

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 7943  
**COMPANY NAME** : SAND NISKO CAPITAL 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's role is to conduct the Group in the best interests of the shareholders. In this regard, the Board is collectively responsible for setting the strategic direction and ethical standards within the Group, and ensuring that management complies with the Board's directions. To discharge its duties to shareholders and other stakeholders, the Board assumes, among others, the following responsibilities:</p> <ul style="list-style-type: none"><li>(i) Review and monitor the implementation of the strategic business plans by the management;</li><li>(ii) Align and approve the corporate objectives and policies of the Group;</li><li>(iii) Appoint and approve the terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee;</li><li>(iv) Decide on the acceptable level of risk exposure for the Group;</li><li>(v) Review the Group's system of internal controls which include the establishment of an appropriate control environment framework for identifying, evaluating and managing significant risks faced by the Group;</li><li>(vi) Review and assess the Group's financial and operational performances of all operating units and subsidiaries through periodic feedback and reports from the Audit Committee and the management team;</li><li>(vii) Review and approve the announcement of quarterly and annual financial statements to ensure that the financial statements are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view;</li><li>(viii) Approve annual operating budget, major capital expenditures, material purchase and disposal of assets;</li><li>(ix) Appoint external auditors as well as determine audit fees, taking into consideration advice from the Audit Committee;</li><li>(x) Ensure succession planning is in place as part of business continuity and take cognisance that there should be a process</li></ul>

	<p>of developing suitable programmes in place to ensure that operations at all levels are running smoothly;</p> <p>(xi) Ensure the availability of communication channels for effective feedback and dialogue with stakeholders of the Group; and</p> <p>(xii) Any other duties as may be appropriate.</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 Board is led by Dato' Goh Soo Wee, the Executive Chairman who is capable to lead the Board based on his entrepreneurial leadership and at the same time guided by the independent advice and views from the Independent Directors, who offer the necessary checks and balances in the decision-making process of the Board.</p> <p>The Chairman plays an instrumental role in providing leadership to the Board for all aspects of the Board's roles and responsibilities, ensuring that operations conform to the Board's strategic directions, Company's vision and corporate policies, as well as facilitating the communication and understanding between the Management and the Board.</p> <p>The Chairman presides over board meetings and ensures that all directors' views are heard, ensures sufficient time for discussion of each agenda, and provides fair opportunity to all directors to participate actively and constructively during the meetings and discussions.</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>	:	The Chairman of the Board is Dato' Goh Soo Wee whereas there is no Chief Executive Officer nor Managing Director in the Company, since the retirement of the previous Managing Director on 14 June 2022. The Company acknowledged the importance of the separation of roles in order to have a check and balance in the Board and shall adopt this practice in future, should there is suitable candidate for the position of Chief Executive Officer or Managing Director.	
<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 1.4

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> :	Applied
<b>Explanation on application of the practice</b> :	The Chairman of the Board is held by Dato' Goh Soo Wee and Mr Kong June Hon is the Chairman of the Audit Committee, Nomination Committee and Remuneration 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

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>All Board Members are authorised to seek for advices and services of the Company Secretary for the purposes of the Board's affairs and the business. Presently, the company secretarial function is outsourced to a company secretarial firm.</p> <p>The appointment and removal of the Company Secretary of the Board is the prerogative of the Board as a whole. The appointed Company Secretary shall be qualified and competent professional in order to be able to support the Board in carrying out its role and responsibilities.</p> <p>The Company Secretary is responsible for ensuring that Board procedures are followed, the applicable rules and regulations for the conduct of the affairs of the Board are complied with and all matters associated with the maintenance of the Board are performed effectively. New regulatory rules and requirements are brought up and disseminated by the Company Secretary to the Board immediately while periodic disclosure on related party transactions, share trading, quarterly announcements on the provision of financial assistance, quarterly financial results, various deadlines for filing and reporting as well as semi-annual return by directors are followed up by the Company Secretaries to ensure compliance with the deadlines.</p> <p>In addition, the Company Secretary ensure minutes are duly entered into the books for all resolutions and proceedings of all meetings of the Board and Board Committees. These minutes of meetings record the decisions are taken and the views of individual Board Members. Such minutes are confirmed by the respective Board Committees and signed by the respective Chairmen of the meetings.</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>	:	The Chairman recognises the importance of a board discussions and together with Company Secretary ensure that all directors are provided with sufficient information and time to prepare for board meetings. The meeting materials are circulated five (5) days in advance of the board meeting. All board members are responsible to ensure the minutes of meetings accurately reflects the deliberations and decision of the board. Upon conclusion of the meeting, the minutes are circulated in a timely manner for review.	
<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>	:	<p>The Board has developed and adopted a formal Board Charter to provide clear guidance on the roles, responsibilities, processes and operations of the Board. The document is provided as compulsory reading material for the induction of new Board members and senior management. The Board Charter is further supplemented by Terms of Reference of the Audit Committee, Nomination Committee and Remuneration Committee which specify the composition, rights, key functions, roles and responsibilities of respective committees.</p> <p>The Board Charter and the Terms of Reference of its committees are reviewed regularly to ensure they remain consistent with the Board's objectives, current law and best practices. During the year, no revision was made to the Board Charter.</p> <p>The Board Charter was formalised by the Board. It defines the composition of the Board, the responsibilities of the Chairman and Managing Director, the rights of the Board to establish committees to assist in carrying out its duties and responsibilities, the procedure for convening Board meetings, investor relations and shareholders communication, access to information and independent advice and ensures that the Code is observed by all Directors and employees of the Group. The Board Charter is available for reference in the <a href="http://www.sncbhd.com.my">www.sncbhd.com.my</a></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 3.1

The board establishes a Code of Conduct 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 is published on the company's website.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Group has established a Code of Conduct ("Internal Code") that is applicable to all its Directors and employees. The Internal Code outlines core areas of concern and states the behavioural expectations to which Directors and Employees are to adhere, in order to ensure that a high standard of ethical and professional conduct is upheld at all times in the performance of their duties and responsibilities.</p> <p>Violation of the Internal Code can result in disciplinary action, which may include termination of employment. As part of its enforcement, any Director or employee who knows of, or suspects, a violation of the Internal Code is encouraged to report such concerns to the Audit Committee or management.</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>	:	In line with the Company’s commitment to nurturing and maintaining a culture of openness, integrity and accountability, the Company has established a Whistleblowing Policy. The Whistleblowing Policy provides an avenue for individuals, whether a Company employee or otherwise, to escalate concerns about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements to the appropriate parties, without fear of reprisal. The Whistleblowing Policy are available for reference at <a href="http://www.sncbhd.com.my">www.sncbhd.com.my</a>	
<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 4.1

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 Company published in annual reports its sustainability statement.</p> <p>The Company:</p> <ul style="list-style-type: none"> <li>• Set the scope of its sustainability management;</li> <li>• Established sustainability framework that requires involvement from both the Board and the Management of the Group;</li> <li>• Defined material sustainability matters relevant to the Group and its stakeholders;</li> <li>• Determined sustainability focus and considerations;</li> <li>• Set measurable sustainable targets; and</li> <li>• Reported major sustainability activities taken place during the financial year.</li> </ul> <p>The Company has fine-tuned its operations and made some progress towards becoming a sustainable organisation since 2016. The Company shall continue its journey towards a truly sustainable organisation in the coming years.</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 publishes its sustainability statement in annual report. The statement highlights the Company's focus and framework in driving and managing sustainability. Key sustainability efforts during the financial years, including KPIs performance, are also reported in the Annual Report. The Company has also made available all of its annual reports at Company's website at <a href="http://www.sncbhd.com.my">www.sncbhd.com.my</a> where shareholders and public can download and read the reports.</p> <p>During the financial year, the Company held 1 fully virtual General Meeting where shareholders were given the opportunity to raise sustainability issues and concerns, if any. Apart from annual report, the Company also communicates frequently with its various stakeholders to identify, prioritize and address material sustainability matters.</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 4.3**

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>Since publishing sustainability management of the Group in annual report in 2016, the Company has ensured that related sustainability trainings had been arranged for key employees. Training requests were approved at the Board as well as Management level. During the financial year under review, the Company had begun its assessment of green technology application such as solar power in its manufacturing plants.</p> <p>The Company will continue its efforts in educating all levels of employees in the Group in sustainability matters, applying and adopting technologies and systems beneficial to sustainability in the Group and continue its journey in becoming a truly sustainable organisation.</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>	:	<p>The performance evaluations of the Board and senior management include a review of the performance in addressing the Company’s material sustainability risks and opportunities.</p> <p>It is part of the procedure to measure progress against the achievement of sustainability targets in order to promote accountability of the Board and senior management and identify issues that may require intervention by the Board and/or senior management to ensure prompt corrective actions are taken.</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 4.5- 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>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Board has planning and implementation of all sustainability related issues.



### 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>The Nomination Committee operates under its Terms of Reference, which is available on the Company's website. Its primary responsibility is to ensure that the overall composition of the Board is sufficient for the Board to carry out its functions, which included:</p> <p>(i) Identifying and recommending to the Board suitable candidates for appointment based on considerations of the candidates' skills mix, experience, expertise, character, integrity, gender and ethnicity (where appropriate);</p> <p>(ii) Evaluating and recommending training programmes for Directors;</p> <p>(iii) Assessing Directors' individual performances and independence during the year for recommendations of renomination; and</p> <p>(iv) Reviewing and recommending succession plans for Directors and senior management.</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>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	Currently, the Board is made up of seven (7) members which comprising one (1) Executive Chairman, (1) Executive Director, two (2) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors.	
		Presently, the Board views that its current composition is balanced and effective, with a good mix of skillsets and experience from the varied background of both Executive and Non-Executive Directors.  The Board will review its composition and size from time to time.	
<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>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board undertakes an annual assessment of the independence of its independent directors based on the criteria developed by the Nomination Committee. The tenure of an independent director should not exceed a cumulative term of 9 years. An independent director who has served the Group for a cumulative term of 9 years may, in the interest of the Group, continue to serve the Group but in the capacity of a non-independent director.</p> <p>The Board must justify and seek the shareholders' approval via two-tier voting in the event that, the Board intends to retain the said director who has served a cumulative terms of 9 years as an independent director.</p> <p>During the financial year ended 31 December 2022, Encik Abd Rauf Bin Abd Rahim who has served the Board and exceeded tenure of a cumulative term of twenty (21) years in the Company has resigned on 25 April 2023.</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 5.4 - 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 Board is judicious of the gender diversity recommendation promoted by the MCCG as it can offer greater depth and breadth compared to a nondiverse board and provides constructive debates at the senior management level.</p> <p>The Board appoints its members through a formal and transparent selection process. The new appointees will be considered and evaluated by the NC based on the Directors' Fit and Proper Policy, and the NC will then recommend the candidates to be approved and appointed by the Board. The Company Secretaries will ensure all appointments are properly documented.</p> <p>The Group is an equal opportunity employer and all appointments to the Board and employment of senior management are based on objective criteria, merit, skills and experience, and are not driven by age, cultural background or gender considerations.</p> <p>At present, there are two (2) female Directors on the Board.</p> <p>More woman representation on the Board and senior Management will be taken into consideration if and when vacancies arise and when suitable candidates are identified, underpinned by the overriding primary aims of selecting the best candidate to support the achievement of the Company's strategic objectives based on criteria, merit and with due regard for diversity in skills and experience.</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 5.6

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>The appointment of a new Board member is subject to deliberation and approval from the entire Board, with input from the Nomination Committee. The process of Board nomination and election is as set out below:-</p> <ul style="list-style-type: none"> <li>(i) The Nomination Committee determines qualities required of the candidate, which typically include a specific area of expertise, knowledge, experience, character, independence, gender and ethnicity. At this stage, emphasis is placed on the mix of skill and personal that would best complement the existing Board for optimal effectiveness;</li> <li>(ii) The Nomination Committee identifies potential candidates by seeking applications from suitably qualified individuals;</li> <li>(iii) The Nomination Committee interviews selected candidates, setting up a two-way communication so that incoming candidates are clearly informed about the time commitments and other requirements of the role, to manage expectations from both sides; and</li> <li>(iv) The Nomination Committee evaluates candidates based on the required skill set and persona, subsequently recommends shortlisted candidates to the Board for discussion and approval.</li> </ul>
<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>	:	The details of the Directors, including interest, position, qualification, membership, experience and others are set out in the Directors' profile in the Annual Report. The performance of the retiring directors is assessed by the Nomination Committee and Board before recommendation is made to the shareholders for consideration. For independent directors, the Nomination Committee also assess their relationship with the executives that might influence, or reasonably be perceived to influence their capacity to bring an independent judgement and to act in the best interests of the listed company as a whole.	
<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 Kong June Hon, the Chairman of Nomination Committee is an Independent Non-Executive Director.	
<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>	:	<p>The Company currently has two (2) female Directors and five (5) male Directors.</p> <p>The Board is mindful that any gender representation should be in the best interest of the Company. Although the Company has not reached the 30% women representation target, the Board decisions are made objectively in the best interest of the Company taking into account diverse perspectives and insights. The Board is of the view that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age to maximise the effectiveness of the Board.</p> <p>The Board shall increase woman board representation as and when there is any suitable and qualified candidates identified.</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>	:		
<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 5.10**

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>	:	The Board recognizes that diversity in Board composition is beneficial for effective discussion and weighing of management issues. The Board and Nomination Committee strive, in the appointment and re-appointment of Board members, to maintain an optimal balance in terms of members' background, knowledge and expertise, as well as in terms of demographic indicators such as age, gender and ethnicity. Currently, there are two (2) female members sitting on 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

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>	: The Nomination Committee is responsible to review annually the effectiveness, contribution, and performance of the Board as a whole, the Board Committees and each individual Board member as well as the independence of the Independent Directors.  The results of the evaluation were tabled to the Nomination Committee and the Board to determine measures to deal with any identified issues or recommendations. Independent Directors are also evaluated to ensure they continue to bring independent and objective judgement to board deliberations.
<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 Group's remuneration policy strives to maintain a strong linkage between performance and reward, at the same time to offer remuneration packages attractive enough to recruit and retain talent.</p> <p>The Remuneration Committee is tasked to review annually the performance of the Directors and submit recommendations to the Board on specific adjustments in remuneration and/or reward payments that reflect individual Directors' respective contributions for the year, and which depend on the performance of the Group, achievement of the goals and/or quantified organisational targets as well as strategic initiatives set at the beginning of each year. The Remuneration Committee, whilst establishing the appropriate levels of the Directors' remuneration package for the financial year 2022, has considered the information in the salary survey of comparator listed companies provided from external sources and information from sources within the Company, taking into account external market data, conditions within the business and performance of the Group.</p> <p>Board remuneration is decided by the Board collectively. Individual Directors are to abstain from deliberation and decision-making on their own remuneration package. Individual Directors who are shareholders are made to abstain from voting at general meetings to approve their own fees.</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 7.2**

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>	:	<p>The Board has set up a Remuneration Committee which comprises (3) members which two are Independent Non-Executive Directors and one is Non-Independent Non-Executive Director in order to assist the Board in determining the Directors’ remuneration.</p> <p>The Remuneration Committee evaluates the remuneration packages of directors and recommends for the Board’s approval, the framework of executive remuneration of the Executive Directors’ remuneration package.</p> <p>Non-Executive Directors’ fees are determined by the Board as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of his fee.</p> <p>The terms of reference of the Remuneration Committee outline the roles and responsibilities in relation to the remuneration matters, as provided in the terms of reference of the Remuneration Committee is made available to public at the corporate 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

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>	:	The summary in named basis of each individual directors of the remuneration of the Directors (including benefit-in-kind) in the Company for the financial year ended 31 December 2022 is as follows: -																														
		<table border="1"> <thead> <tr> <th>Directors</th> <th>Fees (RM)</th> <th>Salaries and other emoluments (RM)</th> <th>Total (RM)</th> </tr> </thead> <tbody> <tr> <td>Dato' Goh Soo Wee (appointed on 28 February 2022 and re-designated as Executive Chairman on 26 May 2022)</td> <td>-</td> <td>338,561</td> <td>338,561</td> </tr> <tr> <td>Teh Kok Liang (appointed on 28 February 2022)</td> <td>10,000</td> <td>-</td> <td>10,000</td> </tr> <tr> <td>Kong June Hon</td> <td>14,734</td> <td>-</td> <td>14,734</td> </tr> <tr> <td>Abd Rauf Bin Abd Rahim (resigned on 25 April 2023)</td> <td>8,640</td> <td>-</td> <td>8,640</td> </tr> <tr> <td>Dato' Sri Dr Sow Chin Chuan (resigned on 26 May 2022)</td> <td>-</td> <td>357,296</td> <td>357,296</td> </tr> <tr> <td>Lee Ping Wei (appointed on 28 February 2022 and resigned on 11 October 2022)</td> <td>-</td> <td>235,381</td> <td>235,381</td> </tr> </tbody> </table>			Directors	Fees (RM)	Salaries and other emoluments (RM)	Total (RM)	Dato' Goh Soo Wee (appointed on 28 February 2022 and re-designated as Executive Chairman on 26 May 2022)	-	338,561	338,561	Teh Kok Liang (appointed on 28 February 2022)	10,000	-	10,000	Kong June Hon	14,734	-	14,734	Abd Rauf Bin Abd Rahim (resigned on 25 April 2023)	8,640	-	8,640	Dato' Sri Dr Sow Chin Chuan (resigned on 26 May 2022)	-	357,296	357,296	Lee Ping Wei (appointed on 28 February 2022 and resigned on 11 October 2022)	-	235,381	235,381
Directors	Fees (RM)	Salaries and other emoluments (RM)	Total (RM)																													
Dato' Goh Soo Wee (appointed on 28 February 2022 and re-designated as Executive Chairman on 26 May 2022)	-	338,561	338,561																													
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Dato' Sri Dr Sow Chin Chuan (resigned on 26 May 2022)	-	357,296	357,296																													
Lee Ping Wei (appointed on 28 February 2022 and resigned on 11 October 2022)	-	235,381	235,381																													

	Datin Sri Chu Kim Guek (resigned on 8 March 2022)	-	18,275	18,275
	Emily Sow Mei Chet (resigned on 14 June 2022)	-	168,726	168,726





### 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>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The remuneration of the top 5 Senior Management are not disclosed on named basis for confidentiality reason as it may be detrimental to the interest of the Company and individuals.</p> <p>The Company believes it may not be in its best interest to disclose the information on the remuneration on the named basis of each member of the senior management personnel, having considered the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Group's business activities.</p> <p>The remuneration of the senior management personnel which is a combination of annual salary, bonus and benefits-in kind are determined in a similar manner as other management employee of the Company. The basis of determination has been consistently applied and is based on individual performance, the overall performance of the Company and benchmarked against other companies operating in similar industry.</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>	:	
<b>Timeframe</b>	:	

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 Board is Dato' Goh Soo Wee and the Chairman of the Audit Committee is Mr Kong June Hon.	
<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 Group recognises the importance of independence of its external auditors and that no possible conflict of interest whatsoever should arise.</p> <p>None of the Audit Committee members were former partners of the Company's external auditors. The Group will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the Audit Committee.</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>	:	The Company has a policy for assessing the suitability and independence of External Auditors. The Audit Committee reviews the appointment, performance, and remuneration of the External Auditors annually before recommending them to the Board to put forward to the shareholders for re-appointment in the Annual General 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>	:		

**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> :	Not Adopted
<b>Explanation on adoption of the practice</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 9.5

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>	:	All Audit Committee members are financially literate and are able to understand matters under the purview of the Audit Committee including financial reporting process. The qualification and experience of the individual Audit Committee members are disclosed in the Profile of Board of Directors in the Annual Report 2022.  All members of the Audit Committee undertake continuous professional development to ensure that they are abreast of relevant developments in accounting and auditing standards, practices, and rules. A summary of training programmes, conferences and seminars attended by Audit Committee members during the financial year under review is set out in the Annual Report 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**

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>	:	The details of the Group’s systems of risk management and internal control are reported in the Audit Committee Report and Statement on Risk Management and Internal Control of the Annual Report 2022 respectively.	
<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 10.2

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 details of the Group's risk management and internal control framework is elaborated on the Statement on Risk Management and Internal Control of the Annual Report 2022, which has been reviewed by the External Auditors.	
<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>	:	The internal audit function of the Group is outsourced to Indah Corporate Governance Sdn. Bhd., which submits periodic reports directly to the Audit Committee covering its assessments of the financial, operational and compliance controls in place in the Group.  The internal auditors report directory to the Audit Committee and are responsible to undertake independent regular and systematic reviews of the financial and operational controls implemented within the Group, so as to provide reasonable assurance that such controls continue to operate satisfactorily and effectively.	
<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>The director in charge of the internal audit of the Company for the current financial year is Tay Lee Hoon, who has more than 15 years' working experience in corporate consultancy, business process improvement, internal auditing and other assurance services. Together with Su Mei Yen, who has no less than 10 years' experience, she has obtained professional qualification and became a member of MIA, ACCA and IIA.</p> <p>The Audit Committee is responsible to ensure that the internal audit function is effective and able to function independently. The appointed internal audit firm and personnel are free from any relationships or conflicts of interest that could impair their objectivity and independence. The appointment and removal, role of internal auditor, scope of the internal audit function, performance evaluation and budget of internal audit are decided by Audit Committee and is set out in Audit Committee Report.</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 12.1

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 Annual General Meeting is the principal forum for dialogue and interaction with the shareholders. The Board is committed to provide shareholders with comprehensive and timely information about the Group's activities and performance to enable investors make informed decisions. Shareholders are encouraged to attend Annual General Meetings and use the opportunity to ask questions on resolutions being proposed. The Chairman and the Board members with the assistance of the external auditors, are responsible to respond and provide explanations on matters raised.</p> <p>The Company encourages shareholders and investors to access online the Company's Annual Report and up to date announcements, which are made available at the Bursa Malaysia Securities Berhad ("Bursa Securities") website and 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>	:	<p>The Notice of the 28<sup>th</sup> Annual General Meeting (“28<sup>th</sup> AGM”) was circulated at least 28 days prior to the date of the 28<sup>th</sup> AGM, well in advance of the notice period of 21 days as required under Section 316(2) of the Companies Act, 2016 and paragraph 7.15 of the Main Market Listing Requirements of Bursa Securities.</p> <p>The Notice of Annual General Meeting is also posted on the Company’s website on the same day as the Notice is despatched to the shareholders. It is also being advertised in a nationally circulated newspapers alongside an announcement on the Bursa Securities.</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**

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>	:	<p>All the Board members attended the 27<sup>th</sup> AGM of the Company held on 14 June 2022.</p> <p>The Executive Directors together with other Board members and relevant key management staff will personally present at each AGM of the Company to engage directly with the shareholders and to account for their stewardship of the Company.</p> <p>Barring any unforeseen circumstances, the Directors have confirmed their attendance for the forthcoming 28<sup>th</sup> AGM to be held on 14 June 2023.</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

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>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>At the 27<sup>th</sup> AGM of the Company held on 14 June 2022, the Company has leveraged on the technology by conducting the meeting virtually through Remote Participation and Voting Facilities ("RPV").</p> <p>The Company's forthcoming 28<sup>th</sup> AGM scheduled to be held on 14 June 2023 will be held physical at Studio 1, Level 3, Pullman Kuala Lumpur Bangsar, No. 1, Jalan Pantai Jaya, Tower 3, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Wednesday, 14 June 2023 at 10.00 a.m. or at any adjournment thereof.</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

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>	: The 27 <sup>th</sup> AGM was conducted virtually through RPV. Shareholders were allowed to submit their questions electronically through the online platform at <a href="https://bit.ly/3LMT7gR">https://bit.ly/3LMT7gR</a> provided by HMC Corporate Services Sdn. Bhd. in Malaysia or used the query box to transmit questions to the Board of Directors during the live streaming of the AGM.  Shareholders were given sufficient opportunity to pose their questions before the AGM and during the AGM. The Company had ensured that all the questions were answered. Questions received after the close of Q&A session were answered via email.
<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>	: Applied
<b>Explanation on application of the practice</b>	: HMC Corporate Services Sdn. Bhd. was engaged to provide the audio and visual support services to broadcast the proceedings of the 27th AGM virtually.  The Shareholders are also encouraged to participate in the Meeting by submitting typed questions in real time. To submit a question, the Shareholders have to type their texts within the chat box at the bottom of the messaging screen. Questions can be submitted at any time until the announcement of the closure of the Q&A session.  The Executive Chairman, who has a good understanding of the Company's business, managed the Q&A session smoothly and efficiently. All questions were answered, and each question had been displayed on the screen in an orderly manner, to ensure the questions posed by the Shareholders were made visible to all meeting participants during the AGM.
<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>	: During the FY 2022, the Company held its 27th AGM on 14 June 2022. The Minutes of the Meetings, issues or concerns raised by shareholders and responses by the Company were uploaded on the Bursa website for shareholders' perusal within 30 business days after the completion of the Meetings.
<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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