

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 3476  
**COMPANY NAME** : Keck Seng (Malaysia) Berhad  
**FINANCIAL YEAR** : December 31, 2022

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

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

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

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

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for the overall performance of the Group.</p> <p>The Board's roles, responsibilities and authorities are set out in the Board Charter which is available at the Company's website – <a href="https://my.keckseng.com">https://my.keckseng.com</a>. The Board Charter was last reviewed and approved on 25 November 2022.</p> <p>Besides being responsible for its statutory obligations, the Board collectively is also responsible for:</p> <ul style="list-style-type: none"><li>➤ the Group's overall plan and business strategy;</li><li>➤ providing leadership to the Management;</li><li>➤ establishing committees, policies and procedures to discharge the Board's roles and responsibilities;</li><li>➤ establishing and reviewing key performance indicators, control mechanisms and related benchmarks;</li><li>➤ ensuring that succession planning is considered;</li><li>➤ overseeing the Group's strategies, business conduct, financial position and performance to ensure long-term business sustainability for its shareholders and other stakeholders;</li><li>➤ ensuring the adequacy and effectiveness of the Group's risk management framework and internal control system;</li><li>➤ ensuring that the Group's strategies, plans and risk management take into account sustainability consideration;</li><li>➤ ensuring that appropriate corporate disclosure policies and procedures are in place; and</li><li>➤ ensuring that appropriate governance structures are in place.</li></ul> <p>During the financial year ended 31 December 2022, the Board's key focus were on:</p> <ul style="list-style-type: none"><li>➤ the Group's business performance and directions.</li><li>➤ managing succession planning including board diversity.</li><li>➤ dividend decisions.</li><li>➤ the integrity of financial and non-financial reporting.</li></ul>

	<ul style="list-style-type: none"> <li>➤ reviewing year end corporate statements/report, internal audit, risk assessment analysis reports and summary of material sustainability matters.</li> <li>➤ reviewing risk management, internal control and sustainability frameworks.</li> <li>➤ reviewing and approving the revision of Board and Board Committees Charters.</li> <li>➤ reviewing and approving the following Board policies: <ul style="list-style-type: none"> <li>• Code of Conduct and Ethics;</li> <li>• Whistleblowing Policy;</li> <li>• Corporate Disclosure Policy;</li> <li>• Diversity Policy;</li> <li>• Remuneration Policy and Procedures for Directors and Senior Management;</li> <li>• External Auditors' Independence Policy;</li> <li>• Directors' Fit and Proper Policy (New); and</li> <li>• Conflict of Interest Policy (New).</li> </ul> </li> <li>➤ Board, Board Committees and individual Director's evaluation.</li> <li>➤ adapting the use of digital tools for communication and shareholders' engagement.</li> <li>➤ adopting of applicable Malaysian Code on Corporate Governance practices.</li> </ul> <p>Moving forward, the Board's focus is to:</p> <ul style="list-style-type: none"> <li>➤ monitor business strategy and performance.</li> <li>➤ explore new business opportunities including business diversifications.</li> <li>➤ promote and enhance the Group's sustainability practices and disclosures.</li> <li>➤ continue succession planning for Directors and Senior Management.</li> <li>➤ align policies and procedures with applicable new laws and regulations.</li> <li>➤ assess and advocate the adoption of corporate governance best practices which are not implemented currently, focusing on Bursa Malaysia Securities Berhad's Enhanced Sustainability Reporting.</li> </ul>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is led by Mr. Ho Kim Swee @ Ho Kian Guan, an experienced Executive Chairman ("EC").</p> <p>The EC's roles and responsibilities are to:</p> <ul style="list-style-type: none"><li>➤ provide leadership to the Board.</li><li>➤ ensure that the Board effectively discharges its fiduciary duties.</li><li>➤ ensure Board members receive all necessary information for them to perform their duties.</li><li>➤ lead and ensure efficient and effective conduct of the Board meetings and that sufficient time is given for consultation and decision-making.</li><li>➤ ensure Board Committees function properly.</li><li>➤ promote constructive and respectful relationship between the Board members and between the Board and the Management.</li></ul> <p>The EC, with the assistance of the Company Secretary:</p> <ul style="list-style-type: none"><li>➤ leads the Board in the adoption and implementation of good corporate governance practices.</li><li>➤ schedules Board meetings and discussions.</li><li>➤ ensures relevant and necessary board papers are disseminated to the Board members on a timely basis.</li></ul> <p>The roles and responsibilities of the EC are clearly specified in the Board Charter, which is available on the Company's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The positions of the Executive Chairman ("EC") and Managing Director ("MD") are held by different individuals. Mr. Ho Kim Swee @ Ho Kian Guan is the EC whilst Dato' Ho Cheng Chong @ Ho Kian Hock is the MD. Their roles and responsibilities are separated and clearly defined in the Board Charter, with clear division of responsibilities, to ensure proper balance of power and authority, so that no individual has unfettered powers on decision-making.</p> <p>The EC is primarily responsible for instilling and implementing good corporate governance practices, leaderships and effectiveness of the Board whereas the MD oversees the Group's day-to-day operations and is primarily responsible for the development of the Group's performance and strategy.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Chairman, Mr. Ho Kim Swee @ Ho Kian Guan, is not a member of the Audit Committee, Nominating Committee and Remuneration Committee of the Company.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by two (2) suitably qualified Company Secretaries in discharging their duties. The Company Secretaries act as a key resource support and play an advisory role to the Board. They are members of the Malaysian Institute of Chartered Secretaries and Administrators and qualified under Section 235(2) of the Companies Act 2016, experienced and competent in performing their duties. The Company Secretary(ies) attend(s) all Board and Board Committees meetings and ensures that the procedures and regulatory requirements are adhered to.</p> <p>The Company Secretaries' responsibilities are to update and advise the Board on:</p> <ul style="list-style-type: none"><li>➤ company constitutional matters.</li><li>➤ Board's roles and obligations.</li><li>➤ governance matters.</li><li>➤ professional development requirements.</li><li>➤ compliance matters applicable to the Company.</li><li>➤ latest regulatory developments.</li></ul> <p>The Company Secretaries constantly keep themselves abreast with the regulatory changes and corporate governance development through attending relevant conferences and training programmes. The Directors have ready and unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

## Intended Outcome

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

## Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Board papers are furnished to the members of the Board at least seven (7) days prior to each Board meeting. Information to the Board is not restricted to quantitative information but may include other pertinent information to enable an informed decision making by the Board.</p> <p>Sufficient time is given to enable the Directors to peruse the agenda papers and seek clarification or further explanation and/or details from the Management, prior to meetings.</p> <p>The Board Committee meetings are convened separately from the Board meeting to enable objective and independent discussions.</p> <p>Board members are also accessible to the Management for information or to exchange views. They can also seek independent professional advice where necessary and in appropriate circumstances, at the expense of the Company to discharge their responsibilities effectively.</p> <p>All pertinent issues discussed at the Board and Board Committees meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries, including matters where Directors abstained from voting and deliberation. The minutes are circulated to all Directors for perusal prior to confirmation at the next meeting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 2.1**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter acts as a source of reference for the Board and Senior Management. It sets out the roles and responsibilities of the Board (individually and collectively).</p> <p>Among others, the Board reserves full rights to decide on:</p> <ul style="list-style-type: none"> <li>➤ conflict of interest issues;</li> <li>➤ material acquisitions and disposals not in the ordinary course of business including significant capital expenditures;</li> <li>➤ strategic investments, mergers and acquisitions and corporate exercises;</li> <li>➤ limits of authority;</li> <li>➤ treasury policies;</li> <li>➤ risk management policies; and</li> <li>➤ key human resource issues.</li> </ul> <p>When deemed necessary, the abovementioned matters maybe amended by the Board.</p> <p>The Board has formed three (3) Board Committees, namely Audit Committee, Nominating Committee and Remuneration Committee to assist in discharging its responsibilities. Each Board Committee is guided by its respective charter which spells out its duties and authorities.</p> <p>The Board Committees' Charters were last reviewed and approved by the Board on 25 November 2022 and are available for reference on the Company's website, <a href="https://my.keckseng.com">https://my.keckseng.com</a>.</p>
<b>Explanation for departure</b>	:	

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

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

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All Directors and employees are required to uphold high ethical standards and professional conduct at all times and are guided by the Company's Code of Conduct and Ethics ("Code"), Anti-Bribery &amp; Anti-Corruption ("ABAC") and Conflict of Interest ("COI") Policies.</p> <p>The Code covers the following:</p> <ul style="list-style-type: none"><li>➤ labour standards and practices.</li><li>➤ ethical standards and anti-corruption.</li><li>➤ safety, health and environmental.</li><li>➤ conflict of interest.</li></ul> <p>It also covers consequences of breaching the Code and circumstances where the Code maybe waived.</p> <p>Our ABAC Policy sets out rules and guidance to Directors, employees and stakeholders who work for and/or act for or on behalf of the Group on how to deal with improper solicitation, request for bribes and other corrupt activities and issues that may arise in the course of business.</p> <p>Whilst, the COI Policy sets out situations where a conflict of interest may arise, when and how to declare such situations and how to deal with them.</p> <p>The Code, ABAC and COI Policies are available on the Company's website.</p>
<b>Explanation for departure</b>	:	

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

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

### Intended Outcome

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

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

### Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Employees are encouraged to raise genuine concerns on any breach in the Company’s Code of Conduct and Ethics, Conflict of Interest Policy or incidences of suspected and/or misconduct, wrongdoings, corruption fraud, waste and/or abuse of resources. The Company’s Whistleblowing Policy provides an avenue on which genuine complaints can be raised and channelled to any Senior Management and/or Managing Director or Chair of the Audit Committee (“AC”) or to the Head of Internal Audit.</p> <p>The Whistleblowing Policy accords the whistleblower with protection of confidentiality of identity, to the extent reasonably practicable and protection from unfair dismissal, victimisation, demotion, suspension, intimidation, harassment and discrimination if the report was made in good faith.</p> <p>The Whistleblowing Policy was last reviewed and approved by the Board on 25 November 2022 and is available on the Company’s website.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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

**Practice 4.1**

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

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board together with Senior Management is responsible for establishing and maintaining an appropriate risk management framework that ensure that material risks and sustainable matters are identified, controlled, monitored and reported.</p> <p>Risk and Sustainability Committees are formed by the respective key business units and led by the respective Senior Management personnel to assist the Managing Director in identifying, managing and reporting sustainability matters (“SM”) of the Group. The SM are rated, ranked and assessed to derive at their respective Business Divisions’/Units’ Material Sustainability Matters.</p> <p>The Group’s sustainability governance structure can be found in the Sustainability Statement of Annual Report 2022.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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

**Practice 4.2**

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company has established stakeholder practice for respective stakeholder groups and remains committed to communicate effectively with its shareholders and other stakeholders the Company’s sustainability strategies, priorities, targets as well as performance against these targets. The well-being of customers, employees and other stakeholders as well as environment is crucial to sustain the Group’s long-term performance. As such, the Board factors in these sustainability considerations into business strategies/plans.</p> <p>The comprehensive description of the Group’s sustainability practices and corporate social responsibility initiatives are contained in the Sustainability Statement in the Annual Report 2022.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board continuously keeps themselves abreast with and understanding to the sustainability agendas through interactions with Senior Management, articles as well as training programmes and professional development updates. In addition, the impacts that relate to sustainability themes such as compliance with law and regulations, minimum wages, cyber threats etc. are constantly brought up in the board room for discussion and awareness.</p> <p>Details of the Directors’ Professional Development can be found in the Corporate Governance Overview Statement in the Annual Report 2022.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.4

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Nominating Committee ("NC") with the assistance of the Company Secretary(ies) carries out annual assessment and evaluation of the individual Directors, Board and Board Committees. The assessment process encompasses amongst others a review on: <ul style="list-style-type: none"><li>➤ the required mix of skills, knowledge, professional background, experience of the Board;</li><li>➤ the performance of the Board in addressing the Company's material sustainability risks and opportunities;</li><li>➤ the performance and effectiveness of the Board and Board Committees; and</li><li>➤ the contribution of each individual Director in carrying out their duties, responsibilities.</li></ul>	
		Annual performance appraisal for Senior Management personnel is under the purview of the Managing Director and is conducted together with the staff annual increment and bonus evaluation exercise. Senior Management personnel are appraised on: <ul style="list-style-type: none"><li>➤ how well their Business Division/Unit have performed;</li><li>➤ how have they contributed to the performance of their Business Division/Unit; and</li><li>➤ how have they addressed their Business Division/Unit's sustainability risks and opportunities.</li></ul>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

**Intended Outcome**

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

**Practice 4.5- Step Up**

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

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

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

### Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nominating Committee ("NC") is tasked with conducting the annual assessment of the individual Directors, Board and Board Committees.</p> <p>Among its other tasks, the NC also reviews and recommends on an annual basis the:</p> <ul style="list-style-type: none"><li>➤ structure, size and composition of the Board and Board Committees – to determine whether the Board and Board Committees have the required skill mix, experience, independence and diversity needed to drive the Group;</li><li>➤ effectiveness of its Board, Board Committees and contribution of individual Directors;</li><li>➤ succession plans of the Board and Senior Management personnel;</li><li>➤ re-election of Directors at each Annual General Meeting with the application of the Directors' Fit and Proper Policy;</li><li>➤ retention of Independent Non-Executive Directors ("INED") after serving in that capacity for a cumulative term of nine (9) years; and</li><li>➤ training needs of each Director.</li></ul> <p>Based on the annual assessment carried out for financial year 2022, the NC is satisfied that the:</p> <ul style="list-style-type: none"><li>➤ current Board and Board Committees composition meet the requirement of the Group;</li><li>➤ individual Directors, Board and Board Committees have carried out their duties and responsibilities effectively;</li><li>➤ Directors due for re-election met the fit and proper criteria set out in the Company's Fit and Proper Policy; and</li><li>➤ INEDs remain independent.</li></ul>
<b>Explanation for departure</b>	:	

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

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

### Intended Outcome

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

### Practice 5.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As at 31 December 2022, the Board comprises ten (10) Board members, including the Executive Chairman, Managing Director, one (1) Non-Independent Non-Executive Director, two (2) Executive Directors ("ED"), five (5) Independent Directors ("ID") and four (4) Alternate Directors.</p> <p>The ID, make up of 50% of the composition of the Board. The current composition meets the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Their presence provides checks and balances on the Board as they are independent and free of any relationship with the ED, major shareholders or Management of the Company. Thus, they are able to provide unbiased and independent views in Board deliberations and decision making, taking into account the interests of the Group and minority shareholders.</p> <p>No politician is appointed on the Board of the Company as at the date of this report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.3

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Save for Mr. Too Hing Yeap @ Too Heng Yip, the Senior Independent Non-Executive Director ("Mr. Too"), the tenure of all the other Independent Non-Executive Directors does not exceed nine years.</p> <p>The Board took note of the amendments made to the Main Market Listing Requirements ("MMLR") which limiting the tenure of an Independent Director to not more than a cumulative period of 12 years from the date of such person's first appointment as Independent Director in the listed issuer or its related corporation effective 1 June 2023. The Nominating Committee ("NC") had then in February 2023 reviewed the composition of the Board and Board Committees and recommended to redesignate Mr. Too as Non-Independent Director ("NED"). Consequent to the redesignation of Mr. Too as NED of the Company, he would have to relinquish his chairmanship in Audit Committee ("AC") and NC in accordance with Paragraph 15.10 of the MMLR (the Chairman of the AC must be an Independent Director) and Practice 5.8 of the Malaysian Code on Corporate Governance (the NC is chaired by an Independent Director or the Senior Independent Director) respectively.</p> <p>The Board had, at the meeting held on 24 February 2023, deliberated on the recommendations made by the NC and agreed that Mr. Too to remain in office as Senior INED of the Company until the close of the 53rd Annual General Meeting.</p>
<b>Explanation for departure</b>	:	

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

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

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

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

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

### Intended Outcome

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

### Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nominating Committee (“NC”) is responsible for ensuring that suitable candidates are admitted to the Board. The NC recognises that the current Board composition consists of members that bring about diverse gender, skills, knowledge, expertise, experience, professionalism, integrity, competencies and independence.</p> <p>The current Board comprising Directors with various professional backgrounds in the fields of:</p> <ul style="list-style-type: none"><li>➤ leadership and strategic planning.</li><li>➤ banking.</li><li>➤ accounting, financial reporting and taxation.</li><li>➤ legal and regulatory.</li><li>➤ commodities and securities.</li><li>➤ information technology.</li><li>➤ corporate governance, risk management and internal control.</li><li>➤ property development.</li><li>➤ business management.</li><li>➤ plantation.</li><li>➤ project management.</li><li>➤ health, safety and environment.</li></ul> <p>The Board has adopted a Diversity Policy setting the approach to a diverse Board’s composition including but not limited to skills, industrial experience, background, race, gender and other qualities.</p> <p>The Diversity Policy was last reviewed and approved by the Board on 25 November 2022 and is made available on the Company’s website.</p>

	<p>The diversity of the Board and the analysis of the Group's manpower are set out in the Corporate Governance Overview Statement and Sustainability Statement respectively in Annual Report 2022.</p> <p>Board members are expected to devote sufficient time in discharging their duties and responsibilities. Each member should not hold more than five (5) directorships in listed issuers and should consult with the Chairman before accepting any new appointments.</p> <p>Details of the Directors' other directorship(s) can be found under the Directors' Profile in the Annual Report 2022.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Nominating Committee ("NC") is entrusted to bring to the Board any recommendations to appoint new Executive or Non-Executive Directors provided always that prior to such recommendation, the Chairman of the NC consults with the existing Directors of the Company on the suitability of such potential candidates and reflect such consultation in its recommendation.</p> <p>Candidates may be facilitated through recommendations from Directors, Management, advisors, business associates and any other external parties/professional bodies, or by seeking professional advice and/or conducting a search by utilising a variety of independent sources to identify potential candidates.</p> <p>The NC took cognisance that if the selection of candidates was made solely based on recommendation of existing Director, Management or major shareholder, it would need to justify on why these sources suffice and other sources were not used.</p> <p>During the year under review, no new Directors were appointed to the Board.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.7

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The profile of the Directors seeking re-election including their nationality, age, gender, working experience(s), directorship(s) in other listed issuers and public companies as well as family relationship with any Director and/or major shareholder of the Company and conflict of interest situation(s) are disclosed in the Explanatory Notes of the Notice of the 53rd Annual General Meeting (“AGM”) for shareholders to make informed decisions on the re-election of Directors.</p> <p>The Board had also through the Nominating Committee, assessed the fit and properness of the retiring Directors and concluded that the Directors to be re-elected have met the fit and proper criteria set out in the Company’s Fit and Proper Policy. A Statement to that effect is reflected in the Explanatory Notes of the Notice of 53rd AGM.</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**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Nominating Committee comprises exclusively of Independent Non-Executive Directors and is chaired by Mr. Too Hing Yeap @ Too Heng Yip, the Senior Independent Non-Executive Director who will remain in office until the close of the 53rd Annual General Meeting.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Board acknowledges the benefits of having a diverse Board including gender diversity and believe that a diverse Board will leverage differences in opinion, perspective and insights.</p> <p>The Company currently has two (2) women Directors, representing 20% women representation on the Board.</p> <p>The Board supports the aspirational target of 30% representation of women directors and endeavours to identify and source for a suitable candidate, as guided by Diversity Policy.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

**Intended Outcome**

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

**Practice 5.10**

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is supportive of gender diversity and remains committed to improve women participation in all levels of the organisation, including appointment of candidate to the Board, Senior Management, officers and employees. It aims to achieve the aspirational 30% target for women representation on Board and is committed to have more women participation at Senior Management level.</p> <p>The Diversity Policy was last reviewed and approved on 25 November 2022 and is made available on the Company’s website. Details of the Group’s gender diversity of the Board and Senior Management can be found in the Corporate Governance Overview Statement of Annual Report 2022.</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

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

## Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Company has in place a formal process for assessment of the effectiveness of the Board as a whole, the Board Committees and the contribution by each Director to the effectiveness of the Board and the Board Committees, facilitated by the Company Secretaries making reference to the guides available and the good corporate governance compliance. No external facilitator has been used.</p> <p>The Nominating Committee ("NC") had on 24 February 2023 conducted an annual assessment and evaluation on the effectiveness of the Board, Board Committees and the contribution of each individual director for the financial year ended 31 December 2022 based on a combination of peer and self-assessment method via customised questionnaires which are premised on qualitative and quantitative criteria. The assessment results were deliberated by the NC and presented to the Board subsequently. The outcome of the assessment was properly documented.</p> <p>Based on the recent assessment, the NC agreed that the Board and the respective Board Committees continue to operate effectively and each Director have demonstrated commitment to their role and continue to operate effectively. In terms of Board's skills set, the NC concluded that the Board has appropriate mix of skills, knowledge, competence and experience to fit the Company's objectives and strategic goals.</p>
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

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

### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has in place a Remuneration Policy for Directors and Senior Management ("SM") which sets out the criteria applied in recommending the remuneration package of the Directors (including the remuneration of Non-Executive Directors which requires shareholders' approval) and SM of the Group.</p> <p>The Remuneration Committee is responsible for reviewing the remuneration package of the Directors annually. The Directors' remuneration packages are structured to ensure that they are competitive and sufficient to attract, retain and motivate people of calibre to manage the Company successfully. It is also responsible to review the Managing Director's recommendation with regards to SM's remuneration packages, ensuring that it aligns with market trends.</p> <p>Directors' fee and benefits paid reflect the individual director's responsibilities, membership of the Board and Board Committees as well as their attendance at Board and Board Committee meetings.</p> <p>The remuneration of the Executive Directors ("ED") and SM is based on the responsibilities, including managing and addressing material sustainability risks and opportunities undertaken by the respective ED and SM. Consideration is also made to ensure that the package is competitive, able to attract, retain and motivate the ED and SM.</p> <p>The Remuneration Policy and Procedures for Directors and SM was last reviewed and approved on 25 November 2022 and is available at the Company's website.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

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

### Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Remuneration Committee ("RC") consist exclusively of Independent Non-Executive Directors.</p> <p>The RC reviews and recommends the remuneration of the Executive Directors of the Company for Board's approval pursuant to the RC's Charter as well as the remuneration of Non-Executive Directors for shareholders' approval. The RC also review the Senior Management's remuneration package, of which is under the purview of the Managing Director to ensure that such remunerations are aligned with market trends.</p> <p>The RC's Charter which deals with its authority and duties was last reviewed and approved on 25 November 2022 and is available on the Company's website.</p> <p>The Directors who are also shareholders abstained from voting on the resolution pertaining to approval of Directors' fees during the 52nd Annual General Meeting held in May 2022.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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

### Practice 8.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The details of the remuneration of Directors of the Company comprising remuneration received/receivable from the Group and the Company during the financial year ended 31 December 2022 are appended in the page below.</p> <p>Notes to be read in conjunction to the table appended below:</p> <p>a) Mr. Chan Lui Ming Ivan (no. 3) was on unpaid sabbatical leave during the financial year under review.</p> <p>b) Mr. Ho Chung Kain (He ChongJing) (no. 5) and Mr. Ho Chung Hui (no. 6) are Alternate Directors and at the same time, they assume the position as General Manager and Commercial/Corporate Director of the Company, respectively.</p> <p>Both Mr. Ho Chung Tao (no. 13) and Mr. Ho Chung Kiat, Sydney (He ChongJie, Sydney) (no.14) are Alternate Directors.</p>

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	Mr. Ho Kim Swee @ Ho Kian Guan	Executive Director	115	7	1233	355	0	59	1769	119	7	1484	439	0	86	2135
2	Dato' Ho Cheng Chong @ Ho Kian Hock	Executive Director	85	7	2739	789	28	277	3925	101	7	3393	956	28	342	4827
3	Mr. Chan Lui Ming Ivan	Executive Director	85	7	0	96	0	18	206	101	7	0	96	0	18	222
4	Ms. Lee Huee Nan @ Lee Hwee Leng	Executive Director	85	7	356	72	0	61	581	101	7	356	72	0	61	597
5	Mr. Ho Chung Kain (He ChongJing)	Executive Director	0	7	356	72	0	71	506	16	7	524	72	0	71	690
6	Mr. Ho Chung Hui	Executive Director	0	7	356	72	0	71	506	16	7	524	72	0	71	690
7	Mr. Ho Eng Chong @ Ho Kain Cheong	Non-Executive Non-Independent Director	85	7	0	0	0	0	92	85	7	0	0	0	0	92
8	Mr. Too Hing Yeap @ Too Heng Yip	Independent Director	140	17	0	0	0	0	157	140	17	0	0	0	0	157
9	Mr. Tai Lam Shin	Independent Director	120	17	0	0	0	0	137	120	17	0	0	0	0	137
10	Encik Mahathir Bin Mohamed Ismail	Independent Director	130	17	0	0	0	0	147	130	17	0	0	0	0	147
11	Mr. Liew Foong Yuen	Independent Director	120	17	0	0	0	0	137	120	17	0	0	0	0	137
12	Dato' Dr. Zaha Rina Binti Zahari	Independent Director	120	17	0	0	0	0	137	120	17	0	0	0	0	137
13	Mr. Ho Chung Tao	Non-Executive Non-Independent Director	0	0	0	0	0	0	0	0	0	0	0	0	0	0

14	Mr. Ho Chung Kiat, Sydney (He ChongJie, Sydney)	Non-Executive Non- Independent Director	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Board is of the view that it is not in the best interest of the Company to disclose on a named basis the remuneration of the top five Senior Management's ("SM") remuneration component given the competitive pressures in the talent market.</p> <p>The Company however disclosed the top five SM's remuneration in bands of RM50,000 but excludes the details.</p> <p>The total remuneration paid to employees are also made available in the Notes to the Financial Statements of the Annual Report which allows stakeholders to make an appreciable link between the Company's overall remuneration structure and the Company's performance.</p>	
		<p>The Board ensures that the remuneration of the SM commensurate with their individual performance and level of responsibility as well as the demand, complexities and performance of the Company, with due consideration to attract, retain and motivating the SM. The Board and the Remuneration Committee are guided by the principle that there should not be excessive payment for remuneration.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

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

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Mr. Too Hing Yeap @ Too Heng Yip, the Senior Independent Non-Executive Director ("Mr. Too") is the Chairman of the Audit Committee ("AC"), whilst Mr. Ho Kim Swee @ Ho Kian Guan is the Executive Chairman of the Board. Mr Too will remain in office until the close of the 53rd Annual General Meeting and in replacement thereof, Mr. Tai Lam Shin will be appointed as the new Chairman of AC.</p> <p>Having the positions of Board Chairman and Chairman of the AC assumed by different individuals allow the Board to objectively review the AC's findings and recommendations.</p>	
<b>Explanation for departure</b>	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the need to uphold the independence of the External Auditors from the Board and Management. The Audit Committee Charter currently provides that a former key audit partner is required to observe a cooling off period of at least three years before being appointed as a member of the AC.</p> <p>As at to-date, none of the members of the AC are former key audit partners of external audit firm(s) servicing the Company.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee ("AC") on an annual basis, assesses the independence and effectiveness of the External Auditors ("EA") in performing the audit before recommending their re-appointment as the Company's EA. The AC also reviews the nature and extent of non-audit services rendered by the EA during the financial year to ensure that the provision of these services did not compromise their independence and objectivity.</p> <p>Guided by its Charter, the AC had on 6 April 2023 assessed the EA, Ernst &amp; Young PLT on their quality of services, sufficiency of resources, communication and interaction, independence, objectivity and professional scepticism for the financial year ended 31 December 2022.</p> <p>During the audit plan review for the financial year ended 31 December 2022, the EA have also confirmed their independence in accordance with the By-laws of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants' independence requirements.</p> <p>Ernst &amp; Young PLT has briefed the AC on its Transparency Report 2022 and based on the assessment results, the AC was satisfied with the suitability of Ernst &amp; Young PLT in terms of professional staff assigned to the audit, the quality of services and sufficiency of resources provided to the Group. The AC recommended to the Board on the re-appointment of Ernst &amp; Young PLT as EA of the Company for the ensuing year.</p> <p>The External Auditors' Independence Policy was last reviewed and approved on 25 November 2022 and can be found on the Company's website.</p>
<b>Explanation for departure</b>	:	

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Audit Committee comprises solely of Independent Non-Executive 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The current members of the Audit Committee ("AC") possess a range of skills and the requisite financial literacy to discharge its duties effectively. The qualification and experience of the individual AC members are disclosed in the Directors' Profile in the Annual Report 2022.</p> <p>In order to equip themselves and effectively discharge their duties as AC members, all of them had participated in relevant continuous professional development programmes as detailed in the Corporate Governance Overview Statement of Annual Report 2022.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for establishing and maintaining a sound system of risk management framework and internal control system to safeguard the interest of its shareholders and stakeholders.</p> <p>The Audit Committee ("AC") assists the Board in:</p> <ul style="list-style-type: none"><li>➤ overseeing the Group's risk management framework, internal control function and sustainable areas;</li><li>➤ evaluating the quality, adequacy and effectiveness of the risk management framework and internal control and performance management system;</li><li>➤ reviewing and reporting on significant risks and material sustainability matters identified and ensuring that measures are in place to mitigate; and</li><li>➤ reviewing the extent of compliance with established internal plans, policies and procedures.</li></ul> <p>Risk and Sustainability Committees ("RSC") are formed by the respective operating business units and led by the respective Senior Management personnel to assist the Managing Director in performing regular risk and/or sustainability assessments. Measures taken to mitigate those risks or sustainability matters ("SM") are recorded in the risk assessment analysis reports and SM reports. The identified risks and Material Sustainable Matters are then reported to the AC for review and deliberation.</p> <p>For detailed information, please refer to the Statement on Risk Management and Internal Control of Annual Report 2022.</p>
<b>Explanation for departure</b>	:	

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

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

### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>To ensure that the Group's objectives are achieved within the set risk limits, the current risk management and internal control framework is formulated based on the Group's culture, needs, size and business diversity. The identified risks are assessed, rated based on their financial/reputational impacts and mitigating measures taken. Risk Dashboards are then drawn up to assist in identifying high risk areas which would require the attention of the Executive Directors. The Dashboards together with the detailed Risk Assessment Analysis ("RAA") reports are reported to the Audit Committee ("AC") and the Board based on the annually approved RAA work schedule.</p> <p>The AC had reviewed the Dashboards and RAA reports during the financial year ended 31 December 2022 and concluded that the current risk assessment framework is adequate in identifying, assessing, addressing and monitoring the risks of the Group.</p> <p>The key features of the risk management framework and internal control system of the Group are disclosed in the Statement on Risk Management and Internal Control of the Company's Annual Report 2022.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

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

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit function is carried out by the Group's in-house Internal Audit Department ("IAD"), who reports directly to the Audit Committee ("AC") and supports the AC in discharging its duties and responsibilities. The IAD is governed by the Internal Audit Charter and performs its duties independently.</p> <p>Annually, the AC will approve the IAD's annual audit plan and assess:</p> <ul style="list-style-type: none"><li>➤ the internal auditors' independence, performance and effectiveness;</li><li>➤ the adequacy of the IAD's scope of work, function, competency and resources; and</li><li>➤ whether the internal audit plan and external audit programs are effectively co-ordinated.</li></ul> <p>In addition, the AC meets the Head of IAD at least once annually without the presence of Management. The Head of IAD has unfettered access to the AC, the Board and Management as well as the Group's documents, records, properties and personnel.</p> <p>During the financial year under review, one private meeting was held on 6 April 2023 with the AC to discuss audit related matters.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

## Practice 11.2

The board should disclose—

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Internal Audit Department (“IAD”) consists of four (4) members, of which two (2) are qualified professionals and two (2) are accounting degree holders. The IAD is headed by Ms. Suenitha Chupaya, a qualified accountant registered with the Malaysian Institute of Accountants and The Institute of Internal Auditors, Malaysia. The appointments and resignations of the internal auditors are under the purview of the Audit Committee.</p> <p>None of the IAD members have any family relationship with any Director and/or major shareholder of the Company or any conflict of interest which could impair their objectivity and independency.</p> <p>The IAD adopts a risk-based audit approach in evaluating the adequacy and effectiveness of internal controls, reliability of information, effectiveness and efficiency of operations and compliance with laws and regulations. The conduct of internal audit review was guided by the International Professional Practice Framework (IPPF).</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges the importance of timely and effective dissemination of sufficient and useful information to the shareholders and stakeholders. The Board is responsible in ensuring that the necessary disclosures are in compliance with legal and regulatory requirements. All shareholders and investing public have equal access to the material information released by the Company.</p> <p>The Company's website which is accessible to the public contains all information relating to the Company, corporate announcements, quarterly financial results, Annual Report, Company's policies and procedures and/or operation reviews so as to promote a closer association with its stakeholders.</p> <p>The Board regards the Annual General Meeting ("AGM") as the principal forum for the Board and Senior Management to interact with shareholders. Shareholders are encouraged to ask questions and seek clarifications during the AGM. The Annual Report contains vital source of information for existing and potential investors and stakeholders.</p> <p>In addition, the Company has adopted the Corporate Disclosure Policies and Procedures which provides guidance for disclosure of material information in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>The Corporate Disclosure Policy was last reviewed and approved on 25 November 2022 and is available on the Company's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

**Intended Outcome**

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

**Practice 12.2**

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

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

**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company endeavours to issue the notice of Annual General Meeting (“AGM”) at least 28 days prior to the meeting to accord sufficient time to the shareholders to prepare for the meeting and make informed decisions.</p> <p>Due to the pandemic, the 52nd AGM was also held on a fully virtual basis. The Notice of 52nd AGM (including details of the resolutions proposed along with relevant explanatory notes), proxy form and Administrative Guide for the 52nd AGM were issued and made available on the Company’s website on 28 April 2022 which was more than 28 days prior to the AGM held on 27 May 2022.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>All Directors, Senior Management, External Auditors and Company Secretary attended the 52nd Annual General Meeting (“AGM”) held on 27 May 2022 and meaningful responses were provided to questions raised by shareholders before and during the 52nd AGM.</p> <p>Since the 52nd AGM was conducted on a virtual basis, the shareholders are encouraged to send questions before the meeting or alternatively, to pose questions during the 52nd AGM via query box facility. All issues and questions raised pertaining to the Company’s financial statements and business operations were responded by the management team and recorded in the minutes of the said AGM, which was subsequently uploaded to the Company’s website.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 52nd Annual General Meeting ("AGM") was conducted on a virtual basis through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities provided by Tricor Investor &amp; Issuing House Services Sdn Bhd ("Tricor").</p> <p>With the RPV facilities provided by Tricor, the following measures were implemented to encourage shareholders' attendance and participation and ensure that there will be no meeting interference and all participants' data are kept secure and safe:-</p> <p>(a) Administrative Guide was circulated to the shareholders together with the Notice of 52nd AGM as to facilitate remote participation and e-voting;</p> <p>(b) Electronic lodgement of proxy forms was provided by Tricor via TIIH Online website;</p> <p>(c) Electronic submission of questions by shareholders was allowed via TIIH Online prior to the date of meeting or during the meeting;</p> <p>(d) The AGM proceeding was live streamed to TIIH Online for remote participants to watch live; and</p> <p>(e) Tricor had put in place information technology security measures to prevent cyber threats and data breaches.</p> <p>Shareholders are allowed to appoint proxies to attend, participate, speak and vote in their stead at the AGM if they are unable to attend in person.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>			
<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Shareholders were given the opportunity to submit questions before the 52nd Annual General Meeting (“AGM”) via TIIH Online website or real time submission of typed text via Remote Participation and Voting facilities provided by the Share Registrar.  Sufficient time was allocated to address the questions posed by the shareholders. Further, the minutes of the 52nd AGM together with the responses provided by the management team were published on the Company’s corporate website within thirty business days after the 52nd AGM.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.5

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.

*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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Prior to the 52nd Annual General Meeting (“AGM”) date, a dry run was conducted to ensure that the information technology infrastructure and Remote Participation and Voting facilities were in working order. Visual and audio tests were conducted to ensure that participants at other locations would be able to access the virtual meeting and participate in the 52nd AGM without any hinderance. In addition, the meeting platform provided by the Company’s Share Registrar allows shareholders to participate online, using smartphone, tablet or computer as well as viewing live webcast of the meeting.</p> <p>During the 52nd AGM, questions posed by the shareholders along with the corresponding replies were shared by the management team during the Q &amp; A session.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The minutes of the 52nd Annual General Meeting ("AGM") held on 27 May 2022 together with the responses to questions raised by the shareholders were published on the Company's corporate website on 14 July 2022 i.e. within thirty business days after the 52nd AGM.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## **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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