

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 4936  
**COMPANY NAME** : MALPAC HOLDINGS BERHAD  
**FINANCIAL YEAR** : June 30, 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 of Directors ("<b>the Board</b>") takes full responsibility for the performance of the Malpac Holdings Berhad and its subsidiaries ("<b>the Group</b>"). The principal function of the Board is to protect and enhance long-term value and returns for its shareholders. The Board's responsibilities are as follow:</p> <p>i) Accountability to the shareholders</p> <p>Understand and consider the interests of shareholders and relevant stakeholders for the business directions and crucial decision making relating to the Group. The Board is also responsible to ensure that the communications both to and from the shareholders and relevant stakeholders are effective;</p> <p>ii) Set Strategy Goals</p> <p>Determine and review the overall strategic goals, determines strategic direction and significant policies. The Board review and evaluate the present and future opportunities, threats and risk in the external environment, evaluate the strengths and weaknesses of the company structure and the principal risks relating to the Group;</p> <p>iii) Oversee the Risk Management &amp; Internal Control function of the Group</p> <ul style="list-style-type: none"><li>• To review the adequacy and the integrity of the Group's internal control systems to ensure that all levels within the Group comply with the applicable laws, regulations, guidelines and requirements.</li><li>• Responsible for the Group's risk management and internal control systems.</li><li>• Set strategic objectives.</li><li>• Review the effectiveness of the Group risk management and internal control systems.</li><li>• Monitor the nature and extend of risk exposure for the Group major risks.</li><li>• Oversee the nature and extend of risk exposure for the Group major risks.</li><li>• Provide direction on the importance of risk management and risk management culture.</li></ul> <p>iv) Ensure good corporate governance practice and incorporate it as the Group and Company's culture and oversees the business conduct and code of ethics of the Group and Company.</p> <p>v) Responsible for corporate sustainability; and</p> <p>vi) Oversees succession plans.</p>

	<p>In discharging its fiduciary duties, the Board has delegated certain responsibilities to five (5) Board Committees namely Audit Committee (“<b>AC</b>”), Nomination Committee (“<b>NC</b>”), Remuneration Committee (“<b>RC</b>”), Risk Management Committee (“<b>RMC</b>”) and Investment Committee. All the Board Committees are governed by the respective Terms of Reference (“<b>TOR</b>”) and are empowered to act on behalf of the Board within the authorities as laid out in the TOR respectively and report to the Board with the necessary recommendations.</p> <p>The composition, duties and roles of the management, Board members and Board Committees are clearly set out in the Company’s Board Charter to promote high standards of corporate governance. The Board Charter is the structured guides for the Board, especially the new Directors and shall not be taken to be exhaustive blueprints. The Board Charter was reviewed in August 2022 and is made available on the Company’s website at <a href="http://www.malpac.com.my">http://www.malpac.com.my</a>.</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

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 had redesignated Mr. Tan Chon Sing @ Tan Kim Tieng ("<b>Mr Tan</b>") from Executive Director to Executive Chairman of the Company with effective from 30 May 2023.</p> <p>The Chairman is primarily responsible to ensure effectiveness of the Board with the following tasks:</p> <ul style="list-style-type: none"><li>i) Provides leadership to ensure the smooth functioning of the Board;</li><li>ii) Ensures positive culture and good corporate governance practices are inculcated in the Board, Group and Company;</li><li>iii) Establishes the Board agenda and ensuring timely and necessary information is provided to the Board members;</li><li>iv) Leading the Board meetings to ensure appropriate discussion takes place; and</li><li>v) Liaises with the Chief Executive Officer ("<b>CEO</b>") and regularly reviews with the CEO on progress on important initiatives and significant issues facing by the Company and the Group.</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 1.3

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 Board recognizes the importance of the role of Chairman and CEO to be held by separate persons and the roles be segregated. The two (2) positions are held by two (2) individuals, namely Mr Tan as the Chairman and Mr Ang Poo Guan as the CEO.</p> <p>The Chairman’s main responsibility is to lead and manage the Board in order to ensure its effectiveness whereas the CEO is responsible for the day-to-day running of the business, leading the management team and implementation of the collective decision approved by the Board.</p> <p>The Board Charter of the Company had set out clear role and responsibilities of the Chairman and CEO.</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

*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'.*

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Following the resignation of Encik Muhayuddin as Chairman of the Company on 30 May 2023, Mr Tan Chon Sing @ Tan Kim Tieng has been redesignated as Non-Independent Executive Chairman of the Company on the same day. He is not a member of AC, NC and RC.	
<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 Company Secretaries are Ms Tan Hsiao Yuen and Ms Wong Wai Foong. Both of them are Chartered Secretaries registered with The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) as well as qualified to act as company secretaries under the Companies Act 2016.</p> <p>The roles and responsibilities of the Company Secretaries are as follows:-</p> <ul style="list-style-type: none"> <li>i) Plays an advisory role on corporate disclosure, ensures Board procedures, applicable governance practices, company laws, securities regulations and listing requirements are complied with, and assists the Board in applying the Malaysian Code on Corporate Governance ("MCCG") Practices to meet the Board needs;</li> <li>ii) Provides effective support to the Board and Board Committees to facilitate their discussion and proceedings of the Board and Board Committees meetings and deliberations are well documented in minutes;</li> <li>iii) Ensures proper processes and proceedings are in place in general meeting and annual general meeting;</li> <li>iv) Facilitates the re-election and re-appointment of Directors by ensuring that the necessary information are properly complied to ease the NC and Board's review; and</li> <li>v) Facilitate shareholders' communication and engagement on corporate governance issues.</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 1.6

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The meeting papers are furnished to the Board members at least five (5) days prior to the dates of meetings to ensure that the directors have sufficient time and information to make an informed decision at each meeting. The Company however allows exceptional cases whereby the meeting materials are furnished to Board members of less than five (5) days on urgent and or extraordinary matter(s), of which there is insufficient time in collating relevant information and details.</p> <p>Upon conclusion of the meeting, the minutes are prepared and reviewed by the Chairman in a timely manner before circulation to the Board.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		



### Intended Outcome

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 Company has formalised a Board Charter which clearly set out the composition, roles and responsibilities of the Board and Board Committees. The Board Charter serves as a primary reference for Board members of their fiduciary duties as Directors and the functions of the Board Committees.</p> <p>The Board Charter was reviewed in August 2022 and details of the Board Charter are made available for reference on the Company's website at <a href="http://www.malpac.com.my">www.malpac.com.my</a></p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 3.1

The board establishes a Code of Conduct 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>The Board established a Code of Conduct and Ethics for the Company. All directors, senior management, managers and employees must behave and adhere to the guidelines which include integrity of financial statements and regulatory filing, avoiding conflicts of interest, avoiding insider trading, theft and fraud, anti-bribery and anti-corruption and so on.</p> <p>The Company has published the Anti-Bribery and Corruption Policy to provide guidance to the Board members, management and employees on how to recognize and deal with improper solicitation, bribery and any other corruption activities and issues that may arise in the course of ordinary business.</p> <p>The Code of Conduct and Ethics and Anti-Bribery &amp; Corruption Policy are available at Company's website, <a href="http://www.maplac.com.my">www.maplac.com.my</a></p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Company has adopted a Whistleblowing Policy which provides the reporting channel for all levels of the Group to disclose any improper conduct within the Group. The Company's Whistleblowing Policy can be viewed on the Company's website at <a href="http://www.malpac.com.my">www.malpac.com.my</a> .	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

### Practice 4.1

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

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Board together with the management adopted responsible investment whereby the Board incorporated sustainability considerations when evaluating prospective investments including but not limited to risk and rewards profile, the respective impact on the environment, the impact on society and compliance with the bylaws. The Board has yet to identify any material sustainable investment and hence, there is no material sustainability matter yet.	
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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board ensures that sustainability statements are published in the Annual Report and the sustainability matters are communicated to all stakeholders when comes to business dealings.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.3**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Board members have not attended trainings or courses pertaining to sustainability issues that are relevant to the Company or its business. The Board members, however, have been keeping themselves abreast with the latest publications, reports and research papers pertaining to global sustainability issues including technological advancement in fintech, property tech, climate-related risks and opportunities.</p> <p>The Board has committed to staying abreast with sustainability issues and would attend training or courses pertaining thereto whenever there are suitable topics.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.4**

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The existing performance evaluations of the board and senior management do not include any review of the respective director's or senior management's performance in addressing the company's material sustainability risks and opportunities.	
		The NC, however, is aware of the need to include the performance evaluation addressing the Company's material sustainability risks and opportunities in the next performance appraisal for the financial year ending 30 June 2024.	
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 4.5- 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>Encik Muhayuddin and Encik Johari Low Bin Abdullah, the Independent Directors who have served the Board for more than twelve (12) years, had resigned from the Company on 30 May 2023. In place thereof, Mr Loo Pak Soon and Puan Noraini Binti Yaacob were appointed as the Independent Directors on the same day.</p> <p>The NC had assessed both candidates via the Fit and Proper Policy prior to their appointment.</p> <p>In accordance with the TOR of the NC, an annual evaluation is conducted by the NC on the effectiveness of the Board as a whole, Board Committees, the contribution of each individual Director and the independence of Independent Directors as well as the CEO of the Company.</p> <p>During the FYE 2023, the Board members completed their annual assessment and the same was tabled at the NC meeting held on 23 August 2023.</p> <p>For the Directors that who are due for retirement and eligible for re-election, the NC also reviewed their performance and contribution with the mix of skills, experience, and other qualities, before recommending them to the Board for re-election. The NC, after a satisfactory evaluation, recommended to the Board the re-election of Mr Tan Chon Sing, Mr Loo Pak Soon and Puan Noraini Binti Yaacob in the forthcoming Annual General Meeting ("<b>AGM</b>") to be held on 29 November 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 5.2**

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>The existing Board consists of six (6) directors as follows:</p> <ul style="list-style-type: none"> <li>▪ two (2) or 33.33% are Independent Non-Executive Director ("<b>INED</b>");</li> <li>▪ three (3) or 50% are Non-Independent Executive Director ("<b>NIED</b>") and</li> <li>▪ one (1) or 16.67% is a Non-Independent Non-Executive Director ("<b>NINED</b>").</li> </ul> <p>The Company is in compliance with Paragraph 15.02 of the Main Market Listing Requirements ("<b>MMLR</b>") of the Bursa Malaysia Securities Berhad ("<b>Bursa Securities</b>") even though the Company does not comply with the Practice 5.2 of the MCCG.</p> <p>The Board and NC are aware of such departure and are mindful that the independence of every individual Director is critical to protect the shareholders' interest. As part of the alternative practice, the Board, assisted by the NC, assesses the independence of the independent Directors via an individual declaration process by IDs, on an annual basis. Based on the outcome of the individual declarations carried out for the FYE 2023, the Board was satisfied with the level of independence of the INEDs and their ability to act in the best interest of the Company.</p>
<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>	:	The Board will continue to source for more independent directors to comply with the above practice.
<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 - Annual shareholders' approval for independent directors serving beyond nine (9) years	
<b>Explanation on application of the practice</b>	:	<p>The Company sought the shareholders' approval through a two-tier voting process at the 32<sup>nd</sup> Annual General Meeting (“32<sup>nd</sup> AGM”) held on 23 November 2022 to allow Encik Muhayuddin and Encik Johari who have both served as INED of the Company for a cumulative term of more than nine (9) years, to continue to act as INED of the Company.</p> <p>On 30 May 2023, both of them have resigned as Independent Non-Executive Chairman and INED of the Company in order to comply with the amended definition of an Independent Director, whereby an Independent Director who has served for more than twelve (12) years must resign or be re-designated as a Non-Independent Director as per Bursa Malaysia Securities Berhad's letter dated 19 January 2022.</p> <p>As at date of this CG Report, none of the Independent Directors of the Company has served the Board exceeding a cumulative term limit of nine (9) years.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The NC is responsible for leading the process for the nomination of new Board member and senior management appointments and make the necessary recommendations to the Board.</p> <p>In making its recommendations to the Board, the NC considers and assesses the suitability of a new appointment based on the Directors' Fit and Proper Policy adopted by the Company and will assess the objective criteria, which include their qualification, age, gender, competencies, skills, expertise, experience, cultural and background.</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 5.6

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>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>Appointment of new directors are undertaken by the Board as a whole after considering the recommendations of the NC. The Board does not solely rely on the recommendation made by existing directors, the management or major shareholders however there is no restriction imposed on the Board to identify suitably qualified candidates from independent sources.</p> <p>During the FYE 2023, the Company had appointed the following two (2) INEDs following the resignation of Encik Muhayuddin and Encik Johari Low Bin Abdullah:</p> <ul style="list-style-type: none"> <li>i) Mr Loo Pak Soon; and</li> <li>ii) Puan Noraini Binti Yaacob.</li> </ul> <p>The above newly appointed directors were recommended by the management based on meritocracy, relevant experiences, personalities and independent-ness. Their curriculum vitae were submitted to the NC for deliberation prior recommended the same to the Board for approval. During the process of assessing the suitability of candidate, the NC had reviewed based on their background, expertise, experience, and competence. Upon the Board's approval on the appointment of proposed new directors, a fit and proper declaration are required to be completed prior to their appointment.</p> <p>The Board had with the support of the NC, conducted a formal and independent review on all the potential candidates prior any decision making. If the new appointment of INED is necessary, the Board will utilise independent sources for sourcing suitably qualified candidates in future.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.7**

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 Board has appointed Mr Loo Pak Soon and Puan Noraini Binti Yaacob as INEDs of the Company on 30 May 2023. The background and information about the new appointment and the director profile of the new INED respectively have been announced to Bursa Securities. For the re-appointment of a director, the latest profile of the directors will be furnished to the shareholders in the latest annual report.</p> <p>The Board had provided a statement of recommendation for the re-election of Mr Chew Loy Chee and Mr Kan Ah Chun in the Explanatory Note 3 (Ordinary Business) of the Notice of the 32<sup>nd</sup> AGM dated 25 October 2022 in order to facilitate shareholders in making informed voting decisions</p> <p>Similarly, the Board had also provided its statement of recommendation for the re-election of Mr Tan, Mr Loo Pak Soon and Puan Noraini Binti Yaacob in the Explanatory Notes 3 (Ordinary Business) and 4 (Ordinary Business) respectively as contained in the Notice of the 33<sup>rd</sup> AGM dated 31 October 2023.</p> <p>The Board ensures that the process of appointment and re-election of a directors remains independent and is willing to evaluate recommendations from the shareholders.</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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The NC is chaired by Mr. Loo Pak Soon, an INED.	
<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>At present, there is one (1) woman director on the Board of the Company. The Board will try its best to apply Practice 5.9 of MCCG as and when an opportunity arises and increase the number of women directors to 30% in time to come. However, the Board in its gender diversity policy, supports the initiative to include women participations in achieving a more gender diversified Board. The Board agrees to give equal priority to female candidates who are competent, possess leadership qualities and meet the Company's requirements for such appointment in future.</p> <p>Therefore, the Board is mindful of the target to achieve 30% of the Board composition made up of women within two (2) years from now (by 2025).</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	Two (2) years (by 2025).

**Intended Outcome**

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

**Practice 5.10**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Board presently has a brief description of the Company's gender diversity for the board only.</p> <p>Nevertheless, the Board agrees to give equal priority to female candidates who are competent, possess leadership qualities and meet the Company's requirements for such appointment to the Board and/or Senior Management in the future.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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 annual evaluation is conducted by NC on the effectiveness of the Board as a whole, Board Committees, contribution of each individual Director and independence of Independent Directors as well as the CEO of the Company. In FYE 2023, the annual evaluation is assisted with the assessment and evaluation forms.</p> <p>The effective communication and interaction between the Directors will then be used to determine the performance of the respective Board Committee and the Board as a whole. Insofar, the NC is satisfied with the performance of the Board and individual Directors.</p> <p>The Chairman of the NC briefed the Board on the results of the assessment at the Board meeting held on 23 August 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 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 RC is responsible and has put in place policies and procedures, which takes into account the performance of the Company in determining the remuneration of the Directors and Senior Management.</p> <p>The Directors' fees and benefits are recommended for shareholders' approval at every annual general meeting after being reviewed by the RC and Board. The policies and procedures are included in the RC's TOR and a Remuneration Policies &amp; Procedures adopted by the Company are made available at Company's website at <a href="http://www.malpac.com.my">www.malpac.com.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 7.2

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Board established a RC comprises a majority of INEDs and one (1) NINED which is responsible to evaluate the remuneration package of members of the Board and Senior Management guided by the policies and procedures on the remuneration of Directors and Senior Management and recommend the same for the Board's approval. The RC's TOR is available on Company's website at <a href="http://www.malpac.com.my">www.malpac.com.my</a> .	
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 assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

#### Practice 8.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The detailed remuneration of each director on named basis is disclosed herein, inclusive of the breakdown of salary, fees, benefits-in-kind and other emoluments.

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	Loo Pak Soon	Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Noraini Binti Yaacob	Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Gan Teck Chong @ Gan Kwan Chong	Non-Executive Non-Independent Director	12,000	19,500	-	-	-	6,000	37,500	-	-	-	10,000	13,325	-	60,825
4	Lim Hong Liang	Executive Director	12,000	100,000	72,000	-	-	42,565	243,231	-	-	-	22,000	13,325	-	278,556
5	Kan Ah Chun	Executive Director	12,000	-	72,000	-	-	18,238	102,238	-	-	-	22,000	-	-	124,238
6	Tan Chon Sing @ Tan Kim Tieng	Executive Director	12,000	-	72,000	-	-	20,398	104,398	-	-	-	22,000	6,500	-	132,898

**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>	:	The Company adopts low overheads, cross-functional strategy as well a flat organizational structure, which is led by the CEO. Under the current corporate structure and strategy, the CEO is the principal officer of the Group with day-to day operations being supported by a cross-functional team and the outsourced managers and/or consultants, based upon the specific requirements of the jobs or projects invested in or assessed.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



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

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of the AC is Mr Loo Pak Soon, whilst Mr. Tan Chon Sing is the Chairman of the Board.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The policy stated in the TOR of the AC is to observe a cooling-off period of at least two (2) years and the AC is mindful of the updated requirements and will incorporate the same into the AC's TOR.	
		At present, none of the members of the AC are former key audit partners of the Company's external auditors.	
<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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The AC conducts annual assessment on the suitability, objectivity and independence of the external auditors and makes subsequent recommendations to the Board on the appointment, re-appointment or termination of the External Auditors (“EA”).</p> <p>In the FYE 2023, the AC reviewed the suitability, performance and independence of the EA on 23 August 2023 and collectively agreed to make recommendation for the re-appointment of Messrs PKF PLT as the EA for the Group for the ensuring year, subject to the shareholders’ approval at the upcoming AGM to be held on 29 November 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**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

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

## Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC members possess a wide range of skills to discharge their duties and their profiles are set out in the Annual Report. The Chairman of the AC, Mr. Loo Pak Soon who has vast experiences in finance, accounting and financial management.</p> <p>During the FYE 2023, the AC members attended the following relevant professional programmes to further strengthen their knowledge on governance and anti-corruption audit with the relevant know-how to discharge their respective duties:</p> <p><u>Mr Loo Pak Soon</u></p> <ol style="list-style-type: none"><li>1. Advocacy Session on the Continuing Disclosure Requirements &amp; Corporate Disclosure Policy of the Listing Requirements</li></ol> <p><u>Puan Noraini Binti Yaacob</u></p> <ol style="list-style-type: none"><li>1. Bursa Malaysia Mandatory Accreditation Programme</li></ol> <p><u>Mr Gan Teck Chong @ Gan Kwan Chong</u></p> <ol style="list-style-type: none"><li>1. PLC Director's Training</li><li>2. Business Succession: Ownership, Management &amp; Leadership</li></ol>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Group has established an effective risk management and internal control framework to identify and assess the risks faced by the Group and thereafter to implement and monitor appropriate internal controls to manage and mitigate those risks by the establishment of the RMC. RMC delegates the risk assessment to the Risk Management Team, of which comprises the CEO and the Executive Directors. The Risk Management Team assesses the risks of each transaction based on the possible occurrence and severity of each exposure. The team subsequently recommend and review the respective mitigation measures and/or required insurance/diversification strategy on annual basis.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	A Statement on the Risk Management and Internal Control of the Group is disclosed in the Company's Annual Report 2023.  For the FYE 2023, the Board is satisfied with the adequacy and effectiveness of the Group's system of risk management and internal control. No major weaknesses or uncertainties, which could result in material losses, were identified or would require separate disclosure.	
<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>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The RMC comprises a majority of Independent Directors to oversee the Company's risk management framework and policies.

### Intended Outcome

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

#### Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company's internal audit function is carried out by an outsourced independent firm, namely IA Essential Sdn Bhd ("<b>IA Essential</b>") which report directly to the AC.</p> <p>The internal auditors would evaluate the effectiveness of risk management and internal control, advise the AC on areas of weaknesses and deficiencies in internal processes and suggest the appropriate actions to be adopted.</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 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 function is headed by a team leader who is assisted by an audit executive. The team leader in charge and the executive are accounting graduates from local universities.</p> <p>The internal audit team conducted their work in consideration of the broad principles of the International Professional Practice Framework of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentation, communication of findings and consultation with key stakeholders.</p> <p>The Audit Committee reviews the internal audit engagement to ensure that the Internal Auditors' objectivity and independence are not impaired or affected. Save for the internal audit service, there is no other engagement between the Group and IA Essential which may create conflict of interest or impair their objectivity and independence.</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.

Application	:	Applied	
Explanation on application of the practice	:	<p>Information is made available to the shareholders and investors through the Annual Reports, the various disclosures and announcements made to Bursa Securities and the Company's website at <a href="http://www.malpac.com.my">www.malpac.com.my</a>.</p> <p>Meanwhile, in order to facilitate the stakeholders' understanding of the Company with respect to the business of the Company and its policies on governance, the Company has also placed various documents pertaining to the organisation, Board and Management, corporate governance, policies, charters, terms of references as well as other corporate information on the Company's website.</p> <p>The AGM provides the principal platform for dialogue and interactions with the shareholders. At other times, shareholders are encouraged to contact or liaise with the CEO or any of the Directors if they have any issues.</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

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>	:	Not applicable as the Company is not under the category of Large Companies as defined in the MCCG.	
<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 32<sup>nd</sup> AGM of the Company was held on 23 November 2022. The Notice of the 32<sup>nd</sup> AGM was published on New Straits Times and served to shareholders on 25 October 2022 which was 28 days prior to the date of the 32<sup>nd</sup> AGM.</p> <p>Along with the notice of the 32<sup>nd</sup> AGM, a detailed Administrative Guide was also circulated to all shareholders to guide them on participating in the Company’s virtual basis 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 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>All Directors attended the 32<sup>nd</sup> AGM that was held on a virtual basis through live streaming from the Broadcast Venue, of which three (3) Directors had physically present at the Broadcast Venue, and the remaining four (4) Directors had attended at the 32<sup>nd</sup> AGM remotely via Live Streaming.</p> <p>The Chairman of the Board, AC, NC, RC and RMC were physically present at the Broadcast Venue to provide response if there are any enquiries from the shareholders.</p> <p>Apart from the Directors, the CEO, Company Secretary and the EA were also participated in the AGM to respond to the shareholders' queries.</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 13.3

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 32<sup>nd</sup> AGM of the Company held on 23 November 2022 was conducted on a virtual basis through live streaming from the broadcast venue and online remote voting using the Remote Participation and Voting (“<b>RPV</b>”) facilities.</p> <p>The RPV enabled remote shareholders' participation and electronic voting for the conduct of poll on the resolution.</p> <p>The Company had appointed Dvote Services Sdn Bhd as the Poll Administrator to conduct the poll by way of electronic voting and TMF Administrative Services Malaysia Sdn Bhd as the Scrutineer to verify the poll results. Upon conclusion of the poll session, the Independent Scrutineers verified the poll results followed by the declaration of results by the Chairman of the meeting.</p> <p>The poll results detailing the number of votes cast for and against each resolution and the respective percentages were also announced on Bursa Securities' website on the same day of the 32<sup>nd</sup> 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 13.4**

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.

*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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman encouraged and invited the shareholders to send in questions via the web portal from time to time during the AGM and the questions will be answered on the spot respectively by the CEO and/or relevant Directors.</p> <p>The meeting minutes, including all the questions posed by the shareholders and the correspondence answers from the Board were subsequently uploaded to the Company's website not later than 30 days after the conclusion of the 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.*

platform.	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The Company conducted virtual general meeting in FYE 2020, FYE 2021 and FYE 2022 due to the outbreak of the Covid-19 pandemic. Prior to the virtual general meeting, an additional hardcopy of an Administrative Guide was delivered to all shareholders' registered addresses to guide them on the procedures to participate the said virtual general meeting.</p> <p>On the actual day, the Broadcast Venue was fully equipped with the required infrastructure and the virtual meeting platform was designed with live interactive form for shareholders to post questions. The Board answered all the questions posted by the shareholders during the FYE2022 virtual 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

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 general meeting was made available on the Company's website no later than thirty (30) business days after the AGM for shareholders.
<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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