

CORPORATE GOVERNANCE REPORT

STOCK CODE : 6041
COMPANY NAME : FARLIM GROUP (MALAYSIA) BHD.
FINANCIAL YEAR : December 31, 2021

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board of Directors has in its roles and responsibilities as set out in its Board Charter included that on strategic plan and necessary resources to meet its objectives and review of management performance. The values and standards of the Company may be reflected in its operational performance.</p> <p>The Board is aware of its obligations to the shareholders of the Company and other stakeholders and as such, a policy has been formulated for implementation as set out in the Board Charter.</p> <p>The relevant details contained in the Board Charter are appended hereunder:-</p> <p>1. Roles and Responsibilities of the Board</p> <p>Board should objectively discharge their duties and responsibilities at all times in the interests of the Group and should keep abreast of its responsibilities and of the conduct, business activities and development of the Group.</p> <p>To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Group, the Board should, among others:</p> <ol style="list-style-type: none">Promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;Review, challenge and decide on Management's proposals for the Group, and monitor their implementation;Ensure that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;Supervise and assess Management's performance to determine whether the Group's business is being properly managed;Ensure that there is a sound framework for internal controls |

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| | <p>and risk management;</p> <ol style="list-style-type: none"> f. Understand the principal risks of the Group's business and recognise that business decisions involve the taking of appropriate risks; g. Assess and set the risk appetite within which Management should operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks; h. Ensure that Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and Senior Management; i. Ensure that the Group has in place procedures to enable effective communication with stakeholders; j. Ensure the integrity of the Group's financial and non-financial reporting; and k. Review the terms of office and performance of the Board Committees annually (with members of the respective Board Committees abstain from deliberation). <p>In addition, with respect to prevention of corruption, the Board shall:</p> <ul style="list-style-type: none"> • Establish and maintain effective and adequate anti-corruption compliance policies and framework and whistleblowing feedback channel; • Review the Group's corruption risk exposures periodically or when there are changes in law, circumstance of the business and/or the profile of its business associates; and • Obtain assurance that anti-corruption compliance policies and framework is functioning effectively. <p>2. Access of Information and Resources</p> <p>All Board Members shall have full and unrestricted access to:</p> <ul style="list-style-type: none"> ○ Complete, adequate and timely information of the Group; ○ The resources required to perform their duties; and ○ Subject to Board's approval, engage independent professional or obtain advices at the expense of the Group. <p>Management is responsible for providing the Board with the required information in an appropriate and timely manner. If the information provided by Management is insufficient, the Board may make further enquiries, to which the Management responsible shall respond accordingly.</p> <p>3. Performance Appraisal</p> <p>Regular reviews of Directors' effectiveness and performance are important for Board improvement. The Board shall review and evaluate each Director's performance, its own performance and the performance of its Committees at least once a year. When assessing its performance, the Board shall also evaluate its performance vis-à-vis the provisions in this Board Charter. The</p> |
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| | <p>Board shall disclose how the assessment is carried out and its outcome.</p> <p>All Board related performance appraisal shall be administered and conducted by the Nomination Committee who shall then report back to the Board. Based on the result of appraisal, the Nomination Committee should assist the Board to undertake assessment of the training needs of each Board Member and recommend the appropriate educational/training programmes to the respective Board Members to equip themselves with the relevant knowledge.</p> <p>4. Communication with Stakeholders</p> <p>Ongoing engagement and communication with stakeholders build trust and understanding between the Group and its stakeholders. It provides stakeholders a better appreciation of the Group's objectives and the quality of its Management. This in turn will assist stakeholders in evaluating the Group and facilitate shareholders to determine how their votes should be exercised. From the Group's perspective, communication with stakeholders provides an avenue for invaluable feedback that can be used to understand stakeholders' expectations and to develop business strategies.</p> <p>The principles governing the Board's stakeholders communication initiatives are as follows:</p> <ul style="list-style-type: none"> • The Chairman & Chief Executive or Deputy Chairman & Executive Director or in their absence any other Board Members authorized by Chairman & Chief Executive and Deputy Chairman & Executive Director will be the spokesperson of the Board; • The Board will leverage its corporate website to report its financial results and material developments to the Exchange, its shareholders and other stakeholders in an open, timely and comprehensive manner; • The Board will proactively address reports and rumors to avoid unnecessary speculation in its securities; • The Board will give reasonable access to analysts and media to form their opinion about the Group, but will not seek to influence those opinions. Also, the Board will not give information to the analysts and media that is not available to the general public; and • The Board will meet with its stakeholders through appropriate platform and channel to inform and obtain feedback from stakeholders. |
| <p>Explanation for departure</p> | <p>:</p> |

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

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| 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>A Chairman has been appointed to the Board of Directors who will instil good corporate governance practices, leadership and effectiveness.</p> <p>The roles and responsibilities of the Chairman of the Board who is also the Chief Executive have been clearly specified in the Board Charter as follows:-</p> <p>The primary roles of the Chairman & Chief Executive are:</p> <ul style="list-style-type: none">• To provide leadership to the Board and effective communication of the Group's vision, philosophy and business strategy to stakeholders;• To develop and recommend to the Board the long-term strategy and vision of the Group and the critical performance targets;• To develop and recommend to the Board the annual business plans and budgets that support the Group's long-term strategy;• Ensure that the Group has an effective Management team and structure, Management development program and succession plan;• To set the Board meeting's agenda and ensure that Board Members receive complete and accurate information in a timely manner;• To lead Board meetings and discussions;• To encourage active participation of all Board Members and to allow dissenting views to be freely expressed;• To liaise with the Company Secretary on the agenda for Board meetings;• To manage the interface between Board and Management;• To ensure that appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board;• To lead the Board in establishing and monitoring good corporate governance practices in the Group; and• To chair general meetings of shareholders and serve as a focal point for stakeholders' communication and engagement on Group's performance issues. |
| Explanation for departure | : | |

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

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

Practice 1.3

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

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| Application | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | The Board is headed by the Chairman who is also the Managing Director and Chief Executive. | |
| | | To alleviate the risk where the roles of Chairman, Managing Director and Chief Executive are combined, adequate number of Independent Directors has been maintained and maintenance of three Independent Directors exceeding one-third in number is in compliance with the requirements of Bursa Malaysia Securities Berhad in relation to one-third Independent Directors. | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. | |
| Timeframe | : | Choose an item. | |

Intended Outcome

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

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| <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 Chairman of the Board Tan Sri Dato' Seri Lim Gait Tong is not a member of the Audit Committee, Nomination Committee or Remuneration Committee. |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
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Intended Outcome

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

Practice 1.5

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The in-house Company Secretary of the Company being a Fellow of Malaysian Institute of Chartered Secretaries and Administrators is qualified to act as company secretary under Section 235(2)(a) of the Companies Act 2016.</p> <p>The Board has in its Board Charter arrived at a policy in relation to the Company Secretary as follows:-</p> <p>The Company Secretary plays an important role in good governance by helping the Board and its Committees function effectively and in accordance with their terms of reference and best practices.</p> <p>The roles and responsibilities of the Company Secretary include, but not limited to the following:</p> <ul style="list-style-type: none">• Manage all Board's and Board Committees' meeting logistics;• Attend and record minutes of all Board's and Board Committees' meetings and facilitate Board communications;• Advise the Board and Board Committees on their roles and responsibilities;• Facilitate the orientation of new Directors and assist in Director training and development;• Advise the Board on corporate disclosures and compliance with securities regulations, listing requirements and companies act;• Manage processes pertaining to annual shareholder meeting;• Monitor corporate governance developments and assist the Board in applying governance practices to meet the compliance needs and stakeholders' expectations; and• Serve as a focal point for stakeholders' communication and engagement on corporate governance issues. <p>In order to carry out his function effectively, Company Secretary should possess the knowledge and experience covering the knowledge in company and securities law, finance, governance, company secretaryship and listing requirements and undertake continuous professional development.</p> |
| Explanation for departure | : | |

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

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

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Directors have been furnished with complete and accurate meeting materials within a reasonable period prior to each meeting and minutes have been circulated in a timely manner.</p> <p>Members of the Board have unrestricted access to the advice and services of the Company Secretary who organises and attends all Board Meetings to enable compliance with proper procedures at Board Meetings and applicable rules and regulations. The proceedings, resolutions and decisions at Board Meetings are properly minuted by the Company Secretary for confirmation at subsequent meetings and signing by the Chairman as correct records.</p> <p>Reports containing notices of meetings with structured pre-set agenda and relevant papers setting out accurate and complete information required, be they in relation to finance, operation, corporate issues or otherwise, requiring attention and/or decisions at Board Meetings are circulated seven days in advance for proper conduct of such meetings to ensure adequate time being accorded to members of the Board prior to deliberation and decision-making to enable the Board to discharge its duties effectively. The Chairman chairs the Board Meetings and conducts such meetings with presentation and explanations by the senior management on the respective papers in the Board Reports.</p> |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
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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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>A Board Charter has been in place which will as and when the need arises be reviewed and published on the website of the Company.</p> <p>The respective roles and responsibilities of the Board, its Committees, individual Directors and management and issues and decisions reserved for the Board are set out in the Board Charter of the Company as follows:-</p> <p>1. Roles and Responsibilities of the Board</p> <p>The Board should objectively discharge their duties and responsibilities at all times in the interests of the Group and should keep abreast of its responsibilities and of the conduct, business activities and development of the Group.</p> <p>To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Group, the Board should, among others:</p> <ul style="list-style-type: none">• Promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;• Review, challenge and decide on Management's proposals for the Group, and monitor their implementation;• Ensure that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;• Supervise and assess Management's performance to determine whether the Group's business is being properly managed;• Ensure that there is a sound framework for internal controls and risk management;• Understand the principal risks of the Group's business and recognise that business decisions involve the taking of appropriate risks; |

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| | <ul style="list-style-type: none"> • Assess and set the risk appetite within which Management should operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks; • Ensure that Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and Senior Management; • Ensure that the Group has in place procedures to enable effective communication with stakeholders; • Ensure the integrity of the Group's financial and non-financial reporting; and • Review the terms of office and performance of the Board Committees annually (with members of the respective Board Committees abstain from deliberation). <p>In addition, with respect to prevention of corruption, the Board shall:</p> <ul style="list-style-type: none"> • Establish and maintain effective and adequate anti-corruption compliance policies and framework and whistleblowing feedback channel; • Review the Group's corruption risk exposures periodically or when there are changes in law, circumstance of the business and/or the profile of its business associates; and • Obtain assurance that anti-corruption compliance policies and framework is functioning effectively. <p>2. Position Descriptions of the Board Members</p> <p>Chairman & Chief Executive and Deputy Chairman & Executive Director</p> <p>The primary roles of the Chairman & Chief Executive and Deputy Chairman & Executive Director are:</p> <ul style="list-style-type: none"> • To provide leadership to the Board and effective communication of the Group's vision, philosophy and business strategy to stakeholders; • To develop and recommend to the Board the long-term strategy and vision of the Group and the critical performance targets; • To develop and recommend to the Board the annual business plans and budgets that support the Group's long-term strategy; • Ensure that the Group has an effective Management team and structure, Management development program and succession plan; • To set the Board meeting's agenda and ensure that Board Members receive complete and accurate information in a timely manner; • To lead Board meetings and discussions; • To encourage active participation of all Board Members and to allow dissenting views to be freely expressed; • To liaise with the Company Secretary on the agenda for |
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| | <p>Board meetings;</p> <ul style="list-style-type: none"> • To manage the interface between Board and Management; • To ensure that appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board; • To lead the Board in establishing and monitoring good corporate governance practices in the Group; and • To chair general meetings of shareholders and serve as a focal point for stakeholders' communication and engagement on Group's performance issues. <p>Executive Directors</p> <p>The key responsibilities of the Executive Directors are:</p> <ul style="list-style-type: none"> • To ensure that Board decisions and strategic directions are implemented and responded to; • To provide directions to Management in the implementation of short and long-term business plans; • To develop, maintain and recommend to the Board the risk management action plans that support the Group's long-term strategy; • To keep Board fully informed of all important aspects of the Group's operations and to ensure that sufficient information is distributed to Board Members; and • To ensure that day-to-day business affairs of the Group are effectively managed. <p>Independent Directors</p> <p>The primary responsibility of Independent Directors is to ensure effective check and balance in the Board by:</p> <ul style="list-style-type: none"> • Bringing independent and objective judgement to the Board; • Mitigating risk of any possible conflict of interest and undue influence in the Board; and • Constructively challenging and contributing to the development of business strategy and direction of the Group. <p>Independent Director of the Board must fulfil the provisions and definition of Independent Director of the Listing Requirements at all times and must declare their independence to the Board annually.</p> <p>When the Board intends to retain its Independent Director beyond nine years, it would justify and seek shareholders' approval in the AGM. However, if the Board continues to retain its Independent Director after the ninth year, the Board would seek shareholders' approval through a two-tier voting process in the AGM.</p> <p>3. Conflict of Interests</p> |
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| | <p>Directors are required to take all reasonable steps to avoid actual, potential or perceived conflict of interests with the Group's interest.</p> <p>Should there be actual, potential or perceived conflict of interests between the Group and Board Members or person connected with the Board Members such as spouse, other family members, or a related company, the interested Board Member shall make full disclosure in bona fide and act honestly in the best interests of the Group and shall not participate in deliberations and shall abstain himself/ herself from casting his/her vote in any matter arising thereof.</p> <p>The company website is accessible at www.farlim.com.my.</p> | |
| Explanation for departure | : | |
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| <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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>A Corporate Code of Conduct and Ethics has been included in the Board Policies of the Company which addresses the issues of conflict of interest, abuse of power, corruption, insider trading and money laundering.</p> <p>Appended hereunder are the relevant details as set out in the said Board Policies:-</p> <p>1. OBJECTIVES</p> <p>The objectives of the Group's Code of Conduct and Ethics (this "Code") are:</p> <ul style="list-style-type: none">i. To set the tone and standards for the ethical conducts in the Group;ii. To communicate and provide guidance to stakeholders on the ethical behaviors and values expected from the Group and management; andiii. To measure and monitor management performance against the provisions in this Code. <p>2. PRINCIPLES</p> <p>We are responsible to:</p> <ul style="list-style-type: none">i. Our Buyers, by offering them well-built properties that preserve its long-term value;ii. Our Contractors, business associates and partners who adhere to the universal principles of code of ethics, to make a fair profit;iii. Our Employees, by creating safe, healthy and secured working environments, acknowledging their dignity and merit, and providing fair remuneration and career;iv. Our Communities, by embracing social equity and diversity, complying with regulatory requirements and supporting good causes and charities; |

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| | <p>v. Our Environment, by preserving and protecting the environment and natural resources to ensure sustainability;</p> <p>vi. Our Shareholders, by acting in their best interest without abusing our knowledge of confidential information in share trading and engaging in conflict of interest transactions; and</p> <p>Vii.All Stakeholders, by not tolerating with any form of corruption and bribe, assisting in money laundering and abusing power to gain improper gains and advantage.</p> <p>3. BOARD’S RESPONSIBILITY The Board shall ensure that the objectives of this Code are met by:</p> <ol style="list-style-type: none"> Setting a role model in practicing the provisions in this Code; Committing and ensuring the implementation of appropriate internal control systems, corruption preventive framework and anti-bribery guidelines to support, promote and strengthen the awareness and compliance with this Code; Implementing whistle blowing reporting channel to facilitate communication and feedbacks; Integrating the philosophy of this Code into the Group’s decision, practices and procedures; and Monitoring management performance against the principles of this Code. <p>4. MANAGEMENT’S RESPONSIBILITY Management shall:</p> <ol style="list-style-type: none"> Observe and promote the principles of this Code; Ensure that their actions and interaction with all stakeholders are consistent with the spirit of this Code; and Communicate this Code to all staff members and stakeholders periodically and enforce this Code in the Group. <p>5. Reporting of Non-Observance Stakeholder who knows of or suspects a violation of this Code is encouraged to report the incident to farlim@whistleblower.com.my or post to PO Box #911, L2- 08, Level 2, Cheras Leisure Mall, Jalan Manis 6, Taman Segar, 56100 Kuala Lumpur in accordance to the Group whistleblowing policy and procedure.</p> <p>6. Publication of Corporate Code of Conducts and Ethics This Corporate Code of Conduct and Ethics is approved by the Board for publication on the Group’s corporate website.</p> |
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| Explanation for departure | : | |
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| <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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | Whistleblowing is among the matters set out in the Corporate Code of Conduct and Ethics established by the Company. Details are as set out in the preceding Practice 3.1. | |
| Explanation for departure | : | | |
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| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 4.1

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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | Details of the above are set out in the Company's Sustainability Statement contained in the Annual Report 2021. | |
| Explanation for departure | : | | |
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| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 4.2

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

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| Application | : | Applied | |
| Explanation on application of the practice | : | As per the Company's Sustainability Statement contained in the Annual Report 2021. | |
| Explanation for departure | : | | |
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| Measure | : | | |
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Intended Outcome

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

Practice 4.3

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

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| Application | : | Applied | |
| Explanation on application of the practice | : | As elaborated in the Company's Sustainability Statement contained in the Annual Report 2021. | |
| Explanation for departure | : | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
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Intended Outcome

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

Practice 4.4

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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | As per the Company's Sustainability Statement contained in the Annual Report 2021. | |
| Explanation for departure | : | | |
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| <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.

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| Application | : | Adopted |
| Explanation on adoption of the practice | : | As per the Sustainability Statement set out in the Annual Report 2021. |

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Nomination Committee noted the provisions of Paragraph 15.08A(3)(c) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad requiring assessment by the Nomination Committee of the Board of Directors, Board Committees (such as Audit Committee, Executive Committee, Remuneration Committee, Risk Management Committee) and individual Directors and furnishing of the criteria used for such assessment.</p> <p>The Nomination Committee also noted that pursuant to Practice 5.1 of Malaysian Code on Corporate Governance the Nomination Committee should ensure that the composition of the board is refreshed periodically and 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.</p> <p>The said assessment was carried out by the Nomination Committee accordingly with the exception of the interested party who abstained from assessment of that involving himself/herself.</p> <p>The results of the said assessment revealed that the performance of the Board of Directors, the respective Committees of the Board and individual Directors is satisfactory.</p> <p>The Nomination Committee has conducted its review pursuant to Practice 5.1 of Malaysian Code on Corporate Governance and in its assessment of the following Directors is satisfied with their performance and contribution to the Board during the tenure referred to therein for submission to the Board for their re-election at the forthcoming Annual General Meeting:-</p> <ol style="list-style-type: none">1. Mr. Lim Chu Dick2. Encik Khairilnuar Bin Abdul Rahman |

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| 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 | : | Applied | |
| Explanation on application of the practice | : | Currently, three out of six members of the Board are Independent Directors. | |
| 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 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>An Independent Director Mr Koay Say Loke Andrew who was appointed on June 22, 2010 had on June 23, 2022 served as Independent and Non-Executive Director for more than nine years and the board upon recommendation by the Nomination Committee resolved that the Company shall seek shareholders' approval through a two-tier voting process at the forthcoming Fortieth Annual General Meeting pursuant to the Malaysian Code on Corporate Governance for his retention with the following justifications as an Independent Director of the Company:-</p> <ol style="list-style-type: none">1. Mr. Koay Say Loke Andrew displayed independent views without undue influence from others;2. He possessed confidence and took firm stance in his expression of views on matters dealt with;3. He is in possession of knowledge with independent views as a professional; and4. He is the sole Member of the Board who is a lawyer and Accountant <p>Another Independent Director Encik Khairilnuar Bin Abdul Rahman who was appointed on August 18, 2011 had on June 23, 2022 also served as Independent and Non-Executive Director for more than nine years and the board upon recommendation by the Nomination Committee resolved that the Company shall seek shareholders' approval through a two-tier voting process at the forthcoming Fortieth Annual General Meeting pursuant to the Malaysian Code on Corporate Governance for his retention with the following justifications as an Independent Director of the Company:-</p> <ol style="list-style-type: none">1. Encik Khairilnuar Bin Abdul Rahman discharged his duties conscientiously as an Independent Director;2. He is free from undue influence in expression of his views; and3. He has wide experience in serving as an Independent Director with independent views. |
| 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>Specific criteria shall be the basis for consideration of appointment of Members of the Board and senior management as set out in the Board Charter of the Company as follows:-</p> <p>1. Size and Composition</p> <p>The Board shall ensure that the number of Directors of the Board shall be in accordance with the Company's Constitution and the prevailing requirements of the laws and regulations.</p> <p>The positions of Chairman and Managing Director are to be separated and held by different individuals.</p> <p>The Chairman of the board shall not be the Chairman of the Audit Committee, Risk Management Committee, Nomination Committee or Remuneration Committee.</p> <p>2. Appointment, Criteria and Nomination</p> <p>Board diversity provides constructive debates and enables the discussion of the same ideas in differing ways leading to better decisions.</p> <p>The Board acknowledges the importance of gender diversity in its composition. In its selection of Board Members, the Board provides equal opportunity to all candidates who meet its selection criteria.</p> <p>In identifying the candidates for the Board and Senior Management, the Board will consider the recommendations from existing Board Members, Management or Major Shareholders as well as independent sources to identify suitably qualified candidates for appointment of Directors and Senior Management positions.</p> |

| | | |
|--|---|--|
| | <p>Appointment of Board and Senior Management is based on objective criteria, merit and with due regard to diversity of skills, experience, age, cultural background and gender.</p> <p>All new Directors appointed to the Board shall undertake a formal induction program coordinated by the Nomination Committee.</p> <p>Director retirement and re-election shall be carried out in accordance with the Company's constitution and requirements of the law.</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 Nominating 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 Charter of the Company sets out the relevant policy on identifying candidates for appointment of Directors. The Board may rely on recommendations from existing Board Members, Management or Major Shareholders or utilise external sources to identify suitably qualified candidates.</p> <p>For selection of candidates based on recommendations, if any, made by existing Board Members, Management or Major Shareholders, the Nominating Committee will explain why these sources suffice and other sources were not used.</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 | : | <p>Assessment was carried out by the Nomination Committee with the exception of the interested party who abstained from assessment of that involving himself/herself.</p> <p>The said assessment revealed that the performance of the Board of Directors, the respective Committees of the Board and individual Directors is satisfactory.</p> <p>The Nomination Committee had conducted its review pursuant to Practice 5.1 of Malaysian Code on Corporate Governance and in its assessment of the following Directors is satisfied with their performance and contribution to the Board during the tenure referred to therein for submission to the Board which accepted the proposal for their re-election at the forthcoming Annual General Meeting:-</p> <ol style="list-style-type: none">1. Mr. Lim Chu Dick2. Encik Khairilnuar Bin Abdul Rahman <p>Independent assessments were also carried out by the Nomination Committee pursuant to Practice 5.3 of Malaysian Code on Corporate Governance with the exception of the interested party Mr. Koay Say Loke Andrew and Encik Khairilnuar Bin Abdul Rahman who each abstained from assessment of that involving himself.</p> <p>The Board accepted the recommendation by the Nomination Committee to retain Mr. Koay Say Loke Andrew and Encik Khairilnuar Bin Abdul Rahman as Independent Directors beyond nine years for shareholders' approval at the forthcoming Fortieth Annual General Meeting</p> |

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

Intended Outcome

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

Practice 5.8

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

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | Encik Khairilnuar Bin Abdul Rahman who is the current Chairman of the Nomination Committee is an Independent and Non-Executive Director. | |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

| | | | |
|---|---|---|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | Currently, the Company is having one female Director namely Miss Adlina Hasni Binti Zainol Abidin who is an Independent and Non-Executive Director, comprising 16.67% of the structure of the Board. The Company may increase the number of female Directors in the Company. | |
| Explanation for departure | : | | |
| | | | |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 5.10

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

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | The diversity of gender in the Board structure has been a consideration by the Company for appointment of Members of the Board. A female is among the Board Members 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

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.

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.

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The formal and objective annual evaluation of the effectiveness of the Board, its Committees and each individual Director has been carried out by the Nomination Committee.</p> <p>Assessment by the Nomination Committee has been carried out in writing basing on the criteria applicable and required in relation to the Board, its respective Committees and each individual Director and the findings are thus far satisfactory.</p> <p>The performance appraisal has been set out in the Board Charter of the Company as follows:-</p> <p>Performance Appraisal</p> <p>Regular reviews of Directors' effectiveness and performance are important for Board improvement. The Board shall review and evaluate each Director's performance, its own performance and the performance of its Committees at least once a year. When assessing its performance, the Board shall also evaluate its performance vis-à-vis the provisions in this Board Charter. The Board shall disclose how the assessment is carried out and its outcome.</p> <p>All Board related performance appraised shall be administered and conducted by the Nomination Committee who shall then report back to the Board. Based on the result of appraisal, the Nomination Committee should assist the Board to undertake assessment of the training needs of each Board Member and recommend the appropriate educational/training programmes to the respective Board Members to equip themselves with the relevant knowledge.</p> |

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

Intended Outcome

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

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

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

| | | | |
|---|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>A policy on the remuneration of Directors and senior management has been included in the Board Charter of the Company, details of which are as set out hereunder:-</p> <p>Remuneration</p> <p>The Remuneration Committee is delegated with the responsibility by the Board to recommend to the Board the remuneration packages of the Executive Directors and Non-Executive Directors and Senior Management in all its forms, drawing from outside advice as appropriate.</p> <p>The Remuneration Committee shall implement the remuneration policies and procedures defined by the Board and review and recommend any matters relating to the remuneration of the Board and Senior Management to the Board.</p> | |
| Explanation for departure | : | | |
| | | | |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

The 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>A Remuneration Committee set up by the Company comprising three Members, all of whom are Non-Executive and Independent Directors, is responsible for:-</p> <ul style="list-style-type: none">(a) determining and developing the remuneration policy and procedures for Executive Directors;(b) recommending to the Board the remuneration of Executive Directors in all its forms, drawing from outside advice where necessary;(c) assisting the Board in ensuring that the remuneration of Directors which shall be aligned with the business strategy and long-term objectives of the Company reflects the responsibility, expertise and commitment of the Directors concerned and complexity of activities carried out, and determining the policy for and scope of service agreements for Executive Directors, termination payments and compensation commitments; and(d) recommending to the Board the seeking of services of such advisers or consultants as is necessary to fulfil its responsibilities. <p>The policy on Remuneration set out in the Board Charter of the Company may be published in the website.</p> |
| Explanation for departure | : | |
| | | |

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

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|------------------|---|--|--|
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | The detailed disclosure on named basis of the remuneration of individual Directors for the financial year ended December 31, 2021 is set out below. |

| No | Name | Directorate | Company ('000) | | | | | | | Group ('000) | | | | | | |
|----|---|----------------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|
| | | | Fee | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total | Fee | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total |
| 1 | Tan Sri Dato' Seri Lim Gait Tong | Executive Director | 0 | 0 | 525,000.00 | 0 | 15,500.00 | 0 | 540,500.00 | 0 | 0 | 525,000.00 | 0 | 15,500.00 | 0 | 540,500.00 |
| 2 | Datuk Seri Haji Mohamed Iqbal Bin Kuppa Pitchai Rawther | Executive Director | 0 | 0 | 300,000.00 | 0 | 0 | 0 | 300,000.00 | 0 | 0 | 300,000.00 | 0 | 15,500.00 | 0 | 315,500.00 |
| 3 | Lim Chu Dick | Executive Director | 0 | 0 | 240,000.00 | 0 | 17,400.00 | 0 | 257,400.00 | 0 | 0 | 240,000.00 | 0 | 17,400.00 | 0 | 257,400.00 |
| 4 | Koay Say Loke Andrew | Independent Director | 45,600.00 | 0 | 0 | 0 | 0 | 0 | 45,600.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | Khairilnuar Bin Abdul Rahman | Independent Director | 45,600.00 | 0 | 0 | 0 | 0 | 0 | 45,600.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 | Adlina Hasni Binti Zainol Abidin | Independent Director | 45,600.00 | 0 | 0 | 0 | 0 | 0 | 45,600.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 8 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 9 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 10 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 11 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 12 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |

| | | | | | | | | | | | | | | | | |
|----|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 13 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 14 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 15 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |

Intended Outcome

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

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

| | | | |
|---|---|--|--|
| Application | : | Not applicable - all members of senior management are members of the board | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | | |
| | | | |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

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

Intended Outcome

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

Practice 8.3 - Step Up

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

| | | |
|--|---|-------------|
| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | |

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | The Chairman of Audit Committee Mr. Koay Say Loke Andrew who is an Independent and Non-Executive Director is not the Chairman of the Board of Directors. | |
| 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 | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | The Audit Committee has no former partner of the external audit firm as its Member. | |
| | | The Company will, if a former partner of an external audit firm of the Company is to be appointed as a member of the Audit Committee, reflect the practice of a cooling-off period in its policy. | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. | |
| Timeframe | : | Choose an item. | |
| | | | |

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>This is reflected in the Board Policy of the Company on Audit Committee Policy on Evaluation of External Auditors which is set out hereunder:-</p> <ol style="list-style-type: none">1. Objective The objective of this policy is to define the considerations for assessing the suitability and independence of the Group's External Auditors.2. Appointment Criteria for External Auditors Before selecting the External Auditors for the Group and deciding their fees, the Audit Committee shall assess the suitability and independence of the External Auditors based on the following factors:<ol style="list-style-type: none">i. Registration with the Audit Oversight Board;ii. Quality and allocation of the individuals assigned to perform the audit;iii. Experience in auditing financial statements of public companies and similar industry;iv. Past and on-going legal cases against the firms;v. Reprimand records, if any by authorities and their findings on the firms;vi. Independence and confidentiality philosophy, policies and procedures of the firms;vii. Present engagement with the Group for non-audit services, if any; andviii. Audit fee charged by the External Auditors and its impact on their independence.3. Performance Evaluation of External Auditors Annually, the Audit Committee shall evaluate the External Auditors' work based on their:<ol style="list-style-type: none">i. Ability in meeting deadlines in the course of their audit;ii. Adequacy and appropriateness of the audit scope, planning, materiality, sampling and work methods;iii. Competency and communication skills of the engagement team members; and |

| | | |
|--|---|--|
| | <p>iv. Clarity of presentations and quality of reports produced.</p> <p>4. Tenure of Service Subject to the result of the annual evaluation conducted by the Audit Committee, the External Auditors would be recommended to the Board and included in an ordinary resolution for approval by shareholders for re-appointment. Audit partner in-charge shall be rotated at least once every five (5) years or as determined by the regulatory requirements in order to ensure the objectivity and independence of audit.</p> <p>5. Appointment for Non-Audit Work Independence of External Auditors can be impaired by provision of non-audit services to the Group. Therefore, in order to ensure the objectivity of auditing of the External Auditors, the circumstances in which the Group may use the External Auditors for non-audit services shall be evaluated by the Audit Committee before recommending any non-audit service engagements to the Board for approval.</p> <p>Principally, the Group shall not engage External Auditors for provision of non-audit services that might be perceived to be materially in conflict with their role or potentially could influence their audit objective and independence. Nonetheless, when External Auditors are engaged for non-audit services, the Audit Committee must assess the extent of controls and arrangements that are put in place by the External Auditors to safeguard the integrity, objectivity and independence of the statutory audit 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

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.

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| Application | : | Adopted |
| Explanation on adoption of the practice | : | All of the three members of the Audit Committee are Independent Directors. |

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.

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|---|---|---|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | Members of the Audit Committee possess a wide range of skills for discharge of their duties and keep themselves abreast of the relevant developments via attendance at various seminars and programmes. | |
| Explanation for departure | : | | |
| | | | |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |
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Intended Outcome

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

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

Practice 10.1

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

| | | |
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| Application | : | Applied |
| Explanation on application of the practice | : | <p>A Group Risk Management Policy has been included in the Board Policies to address the relevant issues.</p> <p>Details of the said Policy are set out below:-</p> <p>1. Objective</p> <p>The risk management objective of the Group is to promote greater appreciation and awareness of risks; and proactive identification and management of risks among the staff members in order to continuously strengthen the Group's risk management competency.</p> <p>2. Board's Responsibilities</p> <p>The primary responsibility of the Board in risk management is to assess and set the risk appetite within which Management should operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks.</p> <p>3. Risk Appetite</p> <p>Risk appetite is defined as the amount of risk that the Group is willing to accept in pursuit of its value creation process. When determining the risk appetite of the Group, the Board would consider its business priority and timing as well as the financial position and resources of the Group.</p> <p>4. Risk Management Committee ("RMC")</p> <p>The Board establishes a RMC to assist them in assessing and overseeing the adequacy and effectiveness of risk management framework and policies in the Group. The composition of the Risk Committee shall comprise majority of Independent Directors.</p> <p>5. Management's Responsibilities</p> <p>The responsibilities of Management with respect to risk management are:</p> <ol style="list-style-type: none">To implement effective risk management framework;To monitor and manage risk in accordance with the Group's overall risk appetite; |

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| | <ul style="list-style-type: none"> iii. To identify changes in material or emerging risks and promptly bring these risks to the attention of the Board; iv. To promote risk awareness among the employees of the Group; v. To educate the heads of departments and line managers of their collective assurance responsibilities to the Board; vi. To present and brief the Board and RMC of the Group's risk profile and register; vii. To assess, update and present the risk status, Management action and result of the risk profile to the Board; viii. To integrate risk management process to standard operating procedures and performance appraisal; and ix. To assure the Board and RMC that the Group's risk management and internal control systems are operating adequately and effectively. <p>6. Risk Assurance</p> <p>Executive Directors and key senior executives should provide assurance to the Board that risk management processes of the Group are working effectively and all key risks are being managed to an acceptable level.</p> <p>In order to supplement the consideration of the Board on the assurance provided by Executive Directors and key senior executives, the Internal Auditors shall evaluate and provide its objective and independent views on the state of risk management and internal controls to the Board periodically.</p> <p>7. Disclosure</p> <p>The annual report and financial statements of the Group should include such meaningful information necessary to assist shareholders' understanding of the main features of the Group's risk management processes and systems of internal control.</p> <p>The Board should, in its disclosure include a discussion on how key risk areas such as finance, operations, regulatory compliance, reputation, cyber security and sustainability were evaluated and the controls in place to mitigate or manage those risks. In addition, the Board should state if the risk management framework adopted by the Group is based on an internationally recognised risk management framework.</p> <p>The Board should also disclose whether it has conducted an annual review and periodic testing of the Group's internal control and risk management framework and the insights it has gained from the review as well as changes made to its internal control and risk management framework arising from the review.</p> <p>Where information is commercially sensitive and may give rise to competitive risk, it is acceptable for the Board to disclose its risk information in general term.</p> |
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| | <p>The Risk Management Committee was set-up on May 25, 2017 and currently comprising four Members, three of whom are Non-Executive and Independent Directors.</p> <p>The duties, responsibilities and functions of the Risk Management Committee are as appended hereunder:-</p> <p>(a) Risk Management :</p> <ol style="list-style-type: none"> 1. Reviews and recommends appropriate risk management strategies, policies and risk tolerances in line with the Group's business objectives for approval of the Board; 2. Ensures the implementation of the risk management framework and reviews the adequacy and integrity thereof in identifying, assessing and managing risk and in establishing the Group's risk appetite; 3. Discusses with management on action taken to improve the risk management framework based on the risk identified in the risk management reports; 4. Reviews the adequacy of the scope, functions, competency and resources of risk management of the Group and ensures that it has the necessary authority to carry out its work; 5. Considers and evaluates other matters as deemed appropriate by the Committee and/or as authorised by the Board; and 6. All recommendations and findings of the Committee shall be submitted to the Board for approval and notation. <p>(b) Sustainability Reporting</p> <ol style="list-style-type: none"> 1. Oversees the management of principal business risks and significant or material economic, environmental and social factors; 2. Ensures resources and processes are in place to enable the organisation to achieve its sustainability commitments and targets; and 3. Reviews disclosure statements relating to management of sustainability matters of the Group in Annual Report. |
| Explanation for departure : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |

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| 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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | The disclosure of the relevant features of risk management and internal control framework and its adequacy and effectiveness is set out in the Statement of Risk Management and Internal Control contained in the Annual Report. | |
| Explanation for departure | : | | |
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| <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.

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| Application | : | Adopted |
| Explanation on adoption of the practice | : | <p>The Risk Management Committee (RMC) established by the Company comprises currently a majority of Independent Directors with three out of four of its Members being Independent Directors as follows:-</p> <ol style="list-style-type: none">1. Mr. Koay Say Loke Andrew (Independent Director) – Chairman;2. Encik Khairilnuar Bin Abdul Rahman (Independent Director);3. Miss Adlina Hasni Binti Zainol Abidin (Independent Director); and4. Mr Lim Chu Dick (Executive Director). <p>The composition of the RMC of the Company shall take into consideration the following:-</p> <ol style="list-style-type: none">(i) The Board shall appoint the Members with a majority of them being Independent Directors;(ii) The period of appointment shall be concurrent with their tenure on the Board unless otherwise decided by the Board;(iii) The composition of the Committee must not be less than three Members;(iv) Where the members for any reason are reduced to less than three, the Board shall within three months of the event, appoint such number of new Members as may be required to make up the minimum number of three Members;(v) The Chairman of the Committee shall be an Independent Director; and(vi) Members of the Committee may relinquish their membership in the Committee with prior written notice to the Committee and may continue to serve as Director of the Company. <p>Duties, responsibilities and functions of RMC are as follows:-</p> <ol style="list-style-type: none">1. Risk Management :<ol style="list-style-type: none">1.1 Review and recommend appropriate risk management strategies, policies and risk tolerances in line with the Group's business objectives for approval of the Board;1.2 Ensure the implementation of the risk management framework and review the adequacy and integrity thereof in identifying, assessing and managing risk and in establishing the Group's risk appetite; |

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| | <p>1.3 Discuss with management on action taken to improve the risk management framework based on the risk identified in the risk management reports;</p> <p>1.4 Review the adequacy of the scope, functions, competency and resources of risk management of the Group and ensure that it has the necessary authority to carry out its work;</p> <p>1.5 Consider and evaluate other matters as deemed appropriate by the Committee and/or as authorised by the Board; and</p> <p>1.6 All recommendations and findings of the Committee shall be submitted to the Board for approval and notation.</p> <p>2. Sustainability Reporting :</p> <p>2.1 Overseeing the management of principal business risks and significant or material economic, environmental and social factors;</p> <p>2.2 Ensuring resources and processes are in place to enable The organisation to achieve its sustainability commitments and targets; and</p> <p>2.3 Reviewing disclosure statements relating to management of sustainability matters of the Group in Annual Report.</p> |
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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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Company has established an internal audit function headed by qualified personnel which reports directly to the Audit Committee and carries out the internal audit reviews on the operating departments within the Group based on the annual audit plan that has been approved by the Audit Committee. The said internal audit function carries out regular reviews of the adequacy and integrity of internal control system and procedures, and implements measures to ascertain compliance with policies and procedures in order to provide reasonable assurance on the efficiency and effectiveness of the system.</p> <p>The internal audit unit performs its function in accordance with the standards set by recognized professional bodies and conducts regular reviews and appraisals of the effectiveness of risk management and internal control processes.</p> <p>Internal audit reports are made available which highlight significant findings or deficiency requiring management's attention and provide recommendations on areas for improvement. Follow-up reviews would subsequently be conducted to ensure that appropriate corrective action plan has been implemented to address control weaknesses highlighted.</p> | |
| Explanation for departure | : | | |
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| <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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The current outsourced internal audit professional firm IA Essential Sdn Bhd engaged by the Company to carry out the internal audit function has deployed a team of qualified personnel headed by Mr Chong Kian Soon <i>CAANZ MICPA CMIIA</i> to serve in the Company.</p> <p>The above qualified team of personnel is free from any relationship or conflict of interest which could impair its objectivity and independence.</p> <p>The internal audit function is carried out in accordance with a recognised framework.</p> | |
| Explanation for departure | : | | |
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| <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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has included in its Board Charter a Policy on effective, transparent and regular communication with stakeholders of the Company for implementation.</p> <p>Details of the said Policy are set out hereunder:-</p> <p>Communication with Stakeholders</p> <p>Ongoing engagement and communication with stakeholders build trust and understanding between the Group and its stakeholders. It provides stakeholders a better appreciation of the Group's objectives and the quality of its Management. This in turn will assist stakeholders in evaluating the Group and facilitate shareholders to determine how their votes should be exercised. From the Group's perspective, communication with stakeholders provides an avenue for invaluable feedback that can be used to understand stakeholders' expectations and to develop business strategies.</p> <p>The principles governing the Board's stakeholders communication initiatives are as follows:</p> <ul style="list-style-type: none">• The Chairman & Chief Executive or Deputy Chairman & Executive Director or in their absence any other Board Members authorized by Chairman & Chief Executive and Deputy Chairman & Executive Director will be the spokesperson of the Board;• The Board will leverage its corporate website to report its financial results and material developments to the Exchange, its shareholders and other stakeholders in an open, timely and comprehensive manner;• The Board will proactively address reports and rumors to avoid unnecessary speculation in its securities;• The Board will give reasonable access to analysts and media to form their opinion about the Group, but will not seek to influence those opinions. Also, the Board will not |

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| | <p>give information to the analysts and media that is not available to the general public; and</p> <ul style="list-style-type: none"> • The Board will meet with its stakeholders through appropriate platform and channel to inform and obtain feedback from stakeholders. | |
| Explanation for departure : | | |
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| <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.

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| Application | : | Not applicable – Not a Large Company | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | | |
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| <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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | All notices of Annual General Meetings of the Company are given to the shareholders more than 28 days prior to the said Meetings. | |
| Explanation for departure | : | | |
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| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |
| | | | |

Intended Outcome

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

Practice 13.2

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

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| Application | : | Applied | |
| Explanation on application of the practice | : | All Directors of the Company including the Chairmen of Audit Committee, Nomination Committee, Risk Management Committee, Remuneration Committee and Executive Committee where circumstances permit attended or will attend the General Meetings and offered or will offer meaningful responses to questions, if any, addressed to them. | |
| Explanation for departure | : | | |
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| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| 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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The 39th AGM of the Company was conducted fully virtually via online meeting platform. The entire proceedings of the said AGM were held through Remote Participation and Electronic Voting (RPEV) facilities provided by our Share Registrar, Boardroom Share Registrars Sdn. Bhd. (“BSR”), via its BSR Online Website at https://web.lumiagm.com which would ensure good cyber hygiene practices were in place including data privacy and security to prevent cyber threats. With the RPEV facilities provided by BSR, shareholders were able to participate and vote remotely.</p> <p>The convening of the said AGM on a fully virtual basis via online meeting platform in the past year was a measure undertaken by the Company to ensure that the said AGM was interactive where the shareholders were provided with adequate opportunity to participate at the meeting.</p> | |
| Explanation for departure | : | | |
| | | | |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |
| | | | |

Intended Outcome

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.

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| <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>The 39th AGM was conducted fully virtually via online meeting platform. Shareholders were allowed to submit their questions electronically through the online platform provided by our Share Registrar, Boardroom Share Registrars Sdn. Bhd. prior to the AGM or through the query box to transmit questions to the Board of Directors via Remote Participation and Electronic Voting (RPEV) facilities during live streaming of the AGM so that questions raised by shareholders including those on financial and non-financial performance as well as the company's long-term strategies would be given meaningful response.</p> <p>The Chairman of the Board and all Board members, Company Secretary and External Auditors were present during the said AGM to enable the meeting to be supported by meaningful engagement between the Company and shareholders.</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.

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| <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 | : | <p>The convening of the Annual General Meetings of the Company via virtual meeting platform and on a fully virtual basis in the past two years was a measure undertaken by the Company to ensure that the said Meetings were interactive where the shareholders were provided with adequate opportunity to pose questions for response.</p> <p>The conduct of the said Meetings supported meaningful engagement between the Board, senior management and shareholders as the required infrastructure and tools supported a smooth broadcast of the said Meetings and interactive participation by shareholders where the questions posed by shareholders were dealt with electronically through the online platform provided by our Share Registrar, Boardroom Share Registrars Sdn. Bhd. for response by the Board.</p> <p>The Company will continue adoption of such measure and provision of the required infrastructure, tools and facilities at the forthcoming Annual General Meeting.</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 13.6

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

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| <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 | : | Action will be taken for compliance with the requirement of publication at the website of the Minutes of Annual General Meeting within 30 working days after holding Annual General Meeting for shareholders' perusal under "Summary of key matters discussed at Annual General Meeting". |
| Explanation for departure | : | |
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| <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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| Not applicable |
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