

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 3476  
**COMPANY NAME** : Keck Seng (Malaysia) Berhad  
**FINANCIAL YEAR** : December 31, 2023

## OUTLINE:

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for the overall performance of the Group and an effective Board is crucial in establishing and achieving its strategies.</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>.</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 2023, 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>➤ winding up a subsidiary's operations.</li></ul>

	<ul style="list-style-type: none"> <li>➤ the integrity of financial and non-financial reporting.</li> <li>➤ related party transactions and/or recurrent related party transactions review.</li> <li>➤ external auditors' report on audit findings and updates</li> <li>➤ reviewing year end corporate statements/reports, internal audit, risk assessment analysis reports and sustainability matters reports.</li> <li>➤ reviewing risk management, internal control and sustainability framework.</li> <li>➤ reviewing and approving the revised Audit Committee Charter.</li> <li>➤ incidence or suspicion of fraud updates, if any.</li> <li>➤ Board, Board Committees and individual Director's evaluation.</li> <li>➤ adapting the use of digital tools for communications and shareholders' engagement.</li> <li>➤ adopting of applicable best practices under the Malaysian Code on Corporate Governance.</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 environment, social and governance ("ESG") 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.</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.

Application	:	Applied	
Explanation on application of the practice	:	<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 financial performance and development of the Group’s strategies, with support from the senior management team.</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

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>	:	<p>The Chairman of the Board, Mr. Ho Kim Swee @ Ho Kian Guan, is not a member of the Audit Committee, Nominating Committee and Remuneration Committee of the Company.</p> <p>The non-involvement of the Board Chairman in the Board Committees promotes check and balance as well as objective review by the Board when Board Committees put forward their recommendations.</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 1.5

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 suitably qualified and experienced 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 (MAICSA) and the Malaysian Institute of Accountants (MIA) respectively and qualified under Section 235(2) of the Companies Act 2016.</p> <p>The Company Secretary attends all Board and Board Committee meetings and is responsible to ensure that meeting procedures at all Board and Board Committee meetings are adhered to, and deliberations and conclusions are recorded.</p> <p>The Company Secretary's 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 Secretary constantly keeps abreast with regulatory changes and corporate governance developments through relevant conferences and training programmes.</p> <p>All Directors have unfettered access to the advice and services of the Company Secretary.</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>All Directors are furnished with meeting agendas and Board papers at least seven days prior to each Board meeting. The Board papers encompass all aspects of the matters being considered, enabling the Board to look at both the quantitative and qualitative factors so that informed decisions are made.</p> <p>Sufficient time is given to enable the Directors to read and understand the matters to be deliberated on, and where necessary, to seek clarification or further explanation and/or details from the Management, before the meetings.</p> <p>The Board Committee meetings are convened separately from the Board meeting to enable objective and independent discussions.</p> <p>The Directors are also accessible to the Management for information or exchange of views and are entitled to seek independent professional advice where necessary and in appropriate circumstances, at the expense of the Company in furtherance of their duties.</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 Secretary, 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 and primary induction material in providing insights to Board members 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 on matters relating to:</p> <ul style="list-style-type: none"> <li>➤ conflict of interest issues;</li> <li>➤ material acquisitions and disposals of assets not in the ordinary course of business;</li> <li>➤ 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>The matters listed above are not exhaustive and may be amended by the Board, where necessary.</p> <p>The Board has formed three 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 Charter was last reviewed by the Board on 25 November 2022 and is available on the Company's website at <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, guided by the Code of Conduct and Ethics ("Code"), Anti-Bribery &amp; Anti-Corruption ("ABAC") Policy and Conflict of Interest ("COI") Policy.</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 may be waived.</p> <p>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 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 Policy and COI Policy are 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

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, Managing Director, Chairman of the Audit Committee and/or 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 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group is committed to operating in a responsible and sustainable manner that facilitates the delivery of holistic, long-term value to the shareholders and the community at large while also contributing to the conservation of the environment.</p> <p>The Board together with Senior Management is responsible for establishing and maintaining an appropriate risk management framework that ensures that material risks and sustainable matters are identified, managed, 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 based on 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 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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, other stakeholders, and the 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, ESG performance data and corporate social responsibility initiatives are contained in the Sustainability Statement in the Annual Report 2023.</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 stays updated on sustainability issues through discussions with Senior Management, reviewing sustainability-related articles, and participating in professional development updates and programmes. 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 2023.</p> <p>In view of the increased interest from stakeholders and regulators on matters relating to sustainability, the Group will continue to engage its stakeholders and explore further improvement in conducting the business in a more sustainable manner. The Board is also mindful of the need to keep abreast of the external trends.</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>	:	<p>The Nominating Committee ("NC") with the assistance of the Company Secretary carries out annual assessment and evaluation on the individual Directors, Board and Board Committees. The assessment process encompasses amongst others a review on:</p> <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 and responsibilities.</li></ul>
		<p>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:</p> <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 annual assessment on the individual Directors, Board and Board Committees.</p> <p>The NC 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 mix of skills, experience, independence and diversity needed to drive the Group;</li><li>➤ effectiveness of the Board, Board Committees and contribution of individual Directors;</li><li>➤ succession plans of the Board and Senior Management personnel;</li><li>➤ re-election of retiring Directors at Annual General Meeting;</li><li>➤ retention of Independent Non-Executive Directors ("INED") after serving in that capacity for a cumulative term of nine years; and</li><li>➤ training needs of each Director.</li></ul> <p>Based on the annual assessment carried out for financial year 2023, the NC was satisfied that the:</p> <ul style="list-style-type: none"><li>➤ current Board and Board Committees composition met the requirement of the Group;</li><li>➤ individual Directors, Board and Board Committees had 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>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
------------------	---	--	--

**Intended Outcome**

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

**Practice 5.2**

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>As at 31 December 2023, the Board comprises ten Board members, consists of Executive Chairman, Managing Director, three Executive Directors (“EDs”), two Non-Independent Non-Executive Directors, three Independent Directors (“IDs”) and two Alternate Directors.</p> <p>Even though the current composition does not meet the requirement of Practice 5.2, the IDs which make up of one-third of the composition of the Board that complies with 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 from any relationship with the EDs, major shareholders or Management of the Company. Thus, they can provide unbiased and independent views during Board deliberations and decision making, taking into account the interests of the Group and minority shareholders.</p> <p>The IDs are of high calibre with diversified background and wide skills. They are able to contribute their expertise and experience in discharging their duties and responsibilities by bringing in external perspective and exercising independent judgement with unbiased views to foster greater objectivity in boardroom.</p> <p>The Board, through the Nominating Committee (“NC”), will annually review the size and composition of the Board as well as the independence and tenure of each ID to ensure that the Board has the appropriate mix of expertise and experience to govern and manage the Group’s affairs.</p> <p>The NC had on 27 February 2024 assessed the tenure and level of independence of the IDs and concluded that they are able to provide necessary checks and balances on the Board’s decision-making process through objective participation in Board deliberations and had exercised objective judgement for the interest of the Group, stakeholders and shareholders.</p> <p>No politician is appointed on the Board of the Company as at the date of this report.</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 5.3

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>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Board and the Nominating Committee ("NC") are fully aware that shareholders' approval through a two-tier voting process is required to retain an Independent Director ("ID") who has served in the Board in that capacity for more than nine years.</p> <p>The Company however does not have a policy limiting the tenure of its IDs to nine years and the Board has taken the decision that it will not seek shareholders' approval at each Annual General Meeting for the re-appointment of an ID who has served the Board for more than nine years and conduct the two-tier voting process.</p> <p>Mr Tai Lai Shin has served as an Independent Non-Executive Director ("INED") of the Company since 26 June 2014. The Board has, upon annual assessment on the Independent Directors' independence, concluded that Mr Tai Lai Shin who has served as an INED for a cumulative term of more than 9 years has not been affected by his long tenure. He has demonstrated his ability to exercise independent judgement, provides objective views and acts in the best interest of the Company at all times. He also met the independence criteria set out in the Main Market Listing Requirements.</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 5.4 - Step Up**

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

<i>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.</i>	
<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>➤ banking.</li><li>➤ accounting and auditing.</li><li>➤ finance</li><li>➤ legal.</li><li>➤ property development.</li><li>➤ business management.</li><li>➤ plantation.</li><li>➤ commodities and securities.</li></ul> <p>The Board has adopted a Diversity Policy setting the approach to a diverse board including but not limited to skills, industrial experience, background, race, gender and other qualities. The Diversity Policy is 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 2023.</p> <p>Board members are expected to devote sufficient time in discharging their duties and responsibilities. Each member should not hold more than five directorships in listed issuers and to inform the Board of any changes to their external appointments.</p> <p>Details of the Directors’ other directorships can be found under the Directors’ Profiles in the Annual Report 2023.</p>

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

### Intended Outcome

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

### Practice 5.6

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 tasked with reviewing the Board composition and is authorised to recommend the appointment of any new executive or non-executive Directors to the Board. In formulating these recommendations, the Chairman of the NC must consult with the Directors, ensuring that their input is reflected in the recommendations.</p> <p>Candidates may be identified through recommendations from Directors, Management, advisors, business associates and any other external parties and professional bodies.</p> <p>During the financial year ended 31 December 2023, Mr Ho Chung Kain (He ChongJing) was appointed as Executive Director ("ED") to the Board on 27 November 2023. He was the Alternate Director to Dato' Ho Cheng Chong @ Ho Kian Hock since 24 February 2011.</p> <p>The Board, through the NC, assessed the suitability of Mr Ho Chung Kain (He ChongJing) and agreed to appoint him as an ED of the Company after considering his expertise and experience in property development and plantation management. The Board is confident that his credentials will make positive contribution to the Group.</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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The profile of the Directors seeking re-election such as nationality, age, gender, working experience, directorships in other listed issuers as well as family relationship with any Director and/or major shareholder of the Company and conflict of interest situation(s) was disclosed in the Annual Report 2023 to enable shareholders to make informed decisions on the re-election of Directors.</p> <p>The Board through the Nominating Committee ("NC"), assessed the performance and effectiveness of the retiring Directors based on a set of predetermined criteria and procured fit and proper declaration from them. The Board concluded that the retiring Directors have met the fit and proper criteria set out in the Company's Fit and Proper Policy.</p> <p>In addition, the Board also provided in the Explanatory Notes to the Notice of the Annual General Meeting, a brief description of the Directors seeking re-election as well as the Board's statement relating to the reasons to support the NC's recommendation for the re-election.</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 5.8**

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

Application	:	Applied	
Explanation on application of the practice	:	The Nominating Committee (“NC”) comprises three Independent Non-Executive Directors (“INED”) and one Non-Independent Non-Executive Director. The NC is chaired by Encik Mahathir Bin Mohamed Ismail, an INED.	
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 5.9**

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 believes 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 is committed to identify and source for suitable candidates, 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, 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 is available on the Company’s website. Details of the Group’s gender diversity of the Board, management and employees can be found in the Corporate Governance Overview Statement and Sustainability Statement respectively, in the Annual Report 2023.</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 Secretary. No external facilitator has been used.</p> <p>The Nominating Committee ("NC") had on 27 February 2024 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 2023 ("FY 2023") 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 the same together with the feedbacks and inputs provided by the Directors were subsequently presented to the Board. The outcome of the assessment was properly documented.</p> <p>Based on the annual assessment for FY 2023, the NC concluded that the Board and the respective Board Committees continue to operate effectively, and each Director has 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, competency and experience to meet the Company's objectives and strategic goals.</p> <p>The peer and self-assessment also helped individual Directors to understand and determine their upskilling or development needs.</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. With regards to SM's remuneration packages, it is reviewed annually together with the other employees' annual increment evaluation and is under the purview of the Managing Director.</p> <p>Directors' fee and benefits paid reflect the individual director's engagement, attendance, responsibilities, and their contributions across various Board and Board Committees.</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 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") consists of three Independent Non-Executive Directors and one Non-Independent Non-Executive Director.</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 remuneration package of the Senior Management is under the purview of the Managing Director.</p> <p>The RC Charter which deals with its authority and duties 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 53rd Annual General Meeting held in May 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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 2023 are appended in the page below.</p> <p>Notes to be read in conjunction to the table appended below:</p> <ul style="list-style-type: none"><li>a) Mr. Ho Chung Kain (He ChongJing) (no. 3) resigned as Alternate Director to Dato' Ho Cheng Chong @ Ho Kian Hock on 27 November 2023 and was appointed as Executive Director of the Company on the same day. He was a General Manager of the Company from 1 January 2023 to 27 November 2023.</li><li>b) Mr. Chan Lui Ming Ivan (no. 4) was on unpaid sabbatical leave during the financial year under review and retired on 26 May 2023. The negative remuneration amount resulted from a reversal of prior year's overprovision of bonus and EPF on bonus.</li><li>c) Mr. Ho Chung Hui (no. 7) is Alternate Director to Ms. Lee Huee Nan @ Lee Hwee Leng. He assumes the position of Commercial/Corporate Director of the Company.</li><li>d) Mr. Ho Chung Tao (no. 13) ceased to be Alternate to Chan Lui Ming Ivan, upon his retirement on 26 May 2023.</li><li>e) Mr. Ho Chung Kiat, Sydney (He ChongJie, Sydney) (no. 14) is Alternate Director to Mr. Ho Eng Chong @ Ho Kian Cheong.</li></ul>

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	135	7	1,295	678	0	58	2,173	139	7	1,545	678	0	68	2,437
2	Dato' Ho Cheng Chong @ Ho Kian Hock	Executive Director	105	7	2,877	1,506	28	232	4,755	121	7	3,540	1,506	28	265	5,467
3	Mr. Ho Chung Kain (He ChongJing)	Executive Director	9	7	420	201	0	95	732	25	7	595	201	0	95	923
4	Mr. Chan Lui Ming Ivan	Executive Director	44	4	0	-152	0	-13	-117	60	4	0	-152	0	-14	-102
5	Ms. Lee Huee Nan @ Lee Hwee Leng	Executive Director	105	7	420	202	0	84	818	121	7	420	202	0	84	834
6	Mr. Liew Foong Yuen	Executive Director	127	11	115	0	0	14	267	127	11	115	0	0	14	267
7	Mr. Ho Chung Hui	Executive Director	0	7	420	201	0	95	723	16	7	595	201	0	95	914
8	Mr. Ho Eng Chong @ Ho Kain Cheong	Non-Executive Non-Independent Director	105	7	0	0	0	0	112	105	7	0	0	0	0	112
9	Mr. Too Hing Yeap @ Too Heng Yip	Non-Executive Non-Independent Director	148	16	0	0	0	0	164	148	16	0	0	0	0	164
10	Mr. Tai Lam Shin	Independent Director	146	16	0	0	0	0	162	146	16	0	0	0	0	162
11	Encik Mahathir Bin Mohamed Ismail	Independent Director	154	16	0	0	0	0	170	154	16	0	0	0	0	170
12	Dato' Dr. Zaha Rina Binti Zahari	Independent Director	140	16	0	0	0	0	156	140	16	0	0	0	0	156
13	Mr. Ho Chung Tao	Non-Executive Non-	0	0	0	0	0	0	0	0	0	0	0	0	0	0



		Independent Director														
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, particularly in light of the competitive market environment.</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 2023 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 is equitable and 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 motivate people of calibre. 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>The Chairman of the Audit Committee ("AC") is Mr. Tai Lam Shin, an Independent Non-Executive Director, while the Chairman of the Board is Mr. Ho Kim Swee @ Ho Kian Guan, who is not a member of the AC.</p> <p>Having the positions of Board Chairman and Chairman of the AC assumed by different individuals, it allows the Board to objectively review the AC's findings and recommendations with unfettered objectivity and uphold the overall effectiveness and independence of the AC.</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 9.2**

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 as to safeguard the integrity and independence of the audit process.</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 5 April 2024 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 2023.</p> <p>During the audit plan review for the financial year ended 31 December 2023, 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 2023 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 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>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied	
Explanation on application of the practice	:	<p>The current members of the Audit Committee (“AC”) possess a wide range of skills, knowledge and the requisite financial literacy to discharge its duties effectively. The qualification and experience of the individual AC members are disclosed in the Directors’ Profiles in the Annual Report 2023.</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 2023. In addition, the AC receives updates on new accounting standards from the Company’s External Auditors.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

Companies 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 that is designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, as well as compliance with applicable laws and regulations. A well-structured risk management framework and internal control system are fundamental in protecting the investments of shareholders, the interests of stakeholders and the assets of the Group.</p> <p>The Audit Committee ("AC") supports the Board in:</p> <ul style="list-style-type: none"><li>➤ overseeing the Group's risk management framework and internal control function;</li><li>➤ assessing the adequacy and efficacy of the Group's risk management framework and internal control 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 applicable laws and regulations, and 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 SM 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 2023.</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 risk 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 risk dashboards and RAA reports during the financial year ended 31 December 2023 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 2023.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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. During the financial year under review one private meeting was held on 5 April 2024 with the AC to discuss audit related matters.</p> <p>The AC was satisfied with the adequacy of the scope, functions, competency and resources of the internal audit functions of the Group for the financial year ended 31 December 2023.</p> <p>Details of the internal audit function is set out in the Statement on Risk Management and Internal Control and AC Report of the Annual Report 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	



<b>Timeframe</b>	:		
------------------	---	--	--

## Intended Outcome

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”) is staffed by four members, of which two are qualified professionals and two are accounting degree holders. The IAD is headed by Ms. Suenitha Chupaya, a qualified Accountant registered with the Malaysian Institute of Accountants, the Association of Chartered Certified Accountants, UK 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>All members of the internal audit team maintain independence from any family relationship with any Director and/or major shareholder of the Company, as well as from any conflict of interest, which could impair their objectivity and independence.</p> <p>The internal audit is conducted using a risk-based approach and in accordance with 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 meaningful engagement between the Board, Management and shareholders of the Company. 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 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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The 53rd Annual General Meeting (“AGM”) of the Company was held on 26 May 2023. The Notice of the 53rd AGM and the Annual Report 2022 were issued and made available on the Company’s website 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>The 54th AGM is to be held on 29 May 2024 and the Notice of the 54th AGM (including details of the resolutions proposed along with relevant explanatory notes), proxy form and Administrative Guide for the 54th AGM are issued and made available on the Company’s website on 30 April 2024 which is more than 28 days prior to the 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

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 53rd Annual General Meeting (“AGM”) held on 26 May 2023 and meaningful responses were provided to questions raised by shareholders during the 53rd AGM.</p> <p>Since the 53rd AGM was conducted on a virtual basis, the shareholders are encouraged to send questions before the meeting or alternatively, to pose questions during the 53rd AGM using the Remote Participation and Voting (“RPV”) facilities provided by the Company’s Share Registrar, Tricor Investor &amp; Issuing House Services Sdn Bhd. 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 53rd 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 53rd Annual General Meeting ("AGM") was conducted virtually 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, 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) A step-by-step administrative guide was circulated to the shareholders together with the Notice of 53rd 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 proceedings of the AGM were live streamed on 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>Provisions are also in place for appointed proxies to participate and vote on behalf of shareholders. All resolutions set out in the Notice of the 53rd AGM were poll voted remotely using the RPV facilities.</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>	:	<p>Shareholders were given the opportunity to submit questions before the 53rd Annual General Meeting ("AGM") via TIIH Online website or real time submission of typed text via Remote Participation and Voting ("RPV") facilities provided by the Share Registrar of the Company.</p> <p>During the 53rd AGM, ample time was allocated to address the questions posed by the shareholders. Further, the minutes of the 53rd AGM together with the responses provided by the management team were published on the Company's corporate website within thirty business days after the 53rd AGM.</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 13.5

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>The 53rd Annual General Meeting (“AGM”) was conducted virtually through live streaming and online remote voting via the Remote Participation and Voting (“RPV”) facilities provided by the Share Registrar. A detailed administrative guide attached to the 53rd AGM notice was issued to provide guidance on the registration, participation and voting using the RPV facilities. To familiarise the shareholders with the use of RPV facilities, a step-by-step video guide on remote voting process and posing questions was also presented before the voting commenced.</p> <p>Prior to the 53rd AGM, a dry run was conducted to ensure that the information technology infrastructure and the RPV 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 53rd 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 53rd AGM, questions posed by the shareholders were answered 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 53rd Annual General Meeting ("AGM") held on 26 May 2023 together with the responses to questions raised by the shareholders were published on the Company's corporate website on 11 July 2023 i.e. within thirty business days after the 53rd 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.*

Click or tap here to enter text.

