

CORPORATE GOVERNANCE REPORT

STOCK CODE : 9199
COMPANY NAME : LYSAGHT GALVANIZED STEEL BERHAD
FINANCIAL YEAR : December 31, 2023

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 PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

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

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	: Applied
Explanation on application of the practice	<p>Roles and Responsibilities</p> <p>The Board's function, amongst others, is to guide the Group on its short term and long term goals, providing advice, stewardship and directions on management and business of the Group.</p> <p>The Board's principal responsibilities include the following:</p> <ul style="list-style-type: none"> • Reviewing and adopting a strategic plan for the Group; • Overseeing the conduct of the Group's business and to build sustainable value for shareholders; • Identifying principal risks and ensuring the implementation of appropriate risk management, internal controls and mitigation measures; • Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management; • Overseeing the development and implementation of an investor relations programme or shareholder communications policy for the Group; and • Reviewing the adequacy and the integrity of the management information systems and internal control system of the Group including systems for compliance with applicable laws, regulations, rules, directives and guidelines. <p>To enable the Board to discharge its role and functions effectively, the Board has established the following committees:</p> <ul style="list-style-type: none"> • Audit Committee (“AC”) • Nomination Committee (“NC”) • Remuneration Committee (“RC”) • Risk Management Committee (“RMC”)

The above roles and responsibilities have been formalised in the Board Charter which is uploaded onto the Company's website at www.lysaghtgalvanizedsteelbhd.com.

The Board, together with the Management, is committed to promote good corporate governance culture within the organisation which reinforces ethical, prudent and professional behaviour. As guided by the Malaysian Code on Corporate Governance ("MCCG"), the Board continuously upholds corporate governance standards and values in the organisation and strives to lead by example in strengthening the competitiveness and investor confidence in the capital market.

Code of Business Ethics

With the core values of the Group rooted in integrity and reliability, the Group has adopted a Code of Business Ethics to govern the standards of ethics and conduct expected of Directors and employees. This code manages ethical business conduct, conflicts of interest and anti-corruption.

In order to promote greater transparency on Conflict of Interest of key persons and strengthening accountability and transparency of the AC in its oversight over Conflict of Interest situations, our AC has reviewed the declaration of the conflicts, and the measures taken to resolve, eliminate, or mitigate such conflicts.

To maintain the highest standards of ethical conduct, the Group has a formal Whistleblower Policy. As prescribed in this policy, the Board gave their assurance that employees' and third parties' identities will be kept confidential and whistle-blowers would not be at risk to any form of victimisation or retaliation from their superiors or any member of Executive Management provided that the reporting is in good faith. To ensure confidential and independent investigation of all reports, the Group has set up a dedicated email account, namely complaints@lysaghtmarketing.com.my, managed solely by the Senior Independent Director.

The Code of Business Ethics and Whistleblower Policy can be viewed on the Group's website.

Sustainability

The responsibility to promote and embed sustainability in the Group lies with the Board and in this respect, it strives to achieve continuing growth and profitability in a safe, caring and sustainable environment.

The Group's Sustainability Report is set out on pages 16 to 44 of the Annual Report 2023.

Access to Information and Advice

	<p>All Directors have unrestricted access to Senior Management and the service and advice of the Company Secretary and the internal and external auditors (via the AC) and they, as a whole or individually, may also seek independent professional advice if necessary, at the Group's expense to enable them to discharge their duties and responsibilities.</p> <p>Non-Executive members of the Board are kept updated on the Group's activities and operations by the Chief Executive Officer ("CEO") on a regular basis and all Directors have the right of access to financial and non-financial reports on the Group's activities.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>Mr Ee Beng Guan assumed the role of Board Chairman on 15 June 2023, following the retirement of Dato' Ir. Wan Razali bin Wan Muda as Independent Non-Executive Director during the 44th Annual General Meeting. Mr Ee Beng Guan is responsible for Board effectiveness and to ensure that the conduct and working of the Board is in an orderly and effective manner. In fulfilling this role, our Chairman:</p> <ul style="list-style-type: none">• Provides overall leadership to the Board, without limiting the principle of collective responsibility for Board decisions;• Participates in the selection of Board members and ensuring that the membership is properly balanced;• Sets agenda for Board meetings, in conjunction with the management and secretary. The Chairman ensures that all agenda and all necessary background paper are given to Directors in sufficient time to enable the papers to be adequately considered before the meeting;• Chairs meetings of the Board in such a manner that will stimulate debate on the issues before the Board and encourage the most effective contribution from each Director;• Reviews the minutes of meetings of the Board before meeting, to ensure they accurately reflect the Board's deliberations, and matters arising from the minutes and on which further action is required have been address;• Initiates, in conjunction with the management, the formation of a business plan to ensure that the Board establishes at the beginning of each year the goals it wishes to achieve and the means by which this will be carried out;• Initiates the establishment of Board Committees and ensures that they achieve their objectives;• Ensures high corporate governance;• Encourages all Directors to play an active role in Board activities; and• Chairs general meetings of shareholders
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	The Independent Non-Executive Chairman is Mr Ee Beng Guan while the CEO is Ir. Chua Tia Bon. The roles of the Chairman and CEO are strictly separated to ensure balance of power and authority and to maintain effective supervision and accountability of the Board and Executive Management.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

The 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>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: <p>Our Chairman of the Board, Mr Ee Beng Guan is not a member of any Board Committees, namely AC, NC and RC. However invitations are extended to him for his participation in the AC meetings to observe the presiding and conduct of the AC meetings. He is deemed as an objective person and AC welcomes his presence and input.</p> <p>The Chairman of the Board is only an invitee to the AC meetings. The AC views that his presence will not breach the check and balance system as well as objective review by the AC on the agendas/matters presented during the meetings. He provides inputs and assists in answering questions from the AC. His presence does not impair the objective of the Chairman and the AC when deliberating on the observations and recommendations put forth by the AC. The AC is still functioning independently with the members expressing their views objectively without prejudice.</p> <p>The final decision/approval still lies with the AC which comprise solely of Independent Directors. In view thereof, the independent directors can bring focus, clear perspective and the ability to lead objective discussions and if necessary, driver better decision-making and results.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	: Choose an item.

Intended Outcome

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has the service and advice of a Company Secretary. The current Company Secretary, Ms. Lim Chien Joo, is a member of the Malaysian Institute of Chartered Secretaries and Administrators with twenty (20) years of corporate secretarial experience and her tasks include, but are not limited to the following:</p> <ul style="list-style-type: none">• Manage all Board and Board committees' logistics, attend and record minutes of all Board's and Board committees' meetings and facilitate Board communications;• Advise the Board on its roles and responsibilities;• Ensure adherence to Board's and Board committees' policies and procedures;• Facilitate the orientation of new Directors and assist in Directors' training and development;• Advise the Board on corporate disclosures and compliance with company and securities regulations and the Main Market Listing Requirements of Bursa Securities Malaysia Berhad;• Ensure timely communication of Board's and Board committees' decisions to Executive Management for action;• Manage processes pertaining to general meetings;• Monitor corporate governance developments and assist the Board in applying governance practices to meet Board's needs and stakeholders' expectations;• Notify the Chairman of any possible violations of regulatory requirements; and• Serve as a focal point for stakeholders' communications and engagement on corporate governance issues.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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.

Application	:	Applied
Explanation on application of the practice	:	<p>To facilitate the Directors' time planning, a pre-scheduled annual calendar of Board meetings is circulated and confirmed by the Board at the beginning of each calendar year to provide ample time for the Directors to plan their attendance.</p> <p>The notices of meetings and agenda are sent to the Directors electronically at least one week in advance and Board meeting papers are delivered to the Directors in hard copies at least five business days prior to Board meetings. This enables the Directors to prior peruse the matters to be deliberated upon, and if necessary, further information are provided at the meeting for deliberation and informed decision making.</p> <p>The Board meeting papers include, among others, the following documents or information:</p> <ul style="list-style-type: none"> • Reports of meetings of all committees of the Board including matters requiring the Board's deliberation, approval and notation • Performance reports of the Group, which include information on financial, strategic business issues and updates • Major operational, financial, legal, regulatory and corporate issues • Board papers for other matters for discussion/approval <p>All deliberations, discussions and decisions of the Board meetings were minuted and recorded accordingly. All proceedings of Board meetings were signed by the chairperson of the meeting concerned or the chairperson of the next meeting pursuant to Article 34.1(2) of the Company's Constitution.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has formally adopted a Board Charter that sets out the respective roles and responsibilities of the Board, Board committees and Executive Management and the standard of conduct expected of individual Directors.</p> <p>The Board Charter clearly sets out the matters reserved for the Board, except where they are expressly delegated to a Board committee, the Chairman, the CEO or a nominated member of Executive Management.</p> <p>The Board Charter is reviewed periodically or as and when changes occur to ensure that it reflects the current needs of the Group</p> <p>More information on the Board Charter can be found on the Group's website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	See explanation on the application of Practice 1.1.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	See explanation on the application of Practice 1.1.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The 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.

Application	:	Applied
Explanation on application of the practice	:	<p>One of the principal responsibilities of the Board is to review and adopt strategic plan for the Group to ensure that the Board supports long-term value creation and take into account economic, environmental, social as well as governance considerations underpinning sustainability. In this respect, the CEO, through the management meeting, assists the Board in overseeing the formulation, implementation and effective management of the Group's sustainability strategies.</p> <p>To facilitate the sustainability management, our Board also delegates the authority to RMC to review the adequacy and effectiveness of the risk management process from time to time. CEO also assists to identify and assess the risks as well as to ensure that the risk management process is adequate and effective. All policies and procedures formulated to identify, measure and monitor various risk components are reviewed by the RMC. Additionally, the RMC reviews and assesses the adequacy of the risk management policies and ensures that the infrastructure, resources and systems are in-place for implementing the company strategies, business plans, major plans of action and risk management.</p> <p>Accordingly, the Board together with our management accountable for ensuring that sustainability measures are integrated into the strategic direction of the Group and its operations. To achieve this, the Board continuously ensures that there is an effective governance framework for sustainability practices within the Group.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>We always engage with our stakeholders actively throughout the financial year as part of our sustainability assessment process. Engagement with stakeholders allows us to gain more complete understanding on our materiality issues and matters. Whilst, we are also able to capture the key aspects and impacts of our sustainability journey.</p> <p>Our stakeholders’ engagements are set out in Sustainability Report on pages 19 to 21 of the Annual Report 2023. In line with the enhanced Sustainability Reporting Guide 3rd Edition, the performance data table summarises indicators that are pertinent against our Material Matters. This information, available from the ESG Reporting Platform, is also disclosed in the Sustainability Report.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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.

Application	:	Applied
Explanation on application of the practice	:	<p>Directors conducted a self-assessment of their skills matrix which include their experience in sustainability. The Board viewed that sustainability should be embedded within the culture of the boardroom, whereby each Director should be able to view the organisation and its operations in the context of sustainability. The Board agreed that there was sufficient capacity in this area, to enable the Board to discharge its role effectively.</p> <p>The list of trainings or seminars on sustainability matters that were attended by the respective Directors is listed as below :</p> <ul style="list-style-type: none"> • MFRS/IFRS Technical Update 2024 – Including a brief on IFRS Sustainability Standards attended by Mr. Yeoh Sheong Lee • Management of Cyber Risk Programme attended by Mr. Cheam Low Soo <p>The trainings attended were to ensure the Board is stay abreast with and understand the sustainability issues relevant to our Company and the business.</p> <p>Asides, the Company has been always practicing the sustainability strategies and these are the efforts from our Board together with the Management who are well versed and up-to-date on the sustainability issues.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>During annual evaluation of the Board, the NC has evaluated the performance of the Board in addressing the Group’s material sustainability risks and opportunities.</p> <p>The details of the Group’s key sustainability outcomes and achievements are available in our Sustainability Report 2023.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The 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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC is responsible to assist the Board in the development and implementation of the policies on the nomination and appointment of Directors and Committee members to achieve long-term sustainability of the organisation in accordance with the Terms of Reference of the NC.</p> <p>In this respect, the Board is mindful that for it to be effective, its composition must include the right group of people, with an appropriate mix of skills, knowledge, experience and independence elements that fit the Group's objectives and strategic goals.</p> <p>To ensure the continued effective functioning and progressive refreshing of the Board, the tenure of an Independent Director is stipulated in the Board Charter, whereby it shall not exceed a cumulative term limit of nine years.</p> <p>However, an Independent Director may continue to serve on the Board beyond nine years subject to his/her re-designation as a Non-Independent Director.</p> <p>Dato' Ir. Wan Razali bin Wan Muda did not seek re-election at the 44th Annual General Meeting on 15 June 2023 and hence he retired at the conclusion of the 44th Annual General Meeting as his 9 years tenure as the Independent Director would be completed on 20 August 2023.</p> <p>To ensure the appointment and re-election of Director meets the necessary criteria, the Company has established the Directors' Fit and Proper Policy. This policy outlines the approach and standards for the appointment and re-election of Director of the Company and guides the NC and the Board in their evaluation and assessment of Board candidates and Directors eligible for re-election. This ensures that they possess the required character, experience, integrity, competence, and time to effectively carry out their duties as director.</p> <p>During FYE 2023 and up to the date of this Report, the Board had appointed Mr Yeoh Sheong Lee and Mr Chong Chin Look as Independent Non-Executive Director. NC had gone through a robust assessment and interview to ensure they are suitable and met required</p>

	<p>skill set. Their diverse background, knowledge, integrity, competency, experience, time commitment and potential contribution to the Group were diligently considered by the NC.</p> <p>As of the date of the forthcoming 45th Annual General Meeting (“AGM”), all the current Independent Directors have been in office for not more than nine years.</p>	
<p>Explanation for departure</p>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	:	
<p>Timeframe</p>	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Departure	
Explanation on application of the practice	:	Please provide an explanation on how the practice is being applied.	
Explanation for departure	:	In FYE 2023, the Company has seven (7) Directors, of which three (3) are independent Directors.	
		With the resignation of Ir. Chua Tia Bon as Executive Director on 31 January 2024 and the appointment of Mr Chong Chin Look as Independent Non-Executive Director on 1 April 2024, the Company has more than half of the Board comprises of Independent Directors, four (4) out of seven (7) Directors are Independent Non-Executive Directors.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The tenure of an Independent Director is stipulated in the Board Charter, whereby it shall not exceed a cumulative term limit of nine years.</p> <p>However, an Independent Director may continue to serve on the Board beyond nine years subject to his/her re-designation as a Non-Independent Director.</p> <p>In the event that said Director is to remain designated as an Independent Director, the Board shall, upon the recommendation by the NC, justify and obtain shareholders' approval for the Director concerned to be retained as an Independent Director.</p> <p>Dato' Ir. Wan Razali bin Wan Muda did not seek re-election at the 44th Annual General Meeting on 15 June 2023 and hence he retired at the conclusion of the 44th Annual General Meeting as his 9 years tenure as the Independent Director would be completed on 20 August 2023.</p> <p>On 25 June 2023 and 20 August 2023, the Board re-designated Mr Cheam Low Soo and Ir Aik Siaw Kong as Non-Independent Directors. They had exceeded the mandatory 9 years tenure limit for Independent Directors.</p> <p>As of the date of the forthcoming 45th AGM, all the current Independent Directors have been in office for not more than nine years.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>In assessing the suitability of any candidate for the directorship, the Board (via the NC) will take into consideration the candidate's reputation, educational background, skills, diversity, knowledge, expertise, competence and experience that is in line with the Group's business operations, age, time commitment, independence and integrity.</p> <p>The Company's Directors' Fit and Proper Policy which was designed with the recommended criteria will also serve as a guide for the review and assessment of potential candidates that are to be appointed to the Board as well as Directors who are seeking for re-election.</p> <p>NC will also take into consideration the ability of the candidate to perform his role effectively, whether a director is "over stretched" in terms of his commitments to the board commitments to meet the demands and expectations of the role.</p> <p>As for Senior Management, the Board is committed to provide fair and equal opportunities and nurturing diversity in the Group. In this respect, all persons, regardless of age, gender, ethnicity, cultural background or other personal factors, with the appropriate experience and qualifications will be considered during recruitment and promotion.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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.

Application	:	Applied	
Explanation on application of the practice	:	Although it has been the norm for the Board to rely on existing Directors or Executive Management or major shareholders to recommend candidates for appointment of Directors, the Board, if appropriate, will rely on recommendations from business associates, advisers, consultants, etc. for potential candidates for appointment to the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The profiles of Directors are published in the Annual Report. These include their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interest as well as their shareholdings in the Group, if any.</p> <p>The information for the Directors standing for re-election as well as the statement from the Board to support the re-election of directors have been disclosed the Explanatory Notes to the Notice of the forthcoming 45th AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The NC is chaired by Mr Chong Sai Sin, a Senior Independent Director.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board currently has one woman among its seven members.	
		<p>The Board opined that given the current state of the Group’s business and lifecycle, it is more important to have the right mix of skills on the Board rather than to attaining the 30% threshold.</p> <p>Nevertheless, the Board is on the lookout for potential women Directors and shall appoint additional women Directors as and when suitable candidates are identified.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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.

Application	:	Applied	
Explanation on application of the practice	:	The Group's Diversity Policy is set out in the Board Charter where the Board is committed to provide fair and equal opportunities and nurturing diversity at all levels within the Group, full details of which are available on the Group's website.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to 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>	
Application	: Applied
Explanation on application of the practice	: The Board (via the NC) evaluates the effectiveness of the Board as a whole, all committees of the Board and the contribution of each individual Director. This evaluation which is done annually is facilitated by the Company Secretary and conducted using the evaluation forms set out in Bursa Malaysia Securities Berhad's Corporate Governance Guide (3rd Edition) covering the following aspects: (i) Board and Board committees <ul style="list-style-type: none">• Board mix and composition• Quality of information and decision making• Boardroom activities• Board's relationship with the management• Environmental, social and governance issues (ii) Directors <ul style="list-style-type: none">• Fit and proper• Contribution and performance• Calibre and personality As for the AC, the annual evaluation is done in two components: (i) The AC as a whole <ul style="list-style-type: none">• Quality and composition• Skills and competencies• Meeting administration and conduct (ii) Self and peer evaluation by the AC members

	Based on the evaluation carried out for FYE 2023, the NC has informed the Board that it was satisfied with the contribution and performance of each individual Director.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board (via the RC) will ensure that the Group's levels of remuneration commensurate with the skills and responsibilities expected of Senior Management as well as the Directors and that it must be sufficient to attract and retain talent needed to run the Group successfully. The Board, as a whole, determines the remuneration of the Directors and each individual Director is required to abstain from discussing his/her own remuneration. The RC is guided by market norms and industry practices when making recommendations for the compensation and benefits of Directors and Senior Management.</p> <p>The RC's recommended remuneration for Directors and Senior Management is subject to Board's approval as it is the ultimate responsibility of the Board to approve the remuneration of the Directors and Senior Management.</p> <p>In relation to the fees and allowances for Directors, it will be presented at the AGM for shareholders' approval.</p> <p>The details of the Group's remuneration policies and practices are included in the Board Charter available on the Group's website.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
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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.

Application	:	Applied	
Explanation on application of the practice	:	The RC's terms of reference has been uploaded onto the Group's website.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	The details of the Directors' remuneration for FYE 2023 for each individual Director are set out in the table 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	Dato Ir. Wan Razali Bin Wan Muda	Independent Director	54	6	0	0	0	0	60	54	6	0	0	0	0	60
2	Ee Beng Guan	Independent Director	92	16	0	0	0	0	108	92	16	0	0	0	0	108
3	Ir. Chua Tia Bon	Executive Director	0	0	549	274	21	156	1,000	0	0	549	274	21	156	1,000
4	Chew Meu Jong	Non-Executive Non-Independent Director	72	15	0	0	0	0	87	72	15	0	0	0	0	87
5	Ir, Aik Siaw Kong	Independent Director	72	15	0	0	0	0	87	72	15	0	0	0	0	87
6	Cheam Low Soo	Independent Director	72	17	0	0	0	0	89	72	17	0	0	0	0	89
7	Chong Sai Sin	Independent Director	72	23	0	0	0	0	95	72	23	0	0	0	0	95
8	Yeoh Sheong Lee	Independent Director	54	12	0	0	0	0	66	54	12	0	0	0	0	66
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.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board has disclosed on a named basis the remuneration of its CEO (also an Executive Director).	
		It opined that the disclosure of the remuneration of key management personnel in Note 26 of the Audited Financial Statements for FYE 2023 is adequate as it complies with Paragraph 17 of Malaysian Financial Reporting Standard 124 "Related Party Disclosures". This is also in line with the Group's policy.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the AC, Mr. Chong Sai Sin, is not the Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 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.

Application	:	Applied	
Explanation on application of the practice	:	<p>None of the current members of the AC is a former partner of the external audit firm of the Group.</p> <p>As a measure to safeguard the independence and objectivity of the audit process, the policy has been incorporated in the AC's Terms of Reference which is available on the Group's website, requires the former partner of the external audit firm of the Group to observe a cooling-off period of at least three (3) years before he can be considered for appointment as a AC member.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The AC has policies and procedures to review, assess and monitor the performances, suitability and independence of the external auditors.</p> <p>Prior to the commencement of the annual audit, the AC will seek confirmation from the external auditors as to their independence.</p> <p>This independence confirmation would be re-affirmed by the external auditors to the AC upon their completion of the annual audit. These confirmations were made pursuant to the independence guidelines of the Malaysian Institute of Accountants.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the AC, Mr. Chong Sai Sin is a partner in an approved audit firm of Chartered Accountants. He is a member of the Malaysia Institute of Accountants ("MIA"), the Malaysian Institute of Certified Public Accountants ("MICPA"), Institute of Internal Auditors Malaysia ("IIAM") and Chartered Tax Institute of Malaysia ("CTIM").</p> <p>Mr Yeoh Sheong Lee is also a partner in an approved audit firm of Chartered Accountants. He is a member of Certified Public Accountants ("CPA") of Australia and MIA.</p> <p>Mr. Cheam Low Soo was an associate of the Institute of Chartered Secretaries and Administrators, United Kingdom. He has more than fifteen (15) years of working experience with the Group and was responsible for the financial and corporate secretarial functions of the Group.</p> <p>The trainings attended by them during FYE 2023 are disclosed in the Corporate Governance Overview Statement on pages 55 to 56 of the Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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.

Application	:	Applied	
Explanation on application of the practice	:	The Board has established a risk management framework which adopts a structured and integrated approach in managing key business risks. This framework together with the system of internal control are designed to manage the Group’s risks within its risk appetite rather than to eliminate, the risk of failure to achieve the Group’s business and corporate objectives.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's risk management and internal control framework adopts a structured and integrated approach in managing key business risks with the aim of safeguarding the Group's assets and shareholders' interests.</p> <p>The RMC reviews the adequacy and effectiveness of the risk management and internal control process from time to time. In this respect, it is assisted by the CEO to identify and assess risks as well as to ensure that the risk management and internal control process is adequate and effective.</p> <p>The features of the Group's risk management framework and internal control system are set out in the Statement on Risk Management and Internal Control on pages 63 to 65 of the Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 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.

Application	:	Adopted
Explanation on adoption of the practice	:	The RMC currently has three (3) members, all of whom are Non-Executive Directors and two (2) of these Directors are Independent Directors.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function is outsourced to an independent professional consulting firm to provide an independent and objective assurance on the effectiveness of governance, risk management processes and internal control system of the Group.</p> <p>The internal auditors' independence is maintained by reporting functionally to the Board through the AC and administratively to Executive Management.</p> <p>To ensure that the full responsibilities of internal audit are fully discharged, the AC:</p> <ul style="list-style-type: none">• Reviewed and approved the internal audit plan and the internal auditors' scope of work.• Reviewed and recommended the proposed internal audit fees to the Board for approval.• Reviewed and discussed with the internal auditors, their audit findings and issues arising during the course of audit.• Reviewed the adequacy and effectiveness of corrective actions taken by Executive Management on all significant matters raised by the internal auditors.• Evaluated the competency of the internal auditors and their resources to address the risk areas set out in their audit plan.• Met the internal auditors to have a frank and candid dialogue, and to exchange free and honest views and opinions. <p>Internal audit reports which are issued have to be tabled to the AC for review and Executive Management is required to be present at AC meetings to respond and provide feedback on the audit findings and recommended improvements.</p> <p>In addition, Executive Management is also required to present to the AC in meeting, status updates on significant matters and changes in key processes that could impact the Group's operations.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function is outsourced to an independent professional consulting firm, CAS Consulting Services Sdn. Bhd. (“CAS”) which has four (4) personnel with relevant qualifications and/or experience in internal auditing.</p> <p>CAS’s engagement director in charge of the Group’s internal audit is Mr. Kong June Hon, a Chartered Accountant of the Malaysian Institute of Accountants and a Chartered Member of the Institute Internal Auditors Malaysia.</p> <p>During the FYE 2023, the internal audit of the Group was carried out in accordance with a risk-based audit plan (prepared in accordance with International Standards for the Professional Practice of Internal Auditing) approved by AC.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to ensuring that communications to stakeholders and the investing public in general is on timely basis.</p> <p>The Board is also aims to maintain a positive relationship with the different group of stakeholders through active two-way communication, and to promote and demonstrate a high standard of integrity and transparency through timely, accurate and full disclosure and to enhance the stakeholders' understanding of the Group, its core businesses and operations, thereby, enabling investors to make informed decisions in valuing the Company's shares.</p> <p>The Group leverages on a number of formal channels for effective dissemination of information to shareholders and other stakeholders, particularly through the Annual Report, announcements to Bursa Malaysia Securities Berhad, media releases, quarterly results analyst briefings, AGM, and the Group website.</p> <p>Any shareholders' queries or concerns relating to the Group may be conveyed to our Chairman of the Board or CEO at our principal place of business as detailed below:</p> <p>11, Jalan Majistret U1/26, Seksyen U1 Hicom-Glenmarie Industrial Park 40150 Shah Alam Selangor, Malaysia Telephone no.: +603-7880 3750 Facsimile no.: +603-7880 3720</p> <p>Our Senior Independent Non-Executive Director is designated by the Board to be the contact for consultation and direct communication with shareholders on areas that cannot be resolved through the normal channels of contact with the Chairman of the Board or CEO. He too can be contacted at the above address.</p> <p>The Board is also of the view that the AGM is an important opportunity to meet shareholders and address their concerns. At the AGM, there is a Questions and Answers session during which the Chairman</p>

	<p>encourages shareholders' active participation, including clarifying and questioning the Group's strategic direction, business operations, performance and proposed resolutions.</p> <p>The Group's website also provides all relevant information to stakeholders and the investing community. Quarterly and annual financial statements, announcements, financial information, annual reports, and circular/statements to shareholders are uploaded onto the website for investors and the public.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

There is 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.

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

Intended Outcome

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.

Application	:	Applied	
Explanation on application of the practice	:	The Company's Notice of the 44 th AGM has been given to the shareholders at least 28 days prior to the meeting.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	All Directors attended the 44 th AGM held on 15 June 2023. Barring unforeseen circumstances, all Directors (which include the Chairs of all mandated Board committees) shall be attending the forthcoming 45 th AGM to address shareholders' queries at the meeting. The external auditors will also be present at the meeting to answer shareholders' queries on their audit process and report, the accounting policies adopted by the Group, and their independence.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 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.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The 44 th AGM held on 15 June 2023 was conducted physically at Jasmine Hall, Level 3, Kinta Riverfront Hotel & Suites, Kinta Riverfront, Jalan Lim Bo Seng, 30000 Ipoh, Perak which is easily accessible to the shareholders.	
	:	Shareholders who are unable to attend are allowed to appoint proxies to attend, speak and vote on their behalf.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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>	
Application	: Applied
Explanation on application of the practice	: At the commencement of the 44 th AGM, the Chairman, Dato' Ir. Wan Razali Bin Wan Muda briefed the shareholders present at the AGM of their right to ask questions and vote on the resolutions set out in the Notice of the 44 th AGM. All Directors attended the 44 th AGM held on 15 June 2023 to response shareholders' queries. The external auditors was also present at the meeting. Whilst the AGM is one of the platforms where shareholders can raise issues or seek explanation from the Board or Management, they are free to share their feedback and questions at the "Contact Us" at the Group's website at any time, outside of the AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 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>	
Application :	Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice :	
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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>	
Application	: Applied
Explanation on application of the practice	: The Minutes of the 44 th AGM (including all the Questions raised at the meeting and the Answers thereto) held on 15 June 2023 was uploaded to the Group's website on 28 June 2023, which was not later than 30 business days after the AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**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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