meetings.</p> <p>Draft minutes of the meetings would be prepared and circulated by the Company Secretary to the Board of Directors and Committee members within a reasonable period for review and comments. The minutes will be tabled at the subsequent meetings of the Board and Board Committees for approvals and entered in the minutes book of the Company accordingly.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Board Charter outlines the processes and procedures for the Board including Board membership, composition of Board Committees and respective responsibilities in discharging their stewardship effectively and efficiently, amongst others. The Board Charter and the Terms of Reference of the AC, NC and RC are available on the Company’s website.  The Board Charter is reviewed and updated periodically to remain relevant to existing rules and regulations as well as standards of corporate governance.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has in place a Code of Conduct and Ethics which governs the conduct of all the Group employees including the Boards members with the aim to cultivate good ethical conduct, and enhance the standard of corporate governance, amongst others.</p> <p>The Code of Conduct and Ethics is based on the core principles of integrity, transparency, fairness, accountability and contributing towards the social and environmental growth of the surroundings in which it operates. The Code of Conduct and Ethics is formulated to enhance the standard of corporate governance and corporate behaviour by establishing a standard of ethical behavior for Directors based on acceptable beliefs and values.</p> <p>The Code of Conduct and Ethics also sets standards for the employees within the Group to promote professionalism and improve the competency of Management and employees at all times. The Group is committed to providing a safe and healthy work environment to all employees and that health and safety protection and support is provided to workers and employees at work places.</p> <p>The Code of Conduct and Ethics is available on the Company's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company recognises that any genuine commitment to detecting and preventing actual or suspected unethical, unlawful, illegal, wrongful or other reportable misconduct must include a mechanism whereby employees and other stakeholders can report their concerns freely without fear of reprisal or intimidation.</p> <p>To this end, the Company has adopted a Whistle Blowing Policy which fosters an environment that engenders integrity, transparency and fairness to all employees and where genuine concerns related to possible improprieties in the matter of financial reporting, compliance and other malpractices can be objectively investigated and addressed.</p> <p>The Group has adopted a zero-tolerance policy against all forms of bribery and corruption. In line with the amendments to Bursa Securities' Listing Requirements in relation to anti-corruption measures, the Group had established and implemented the anti-bribery and anti-corruption action plans to prevent the occurrence of corrupt practices in relation to the business dealings and activities of the Group.</p> <p>The Anti-Bribery and Anti-Corruption Policy adopted by the Group sets out the commitment of the Group towards the prevention, deterrence and detection of fraud, bribery and all other corrupt business practices, amongst others, and applicable to all the companies and employees of the Group, Board of Directors and all third parties, including but not limited to contractors, vendors, suppliers, agents, consultants, business partners and any person associated with the Group.</p> <p>The Whistle Blowing Policy, Anti-Bribery and Anti-Corruption Policy are published on the Company's website.</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board and Management oversee the corporate sustainability strategy and performance and place importance on sustainability measures being integrated across the operations of the Group. The Board is supported by the Managing Director who oversees and monitors the implementation of sustainability strategies and performances by the Management team.</p> <p>The relevance of the material economic, environmental and social ("EES") risks and opportunities for the financial year ended 31 December 2022 was reassessed by the Board and Management. 10 material sustainability matters were reevaluated, with an additional new topic – Climate Change &amp; Energy Management. These 11 material sustainability matters significant to the Group are listed below:</p> <ol style="list-style-type: none"><li>1. Workplace Safety;</li><li>2. Anti-Bribery &amp; Anti-Corruption;</li><li>3. Growing the business;</li><li>4. Compliance;</li><li>5. Ethics &amp; Integrity;</li><li>6. Procurement Practices;</li><li>7. Climate Change &amp; Energy Management</li><li>8. Corporate Social Responsibility;</li><li>9. Customer Satisfaction &amp; Brand Reputation;</li><li>10. Supplier Development; and</li><li>11. Employee Relations.</li></ol> <p>The materiality matrix of the Company's sustainability statement for the financial year ended 31 December 2022 was generated, taking into account the priorities of the material matters above to our Group's business and weightage to the stakeholders to balance its short term business prospects with its long term vision for business resilience and sustainability.</p>

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		



### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company's sustainability strategy is carefully developed in ways that it will contribute to long term business growth and value creation. Our long term sustainability approach aims to manage material sustainability risks and opportunities which entails doing business ethically and responsibly and committed towards engagement with stakeholders to better understand and meet their expectations.</p> <p>The Group recognises the importance of understanding and addressing the stakeholders' concerns and issues for business sustainability and stakeholders' engagements through continuous interaction and dialogue.</p> <p>From time to time, the Group engages all its identified stakeholders both internal and external stakeholders through meetings, reviews, discussions, calls and focus groups to better identify and understand any sustainability expectations these stakeholders may have:-</p> <ul style="list-style-type: none"><li>• Employees</li><li>• Directors</li><li>• Investors and shareholders</li><li>• Customers</li><li>• Suppliers (including contractors)</li><li>• Senior management</li><li>• Government and regulators</li></ul> <p>Further details of the key areas of interest and methods of engagement are set out in the Sustainability Statement in the Company's Annual Report 2022.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.3**

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board and Management ensure that EES related considerations are embedded into the Group’s business strategies and operations and monitors key sustainability matters and issues to address sustainability risks and opportunities.</p> <p>The Company took cognisance of the challenges ahead posed by climate change and related risks and acknowledges the role the Company has to play in working towards combating climate change.</p> <p>The Board encourages its Directors to attend training programmes to keep abreast with development in regulatory, corporate governance and sustainability issues relevant to the Company and its business.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.4**

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The annual Board Evaluation Questionnaires in respect of the financial year 2022 had been updated to incorporate relevant questions relating to the management of sustainability and related measures and material matters on ESG. Through the evaluation, the review of the performance of the Board and senior management in addressing the Company’s material sustainability risks and opportunities is performed. The Board ensures that review of EES related matters and considerations are the criteria encompasses in the annual evaluation of the Directors and effectiveness of the Board.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.5- Step Up**

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

*Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### Intended Outcome

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

### Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During the year under review, the Nomination Committee reviewed the size, structure and composition of the Board, assessed the effectiveness and performance of the Board and Board Committees as well as their respective functions, focusing on the structure of the Board and its operations, Board and Board Committees' roles and responsibilities. The Nomination Committee was satisfied that the size, structure and composition of the Board and Committees are satisfactory with appropriate mix of knowledge, skills, attributes and core competencies to enable the Board to discharge its duties and responsibilities effectively.</p> <p>The Nomination Committee reviewed the annual re-election of Directors pursuant to the Company's Constitution taking into consideration satisfactory evaluation of the performance of the Board and individual Director. Pursuant to Article 92 of the Company's Constitution, Mr Loi Heng Sewn and Mr Cheong Marn Seng, both the Independent Non-Executive Directors of the Company retired and re-elected at the 18<sup>th</sup> Annual General Meeting of the Company held on 27 May 2022.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board has four (4) members, comprising the Managing Director and three (3) Independent Directors. The Independent Directors comprise more than half of the composition of the Board.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.3

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 provide justification and seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>At the last AGM of the Company held on 27 May 2022, the Company obtained the approval of the shareholders to retain Mr. Yeoh Chong Keat and Mr. Cheong Marn Seng, the Independent Non-Executive Directors who has served for a cumulative period of more than nine (9) years and the resolutions were passed through a single-tier voting process.</p> <p>In justifying the decision, the NC and the Board have reviewed and assessed the independence of Mr. Yeoh and Mr Cheong, considers them to be independent and remain unbiased, objective in expressing their opinions and in participating in the decision making of the Board. They had also devoted sufficient time and attention to discharging their responsibilities as Independent Directors besides exercising due care during their tenure as Independent Directors of the Company and carrying out their duty in the best interest of the Company and shareholders.</p> <p>The length of their services on the Board has not in any way interfere with their exercise of balance and objective view to Board deliberations. Furthermore, their experience and knowledge of the Group's businesses and operations enable them to contribute effectively to Board deliberations and decision making.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	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 5.4 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

*Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

## Intended Outcome

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

## Practice 5.5

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.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group practices non-discrimination in any form, whether based on age, gender, ethnicity or religion, throughout the organisation. This includes the selection of the members of the Board and senior management.</p> <p>In addition, the Group believes it is importance that the Board and senior management personnel is composed of the best-qualified individuals who possess the requisite knowledge, experience, independence to ensure that the Board functions effectively and is able to discharge its duties in the best interests of the Company and shareholders.</p> <p>The NC is delegated with the responsibility of assessing, considering and recommending to the Board, suitable candidates for appointment as Directors, after taking into consideration the candidates' background, expertise, experience, character, and professionalism.</p> <p>The Board, alongside the NC, undertakes a review of the composition of the Board annually to ensure that they remain diverse and effective in the discharge of duties and responsibilities.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.6

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.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In identifying suitably qualified candidate for appointment to the Board, the Board may consider the recommendations from the existing board members, the Management and/ or major shareholder as well as from independent sources.</p> <p>The Board is responsible for determining the appropriate size of the Board and the appointment of new director is a matter for consideration and decision by the Board, upon the recommendation of the NC. The NC has been tasked to review the recruitment and selection process of new director having regard to the criteria set out in the Directors' Fit and Proper Policy and the required mix of skills, experience, other qualities and diversity, including gender, amongst other attributes needed to ensure an effective Board in the review and selection of potential Board member.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	For individuals standing for election as Directors of the Company (excluding directors standing for a re-election), the Board ensures that shareholders are provided with the necessary information including details of any interest and the position of the proposed directors in order to make an informed decision on the appointment of directors.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Mr Loi Heng Sewn, an Independent Non-Executive Director, is the Chairman of the Nomination Committee.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	The Board consist exclusively of male Directors. Notwithstanding, the Board agreed that the current size of the Board is optimum and effective in the discharge of its oversight function.
		The Board will ensure that the Company complies with the Listing Requirements of Bursa Securities mandating listed issuer to have at least 1 woman director on its board by the stipulated timeline, having regard to amongst others, the requirements of the Board and Management and the selection criteria set out in the adopted Directors' Fit and Proper Policy.  The Board will also seek to ensure the development of diversity in the senior management roles within the Group and supports and oversees the Group's objective of achieving senior roles held by female executives and to develop opportunities for female executives to ensure unbiased career progression opportunities.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	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 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is committed to provide a fair and equal opportunities and nurturing diversity in the boardroom and workplace. The Board believes that while it is important to promote gender diversity, it is of the view that Board membership should be determined based on a candidate's skills, experience, and knowledge in areas identified by the Board. The Board will ensure that the Company complies with the Listing Requirements of Bursa Securities mandating listed issuer to have at least 1 woman director on its board by the stipulated timeline.</p> <p>The Board will also seek to ensure the development of diversity in the senior management roles within the Group and supports and oversees the Group's objective of achieving senior roles by female executives and to develop opportunities for female executives to ensure unbiased career progression opportunities.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



## Intended Outcome

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

## Practice 6.1

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 its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The NC performed an annual evaluation of the Board, Board Committees and each Director through questionnaires and the outcomes were reported to the Board for review and/or consideration of any required actions.</p> <p>The NC and Board have open discussions on the assessment and are satisfied that the performance of the current Board for the year under review, with an appropriate mix of knowledge, skills, attributes and core competencies were adequate to enable the Board to discharge its duties and responsibilities effectively, and that all the Board Committees were assessed to be effective as a whole in discharging their roles and responsibilities.</p> <p>All assessments and evaluations carried out by the NC in the discharge of all its functions were properly recorded and documented.</p>
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

### 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 7.1

The board has remuneration 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 remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The RC is primarily responsible for reviewing and recommending to the Board the remuneration package of the Executive and Non-Executive Directors to ensure that the Group attracts and retains Directors of the caliber needed to run the Group successfully.</p> <p>The remuneration seeks to enable the Company to provide a well-balanced and reasonable competitive compensation package that is focused on sustainable results and is aligned with the business performance of the Company. The remuneration of the Managing Director and senior management is linked to the financial performance which is aligned to the Company's business objectives. The remuneration of Non-Executive Directors should be appropriate for their contributions to the Company, taking into account factors such as effort and time spent, and responsibilities of the Directors including their appointment in Board Committees.</p> <p>The Remuneration Policy would be reviewed and updated as and when required for effectiveness and made available on the Company's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### 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 7.2

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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The primary responsibility of the RC is to review the remuneration framework and determine remuneration packages for the Executive and Non-Executive Directors of the Company.  The adopted Remuneration Policy seeks to ensure the Company provides a well-balanced and reasonable compensation package that is focused on sustainable results and is aligned with the business performance of the Company.  The RC carried out its duties in accordance with its Terms of Reference which is available on the Company's website.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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 8.1**

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Details of the remuneration of individual Directors of the Company for the financial year ended 31 December 2022 disclosed on named basis are set out below.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Yeoh Chong Keat	Independent Director	36	0	0	0	0	2	38	36	0	0	0	0	2	2
2	Cheong Marn Seng	Independent Director	27	0	0	0	0	2	29	27	0	0	0	0	2	2
3	Loi Heng Sewn	Independent Director	27	0	0	0	0	2	29	27	0	0	0	0	2	2
4	Dato' Lim Kim Huat	Executive Director	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
6	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
7	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

### 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 8.2

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.

<b>Application</b>	:	Not applicable - all members of senior management are members of the board	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	Please provide an explanation for the departure.	
	:	Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	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 8.3 - Step Up**

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

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

**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 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of the AC and the Chairman of the Board are held by different individuals.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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 9.2**

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The policies and procedures established by the AC on External Auditor outlined the guidelines and procedures for the Committee to review, assess and monitor the performance, suitability, objectivity and independence for appointment or re-appointment of the External Auditors of the Company.</p> <p>The Policy provides that former partners of the external audit firm of the Company will not be offered employment by the Company or any of its related corporations or being appointed as a member of the Audit Committee within three (3) years of undertaking any role on the audit. This applies to all partners of the audit firm and/or the affiliate firm (including those providing advisory services, tax consulting etc.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The External Auditors Policy adopted by the AC sets out the guidelines and procedures for review and assessment of the suitability, objectivity and independence of the External Auditors.</p> <p>The formal and transparent arrangements to maintain appropriate relationship with the External Auditors of the Group includes undertaking of annual assessment to ascertain the suitability, objectivity, independence and professional scepticism of the External Auditors. The Auditors will highlight to the AC and the Board on matters require their attention during the course of the audit. The AC and Board place great emphasis on the objectivity and independence of the External Auditors in providing the auditors' reports to the shareholders.</p> <p>During the financial year ended 31 December 2022, the AC has conducted private sessions with the External Auditors without the presence of the Management on 24 February 2022 and 15 April 2022 to discuss material matters relating to the audit and the assistance provided by the Management to the External Auditors. The AC noted that there were no major issues within the Group that requires the attention of the Audit Committee.</p> <p>The AC was satisfied with the External Auditors' independence, suitability, and the quality and candour of the auditors' communication with the AC and the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**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 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The AC consists of the following three (3) members, all of whom are Independent Non-Executive Directors:  <ol style="list-style-type: none"><li>1. Mr Cheong Marn Seng (<i>Chairman of Audit Committee</i>) – Independent Non-Executive Director</li><li>2. Mr Yeoh Chong Keat – Independent Non-Executive Director</li><li>3. Mr Loi Heng Sewn – Independent Non-Executive Director</li></ol>

### 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 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The members of the AC possess the necessary skills and qualifications to discharge their duties in accordance with the Terms of Reference of the AC.</p> <p>The members of the AC are financially literate with the requisite accounting qualification and are able to understand matters under the purview of the AC. All members of the Board including the AC undertake continuing development and education or training programs to keep themselves abreast of emerging issues and relevant developments in accounting and auditing standards, practices and rules for effective discharge of their duties and responsibilities.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### 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 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges its responsibility and re-affirms its commitment in maintaining a sound risk management and internal control systems to safeguard the interest of shareholders and the Group's assets. The responsibility of overseeing the adequacy and integrity of the Group's risk management and internal control systems is delegated to the AC who is empowered by its Terms of Reference to seek assurance on the adequacy and integrity of financial, operational and compliance control as well as internal control system and risk management procedures through independent reviews carried out by the internal audit function and management.</p> <p>The Board through the AC has established an ongoing process in identifying, evaluating and managing significant risks faced by the Group. This ongoing process which includes updating the risk management and internal control systems when there are changes in the business environment or regulatory guidelines is reviewed by the Board.</p> <p>The Board recognises that risk cannot be totally eliminated and the system of internal control instituted can only help to minimise and manage risk and provides reasonable assurance that assets of the Company and of the Group are safeguarded against material loss and unauthorised use and the financial statements are not materially misstated.</p> <p>The Company has outsourced its internal audit function to Sterling Business Alignment Consulting Sdn Bhd, an independent professional consultancy firm with the aim of providing independent and systematic reviews on the systems of internal control within the Group. The Internal Auditors conduct internal audit review based on the approved audit plan and provide independent and objective findings on the management of risks and processes as well as systems of internal control, and report to the AC accordingly. The internal auditors evaluate and improve the effectiveness of risk management and the control processes where significant risks are identified, assessed and managed.</p> <p>For the financial year under review, the Board is satisfied that there were no material control deficiencies, losses or contingencies noted as</p>

	<p>the reported internal control weaknesses are considered to be at an acceptable level within the context of the Group's business environment.</p> <p>The Board together with the management will continuously assess the adequacy and effectiveness of the Group's system of risk management and internal controls and will take proactive measures to enhance the system.</p>	
<p><b>Explanation for departure</b></p>	<p>:</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><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

### 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 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The main features of the risk management and internal control framework of the Group are set out in the Statement on Risk Management and Internal Control presented in the Company's Annual Report 2022.  The internal control and risk management framework are designed to manage rather than eliminate risks and to provide reasonable but not absolute assurance against any material misstatement or loss.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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 10.3 - 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.

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	

### 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 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC has been tasked to oversee and monitor the effectiveness of the Group's internal audit function and is supported by Sterling Business Alignment Consulting Sdn Bhd, the outsourced Internal Auditors in discharging its duties and responsibilities. The Internal Auditors provide independent and objective feedback to the AC and Board on the adequacy, effectiveness and efficiency of the internal control system of the Group.</p> <p>The Internal Auditors, in the course of their review, have unrestricted access to the relevant documentation including the financial statements, operational reports, internal policies and procedures as well as corporate and governance processes, and report directly to the AC on all matters of internal control and audit.</p> <p>The Internal Auditors report to the AC their audit findings, recommendations of the corrective actions or improvement measures to be taken by Management together with Management's responses in relation thereto. The Internal Auditors will conduct periodic follow-up reviews on the implementation of their recommendations by Management and report to the AC accordingly.</p> <p>During the financial year under review, the Internal Auditors undertake internal audit reviews based on the audit plan approved by the AC. The audit plan covers amongst others, the review of the adequacy of operational control, risk management, compliance with established policies and procedures, laws and regulations. The Internal Auditors reported that there was no limitation of scope in respect of the audit conducted during the financial year under review.</p> <p>Further details of the internal audit function are set out in the AC Report in the Annual Report 2022 of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

## 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 11.2

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Sterling Business Alignment Consulting Sdn Bhd, the outsourced Internal Auditors is a member of The Institute of Internal Auditors Malaysia (IIAM). The Internal Auditors are adequately staffed and resourced and have unrestricted access to the AC, the Board and Management. The Internal Auditors are free from any relationships or conflicts of interest, which could impair their objectivity and independence on the internal audit activities. The Internal Auditors do not have any direct operational responsibility or authority over any of the activities it audits.</p> <p>The Internal Auditors applied the Committee of Sponsoring Organisations of the Treadway Commission’s (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the Group’s internal control systems. These involved walking through the processes and procedures, discussing with key staff, reviewing documentation as well as observation of the current practices.</p> <p>The number of resources deployed by the Internal Auditors for each internal audit review ranges from 3 to 4. The internal audit team is led by Mr. Cheng Chean, a Chartered Member of the Institute of Internal Auditors Malaysia (“CMIIA”) and a Fellow Member of the Chartered Certified Accountant (“FCCA”). Mr. Cheng has 19 years of hands-on experience in the fields of External Audit, Internal Audit and Internal Control Review.</p> <p>The internal audit is conducted in a manner that is consistent with and meets the Standards for the Professional Practice of Internal Auditing and Code of Ethics of the IIAM. Internal audit reviews were conducted in accordance with the approved internal audit plan which inter-alia encompasses review of identified business processes, material internal controls including compliance with the Company’s policies, procedures and regulatory obligations and improvement measures to the internal control process were recommended accordingly.</p>

	The AC reviewed the internal audit reports presented by the Internal Auditors and considered the recommendations, taking into account Management's responses, before endorsing the appropriate action plans.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### 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 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of communication and timely dissemination of material information to its shareholders and stakeholders and these are done through the release of public announcements of its quarterly report and financial results, Annual Reports and Circulars of the Company.</p> <p>The Corporate Disclosure Policy of the Company sets out amongst others, handling and disclosure of material information of the Group in a clear, timely and accurate manner as well as avoiding selective disclosure to the investing public.</p> <p>The general meetings of shareholders including annual general meeting (AGM) remain the principal forum for dialogue and interaction between the Board and the shareholders. The participation of shareholders at the AGM giving their views and feedback and seeking clarifications from Management on the Group's operations and business update and performance as well as exchange views is encouraged.</p> <p>The Company's policies and procedures, announcements released to the public, amongst other information are accessible on the Company's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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 12.2**

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

<b>Application</b>	:	Not applicable – Not a Large Company	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The notice convening the 2022 Annual General Meeting (AGM) of the Company was given to the shareholders on 28 April 2022, at least 28 days prior to the AGM held on 27 May 2022.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	All members of the Board including the Chairman of the Board and Board Committees attended the 2022 AGM of the Company which was held physically on 27 May 2022 to engage with the shareholders of the Company.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The 2022 AGM of the Company was physically held at Hotel Armada, Petaling Jaya, Selangor, a strategic location easily accessible and familiar to the shareholders of the Company.</p> <p>Shareholders who were unable to attend the AGM were entitled to appoint proxy/proxies to participate, speak and vote on their behalf at the General Meetings.</p> <p>The Board agreed that physical general meetings could facilitate effective face-to-face communication between the shareholders and the Board of Directors as there are better flow of conversation and communication on the business plan and performance of the Company, besides any clarification on the resolutions tabled at the meeting necessary for the shareholders to make informed voting decision.</p> <p>The Board took cognisance and will consider leveraging technology to facilitate voting in absentia and remote shareholders' participation at general meetings of shareholders of the Company.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

### Intended Outcome

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

### Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	All questions posted by the shareholders or proxy holders during the AGM in relation to the business operation and performance of the Company were duly addressed by the Managing Director and members of the Board.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 13.5**

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b> :	Not applicable – only physical general meetings were conducted in the financial year
<b>Explanation on application of the practice</b> :	
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

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

**Practice 13.6**

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: Minutes of the 2022 Annual General Meeting of the Company was published on the Company's website within 30 business days from the date of the meeting.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  



**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.*

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