

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5797
COMPANY NAME : CHOO BEE METAL INDUSTRIES 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 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's Corporate Vision and Mission Statement (set by the Board), together with the Company's values and standards in Code of Conduct are clearly documented in the Board Charter. The Board has established the relevant Board Committees to assist the Board to discharge its fiduciary duties, namely Audit and Risk Management Committee ("ARMC"), Executive Committee, Nomination Committee and Remuneration Committee ("NRC").</p> <p>The Board is also committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. The Group's Code of Conduct, together with the Employees Handbook and Anti-Bribery and Corruption Policy guide the Directors, management and employees with regard to policies and ethics standards to be adhered to in the conduct of the daily affairs and business of the Group.</p> <p>The Board has delegated the daily management of the Group's affairs to the Group Executive Chairman cum Chief Executive Officer. The Group Executive Chairman cum Chief Executive Officer provides the leadership, supervision and monitoring of the efficiency and effectiveness of the conduct of the Group's business activities.</p> <p>The Group Executive Chairman cum Chief Executive Officer is responsible for developing corporate strategies, operational plans and targets and managing a team of executives responsible for the execution of the functions to attain the desired corporate and business outcomes as set by the Board in a sustainable manner.</p> <p>The Group Executive Chairman cum Chief Executive Officer is assisted by members of the Management team, who themselves are responsible for certain specific areas of the Group's operations. The management team assesses business opportunities and threats and, where appropriate, develop strategies to capitalise on such</p>

	<p>opportunities and put in place risk management and internal control practices to mitigate risks inherent in or associated with such opportunities.</p> <p>The Board had in February 23 discussed with the management on the Group's business strategy, targets and CAPEX plans for the year. The discussion will take into consideration both local and international market sentiments, market intelligence, what competitors are doing as well as the number of resources required to achieve the desired outcome. Once finalised and approved by the Board, the strategies and targets were minuted by the Company Secretary and then executed by the management. Thereafter, the Board had meetings at least 4 times in the year to receive updates from the management on the progress of the Group versus the targets set. Issues encountered during the year were brought up for deliberation during Board meetings where Directors had provided the necessary input/feedback to the management of the Group. At year end, the management's performance were measured against the targets set.</p> <p>The detailed roles and responsibilities of the Chairman have been set forth in the Board Charter which has been revised and approved by the Board in August 2023.</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

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	:	The Board is helmed by Soon Cheng Hai, an experienced Executive Chairman who recognises the importance of good corporate governance practices that are transparent and consistently put into practice. The Chairman also plays a leadership role in the conduct of the Board and its relationship with shareholders and other stakeholders. As such, the Chairman of the Board has in place a Corporate Governance checklist which spells out all the recommended practices in the MCCG, how the Company applies the said practices, and in the case of non-compliance the reason for such or the proposed alternative to achieve the said outcome. The Chairman together with the Board take responsibility and perform an annual review on the Company's compliance and ensure all latest changes and updates in the MCCG during the year have been adopted and updated in the said checklist. For new practices/amendments to the MCCG by Bursa Malaysia, the Board and the Company Secretary(ies) will deliberate on the best approach to adopt the said principles/amendments.
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 1.3

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The position of Chairman and Chief Executive Officer are currently being held by the same person, i.e. Soon Cheng Hai. The Board is aware that convergence of the two roles is not in compliance with best practice but takes into consideration Soon Cheng Hai's vast experience, knowledge and proven track record in managing the businesses of the Group and the time he has spent in fulfilling all his responsibilities. It also helps provide stability to the Group due to his established leadership and oversight capabilities.	
<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	: Applied
Explanation on application of the practice	: The Executive Chairman is not a member of Audit and Risk Management Committee ("ARMC") or Nomination and Remuneration Committee ("NRC") neither the Executive Chairman was invited to the Meeting of ARMC and NRC.
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 1.5

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 Company Secretary, Ms Chan Eoi Leng from Boardroom Corporate Services Sdn. Bhd. (an established and experienced practice) has more than 15 years in handling corporate secretarial matters in the professional and corporate sector. Ms Chong Kwai Yoong was appointed as joint Secretary on 30 June 2023, replacing Ms Chan Wai Man (resigned during the year) and has been involved in corporate secretarial work for more than 10 years.</p> <p>Both the Company Secretaries are also registered with the Companies Commission of Malaysia under Section 241 of the Companies Act 2016 and members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").</p> <p>Amongst others, the Board is regularly updated by the Company Secretaries on new statutory, regulatory requirements relating to the duties and responsibilities of Directors, relevant trainings for Directors, as well as Corporate Governance issues and etc. All Directors have unrestricted access to timely and accurate information and access to the advice and services of the Company Secretaries who are responsible for ensuring all Board procedures are followed.</p> <p>The Company Secretaries play an important role in the general meetings in ensuring that the due processes and proceedings are in place and properly managed. During the meeting, the Company Secretaries assist the Chairman and the Board in the conduct of the meetings and ensure the minutes are properly recorded, particularly questions and issues raised by the shareholders. The Company Secretaries also ensure that deliberation at the Board and Board Committee meetings are well captured, minuted and documented. Additionally, the Company Secretaries are also involved in all Board deliberations relating to corporate matters/exercises and provide advise to the Board accordingly in line with prescribed regulations and best practices.</p> <p>The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of its functions.</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

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>An annual calendar of Board meetings, Board Committees meetings and the AGM is circulated in advance of each new year in order to facilitate the Directors in discharging their responsibilities efficiently.</p> <p>Notices of meetings are circulated at least 7 clear days prior to the date of Board and Board Committees meetings except for special meetings convened to discuss urgent matters. Meeting materials are circulated to the Directors at least 5 working days prior to the respective meeting to allow sufficient time for the Directors to review the meeting papers to ensure effective deliberation at the meeting. Minutes are confirmed by Management before circulation to the Board for next meeting i.e. included in next meeting materials.</p> <p>Draft minutes of the ARMC and Board Meetings were circulated in a timely manner for review and comments. Action items identified during Board and ARMC meetings are also highlighted for follow-up action by the Management.</p> <p>Board and Board Committee meetings proceedings are well-documented by the Company Secretaries. The minutes reflects key deliberations and decisions, rationale for each decision as well as any significant concerns, dissenting views or abstentions by Directors from voting and deliberating on specific matters. Meeting minutes are typically approved at the subsequent Board or Board Committee meeting.</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	:	The Board has a Board Charter that is reviewed annually for changes (last review was done in August 2023 and subsequently further enhanced in February 2024) and is published on the Company'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

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	:	<p>The Board's approved Code of Conduct was last reviewed and revised on 31 March 2023 and is published on the Company's website. The values in the Code of Conduct are instilled to everyone in the organization including directors, executives and employees at all levels and is displayed at all our office locations as well as in the Employee Self-Service e-document which is accessible to staff. The Board of Directors and management act as the exemplary role models for others in the company.</p> <p>The Board is required to observe compliance of the Anti-Bribery and Corruption Policy ("ABCP"), Codes as well as the Board Charter and high standard of corporate governance at all times. The Board members are required to declare any personal, professional or business interest that may conflict with director's responsibilities.</p> <p>The objective of the Company's ABCP which is also available on its corporate website, is to manage risk in relation to bribery and corruption. This is to ensure that good standards of behaviour permeate throughout all levels of the Group and would help prevent misconduct and unethical practices. Consequently, it will support the delivery of long-term sustainable success of the Company.</p> <p>The ARMC is responsible for overseeing the implementation of the ABCP for the Group's management, and all reports are addressed to the Compliance Officer who will perform an initial investigation. Where the matter is deemed potentially serious, it will be promptly reported to the CEO and/or Chairman of the Audit and Risk Management Committee for further action.</p> <p>The Codes are available on the Company's website at www.choobee.com</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 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company’s Whistleblowing Policy and Procedures (“WPP”), is available on our Company’s website. The Company’s WPP promotes an environment of integrity and ethical behaviour within the Group.</p> <p>The ARMC is responsible for overseeing the implementation of the WPP for the Group’s management, and all whistle-blowing reports are addressed to the ARMC Chairman. The CEO is responsible for overseeing the implementation of the WPP for the Group’s employees.</p> <p>The WPP was last reviewed and approved by the Board in February 2024 and is available on the Company’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 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	:	The Company has in place a sustainability policy that adopts ESG principles. Kindly refer to the Annual Report 2023 in the Sustainability Statement section.	
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 4.2

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	:	The company's sustainability strategies, priorities and selected targets as well as performance against these targets are disclosed in the Sustainability Statement which can be found in the Annual Report 2023.	
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>In order to ensure the Board is kept abreast on sustainability issues which are relevant to the company’s business and operations, the Board will attend relevant trainings to gain a better understanding on managing sustainability risk, management and reporting. During the year, all Directors attended Bursa’s Mandatory Accreditation Programme Part II on Leading for Impact.</p> <p>The Board will continue to be on the lookout for sustainability related trainings, together with the Company’s HR department support. The Company is exploring further improvements in conducting its business in a more sustainable manner to benefit all stakeholders.</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 4.4

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	:	Performance appraisal forms for the Board and senior management incorporates a section that evaluates how well they have performed in in addressing the company’s material sustainability risks and opportunities. This may include, where applicable, progress against the achievement of sustainability targets.	
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	:	Applied
Explanation on adoption of the practice	:	<p>The Board of Directors plays an active role in overseeing the sustainability governance and is ultimately responsible for the Group’s strategic direction on sustainability, while being supported by the respective Board committees by virtue of delegation. The Executive Committee supports the Board and Board committees sets the overall corporate sustainability strategy and provides impact oversight on the Group’s sustainability initiatives.</p> <p>The Sustainability Working Group (“SWG”), supporting the EXCO, led by the Chief Executive Officer drives the implementation of sustainability strategies and policies, evaluates sustainability risks and opportunities and reviews performance indicators. They are also responsible for materiality assessment including, monitoring and reporting of sustainability initiatives. The SWG comprises of designated management and the respective heads of department of the Group.</p> <p>Ongoing governance processes are periodically reviewed and refined to incorporate sustainability best practices for greater effectiveness and efficiency.</p>

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>In November 2023, the Nomination and Remuneration Committee ("NRC") carried out the Board and Director's annual assessment exercise, which is in accordance with the Board's Fit and Proper Policy for Directors. The effectiveness of the Board is assessed in the areas of Board diversity, composition and governance, addressing material sustainability risks and opportunities, decision-making and Boardroom activities, as well as in terms of each Director's skills and expertise. The Directors are assessed in relation to the skills, experience, contribution, tenure (though no policy limit on the number of years of service) and other qualities they bring to the Board. Additionally, the ability of each individual Director and Board Committee member to exercise independent judgement and demonstrate objectivity and clarity of thought on issues during deliberations at meetings, offer practical advice to the Board and/or Board Committee discussions are also taken into consideration.</p> <p>The NRC was satisfied with the performance of the retiring Directors and recommended to the Board for consideration and subsequently to the shareholders for approval at the 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 5.2

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	:	
Explanation for departure	:	<p>As of FY 2023, the Board comprises 33% of independent directors, i.e., two (2) out of six (6) Directors are independent directors.</p> <p>The Company however complies with Paragraph 15.02(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which states that at least two (2) directors or one-third (1/3) of the Board members of a listed issuer, are independent directors.</p> <p>An annual assessment on independence of the INEDs in respect of FY2023 was conducted based on the independence test prescribed under Paragraph 1.01 of the MMLR to assess their ability to bring unbiased and objective judgement to the Board's deliberations.</p> <p>The 2 existing INEDs namely Mr Ng Leong Teck and Puan Sri Shahrizan Binti Abdullah having undergone the annual assessment have satisfied the independence test, and have confirmed that they are independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement and have the ability to act in the best interests of the Company.</p> <p>On a separate note, no politician was appointed to the Board of the Company during FY2023.</p> <p>The Company does not fall under the "Large Companies" definition, as per Bursa's definitions of being on the FTSE Bursa Malaysia Top 100 Index.</p>
<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 5.3

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 - Two Tier Voting
Explanation on application of the practice	:	In November 2023, the Nomination and Remuneration Committee ("NRC") and the Board have determined upon their annual assessment that Puan Sri Shahrizan Binti Abdullah who has served on the Board for nine years and eleven months as Independent Director has exceeded the term limit of nine years. However, in their assessment, it was found that the above-mentioned Director remained objective and independent in expressing her views and participating in deliberations and decision making of the Board and Board Committees. Hence, the Board with the recommendation of the NRC had put forward an Ordinary Resolution for her retention to continue to act as an Independent Director via 2 tier voting for shareholders' approval at the 2024 AGM held to be held on 20 June 2024.
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>The Board appoints Directors and Senior Management based on the company's requirements/regulatory requirements which then are based on objective criteria ensuring a balanced appointment of wide and varied technical, financial and commercial experience.</p> <p>In determining candidates for appointment to the Board and Board Committees, the NRC also considers factors such as the time commitment of the Board and Board Committee members in discharging their roles and responsibilities through attendance at their respective meetings, their performance and contribution, possession of the attributes, capabilities and qualifications considered necessary or desirable for service and demonstration of independence, integrity and impartiality in decision-making. These requirements are as enshrined in the Board's Fit and Proper Policy for Directors.</p> <p>Refer to Profile of Directors and Key Management in 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

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 Nomination Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is open to recommendations from all sources including existing board members, management, major shareholders, industry acquaintance, contacts in related industries and independent sources to identify suitably qualified candidates.</p> <p>Apart from Board recommendations, the Company would consider engaging recruitment companies or head hunters to help source and identify candidates for appointment to the Board.</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 5.7

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	:	The information (name, age, gender, working experiences, conflict of interest and directorship in other companies) are included in the Annual Report 2023. For the 2024 AGM, such details will also be included as notes accompanying the notice of General Meeting. The Board would also provide a statement as to whether it supports the appointment or reappointment of the director and the reasons therein.	
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 Nomination Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	The NRC Chairman is Puan Sri Shahrizan Binti Abdullah, who is also the Senior Independent Non-Executive Director of the Company.	
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 Company has five male directors and one female director, where this position is currently held by Puan Sri Shahrizan Binti Abdullah.	
		The Company takes cognizance of the importance of gender diversity as laid in the best practice of the MCCG 2021.	
		The Board through its NRC would ensure woman candidates are sought as part of its recruitment exercise. Hence, the Board will actively work towards having at least 30% women Directors in compliance with Practice 5.9 of the MCCG 2021.	
		The Board shall increase woman board representation as and when there is vacancy as well as when suitable and qualified candidates are identified.	
<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 5.10

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	:	<p>The Company's policy on gender diversity for the Board and Senior Management is disclosed in the Annual Report 2023. It is also available on its corporate website.</p> <p>The salient features of the Board's Policy on gender diversity are set out in the Corporate Governance Statement included in 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

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	: <p>The NRC carries out the Board, Board Committees and Directors' assessment exercise annually via a formal evaluation form as well as the Fit and Proper Policy for Directors. The effectiveness of the Board is assessed in the areas of Board diversity, composition and governance, decision-making and Boardroom activities, as well as in terms of each Director's skills and expertise. The respective Board Committees are assessed through the appointed Committee's Chairman to ascertain whether their functions and duties are effectively discharged in accordance with their respective Terms of Reference.</p> <p>The effectiveness of the Board Committees is also assessed in terms of composition and governance, meeting administration and conduct, skills, competencies, roles and responsibilities. The Directors are assessed in relation to the skills, experience, contribution and other qualities they bring to the Board. Additionally, the ability of each individual Director and Board Committee member to exercise independent judgement and demonstrate objectivity and clarity of thought on issues during deliberations at meetings, offer practical advice to the Board and/or Board Committee discussions are also taken into consideration. The NRC in November 2023 carried out the formal assessment of the Board and Board Committees for their 2023 performance and contributions based on the assessment criteria spelled out above.</p> <p>From the assessment, the NRC was satisfied that the Board and Board committees have discharged their duties effectively during the year.</p> <ul style="list-style-type: none">• the Board Committees and all Directors were competent and efficient in performing and fulfilling their roles and responsibilities for the review period ended 31 December 2023.• The Chairman of the Board had demonstrated a good leadership skill in directing the Board discussion towards the achievement of

	<p>consensus view and also encouraged open communication which allowed the Board members to raise important matters without inhibition.</p> <ul style="list-style-type: none"> • the balance of Executive Directors and Non-Executive Directors, including INED was appropriate with 3 Executive Directors, 1 Non-INED and 2 INEDs (which met Bursa’s listing requirements). • None of the Directors dominated the decision making of the Board. • The Board has the necessary balance and composition to operate in an effective manner. • The Board members are competent, knowledgeable and have depth of understanding of the business and operations of the Group. 	
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 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	:	The remuneration policy for Directors and Senior Management is available on the Company'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

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	:	<p>The NRC comprises a majority of Non-Executive Directors and is chaired by a Senior Independent Non-Executive Director. The NRC is responsible for recommending the remuneration packages for all Directors, and to approve employees' compensation and benefits programme. Each individual Director plays no part in deciding his/her own remuneration.</p> <p>The Terms of Reference for the combined NRC can be found on the Company's website.</p> <p>The Board is satisfied that in year 2023, the NRC has effectively discharged its roles and responsibilities with respect to its remuneration function, which include amongst others, reviews of the remuneration policies for the Board, Board Committees, the CEO and key management personnel.</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

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	:	Disclosure made on named basis for individual Directors for each remuneration type, but by band disclosure method as shown in the Corporate Governance Overview Statement of the Annual Report 2023 in the interest of confidentiality.

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	Soon Cheng Hai	Executive Director	Below RM50,000	Input info here	RM550,001 to RM600,000	RM50,001 to RM100,000	Below RM50,000	Input info here	Input info here	RM650,001 to RM700,000	Below RM50,000	Input info here	RM1,100,001 to RM1,150,000	RM100,001 to RM150,000	Below RM50,000	Input info here	RM1,300,001 to RM1,350,000
2	Soon Cheng Boon	Executive Director	Below RM50,000	Input info here	RM550,001 to RM600,000	RM50,001 to RM100,000	Below RM50,000	Input info here	Input info here	RM600,001 to RM650,000	Below RM50,000	Input info here	RM1,100,001 to RM1,150,000	RM100,001 to RM150,000	Below RM50,000	Input info here	RM1,250,001 to RM1,300,000
3	Tan Han Leong	Executive Director	Below RM50,000	Input info here	RM150,001 to RM200,000	Below RM50,000	Input info here	Input info here	Input info here	RM200,001 to RM250,000	Below RM50,000	Input info here	RM150,001 to RM200,000	Below RM50,000	Input info here	Input info here	RM200,001 to RM250,000
4	Ng Poh Tat	Non-Executive Non-Independent Director	RM50,001 to RM100,000	Below RM50,000	Input info here	Input info here	Input info here	Input info here	Input info here	RM50,001 to RM100,000	RM50,001 to RM100,000	Below RM50,000	Input info here	Input info here	Input info here	Input info here	RM50,001 to RM100,000
5	Ng Leong Teck	Independent Director	RM50,001 to RM100,000	Below RM50,000	Input info here	Input info here	Input info here	Input info here	Input info here	RM50,001 to RM100,000	RM50,001 to RM100,000	Below RM50,000	Input info here	Input info here	Input info here	Input info here	RM50,001 to RM100,000
6	Puan Sri Shahrizan Binti Abdullah	Independent Director	RM50,001 to RM100,000	Below RM50,000	Input info here	Input info here	Input info here	Input info here	Input info here	RM50,001 to RM100,000	RM50,001 to RM100,000	Below RM50,000	Input info here	Input info here	Input info here	Input info here	RM50,001 to RM100,000
7	Soon Hean Hooi	Executive Director	Input info here	Input info here	RM200,001 to RM250,000	RM50,001 to RM100,000	Below RM50,000	RM250,001 to RM300,000	Input info here	RM550,001 to RM600,000	Below RM50,000	Input info here	RM450,001 to RM500,000	RM50,001 to RM100,000	Below RM50,000	RM550,001 to RM600,000	RM1,150,001 to RM1,200,000
8	Khoo Choon Yam	Independent Director	Input info here	Below RM50,000	Input info here	Input info here	Input info here	Input info here	Input info here	Below RM50,000	Input info here	Below RM50,000	Input info here	Input info here	Input info here	Input info here	Below RM50,000
9	Lim Chee Hoong	Independent Director	Input info here	Below RM50,000	Input info here	Input info here	Input info here	Input info here	Input info here	Below RM50,000	Input info here	Below RM50,000	Input info here	Input info here	Input info here	Input info here	Below RM50,000
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	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	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	:	<p>In the interest of confidentiality, individual remuneration of each senior management is not disclosed. Disclosure made not on named basis of individual senior management but in total amount in bands of RM50,000 for each type of remuneration.</p> <p>The band disclosure method is as shown as follows and in the Corporate Governance Overview Statement of the Annual Report 2023:</p> <p><u>Senior Management Remuneration</u></p> <p style="text-align: right;"><u>RM'000</u></p> <p>Group & Company</p> <p>Salaries and Allowances 346</p> <p>Bonus 579</p> <p>Benefit-in-kind 24</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th rowspan="2">RM</th> <th colspan="3">Number of Senior Management</th> </tr> <tr> <th>Salaries and Allowances</th> <th>Bonus</th> <th>Benefit-in-kind</th> </tr> </thead> <tbody> <tr> <td>Below 50,000</td> <td>-</td> <td>-</td> <td>2</td> </tr> <tr> <td>50,001 - 100,000</td> <td>1</td> <td>-</td> <td>-</td> </tr> <tr> <td>100,001 - 150,000</td> <td>1</td> <td>1</td> <td>-</td> </tr> <tr> <td>150,001 - 200,000</td> <td>1</td> <td>1</td> <td>-</td> </tr> <tr> <td>350,001 - 400,000</td> <td>-</td> <td>1</td> <td>-</td> </tr> </tbody> </table>	RM	Number of Senior Management			Salaries and Allowances	Bonus	Benefit-in-kind	Below 50,000	-	-	2	50,001 - 100,000	1	-	-	100,001 - 150,000	1	1	-	150,001 - 200,000	1	1	-	350,001 - 400,000	-	1	-
RM	Number of Senior Management																												
	Salaries and Allowances	Bonus	Benefit-in-kind																										
Below 50,000	-	-	2																										
50,001 - 100,000	1	-	-																										
100,001 - 150,000	1	1	-																										
150,001 - 200,000	1	1	-																										
350,001 - 400,000	-	1	-																										
<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

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	:	

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 Audit and Risk Management Committee ("ARMC") Chairman is Mr Ng Leong Teck, an Independent Non-Executive Director and 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	:	The 'Restriction in Appointment of External Audit Partner' policy is stated in the Terms of Reference of Audit and Risk Management Committee and can be found on the Company'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

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 performance of the External Auditors, including assessment of their suitability and independence in performing their obligations, is performed via a formal evaluation form with criteria set by the ARMC. Assessment criteria includes the caliber, reputation and resources of the firm, staff experience and qualification, Audit Transparency Report reference, audit scope, communication, ability to perform work within the Group's timeline and the level of non-audit services to be rendered.</p> <p>The ARMC will also engage the CFO for his feedback as part of the assessment process. With regards to the assessment of the external auditor's independence, the Board's external auditor independence policy requires that the engagement audit partner who is responsible for the financial statements of the Group be subject to a seven-year rotation with a three-year cooling-off period. Being satisfied with the external auditor's performance, technical competency and audit independence as per the auditor independence policy, the Audit and Risk Management Committee then recommended to the Board for approval of the reappointment of BDO as External Auditors for the financial year ended 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

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	:	The ARMC Chairman is an experienced and qualified accountant and is a partner of a medium sized accounting firm (Refer to Profile of Directors in the Annual Report 2023). The Chairman and Committee members attend regular trainings to ensure that they are kept abreast with latest developments in accounting and auditing standards, practices and rules as disclosed in the Annual Report 2023.	
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 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Details of the Company’s internal control and risk management framework can be found in the Statement on Risk Management and Internal Control in the Annual Report 2023.</p> <p>The ARMC assists the Board to review the adequacy and effectiveness of the company’s internal control and risk management processes.</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 10.2

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 Board discloses the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.</p> <p>Refer to Statement on Risk Management and Internal Control 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	:	<p>The Company has a combined ARMC.</p> <p>The Board, through the ARMC and Executive Committee, maintains an oversight responsibility for risks within the Group. Both the committees are supported by the Internal Audit Function who will independently reviews the risks identified by the Risk Management Team and the controls in place which affect the risk ratings. Appropriate action is taken by the Risk Management Team which comprise the Chief Executive Officer, Chief Risk Officer and respective Heads of Department to mitigate the risks concerned.</p>

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 performance of the outsourced internal auditors, Agile Advisory Services PLT (“Agile Advisory”), including assessment of their independence in performing their obligations, is evaluated and monitored yearly via formal evaluation form with criteria set by the ARMC. Assessment criteria includes the caliber, reputation and resources of the firm, staff experience and qualification, audit scope, audit methodology, communication and the ability to perform work within the Group’s timeline.</p> <p>The evaluation of our internal auditors for the financial year ended 31 December 2023 was done on 22 February 2024 by the ARMC and reported to the Board.</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 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 following is disclosed in the Audit and Risk Management Committee Report in the Annual Report 2023:</p> <ul style="list-style-type: none"> - The Internal Auditors provided a written assurance on 22 February 2024 to the ARMC that in accordance with the terms of all relevant professional and regulatory requirements, they had been independent throughout the audit engagement for 2023. <p>The following is disclosed in the Statement on Risk Management and Internal Control in the Annual Report 2023:</p> <ul style="list-style-type: none"> - The internal audit is guided by the International Professional Practices Framework issued by the Institute of Internal Auditors Inc. which contains the international standards for internal auditing. <p>As the internal audit function is outsourced, it is not practical to disclose the number of resources, names and qualification as audit personnel assigned on field may be different in each quarter (other than the lead auditor).</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>Communication with stakeholders is executed in a timely, concise and transparent manner through announcements via Bursa LINK, on the Company's website and the media.</p> <p>Regular practices by the Company:</p> <ul style="list-style-type: none"> - Annual General Meeting - Factory visits and updates briefing - Email correspondences - Telephone conferences 	
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 12.2

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 dispatches Notice of its AGM to shareholders more than 28 days which is well in advance of the 21 days requirement stipulated in the Companies Act 2016 and Main Market Listing Requirements.	
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, Nomination, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	During the Annual General Meeting (“AGM”), all Directors including the Chair of the ARMC, NRC are present. All Directors engage with shareholders during the AGM, especially to questions directed to the specific Director(s) to respond.	
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	:	Applied
Explanation on application of the practice	:	<p>The Company's 2023 Annual General Meeting (AGM) was conducted fully virtual through live streaming and online remote voting using remote participation and voting facilities, which is in compliance with Section 327 of the Companies Act 2016.</p> <p>The Company has adopted poll voting, in accordance with Paragraph 8.29A of the Bursa Securities Main Market Listing Requirements and shareholders who are unable to attend the AGM are allowed to vote via proxy. Hence, the Board views that the current practice is suffice.</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

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 :	<p>During the general meeting held on 21 June 2023, shareholders were given the opportunity to pose questions on matters relating to the Group's business in addition to the Company's financial statements and other items for adoption at the meeting. All the Directors (as well as the Chair of the respective Board Committee), Chief Financial Officer and the External Auditors were in attendance virtually.</p> <p>As a norm, our general meetings will continue to be held via an electronic platform to enable remote shareholders' participation.</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

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 :	Applied
Explanation on application of the practice :	As a norm, our general meetings will continue to be held via an electronic platform to enable remote shareholders' participation and support meaningful engagement. Questions posed by shareholders will also be made visible to all meeting participants.
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 AGM was published on the Company's website within 30 business days from 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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