

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7120
COMPANY NAME : AXTERIA GROUP BERHAD
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The present Board consists of eight (8) members, of whom one (1) is a Non-Independent Non-Executive Director, one (1) is Executive Director, one (1) is Group Managing Director (or "MD") and five (5) are Independent Non-Executive Directors, thus constituting the majority on the Board.</p> <p>The Board comprises members of different background and expertise who collectively functions with synergy in deciding on operations and financial matters with the objective of setting and monitoring the implementation of Group strategy and business plans, approving corporate transactions, provision of advisory to management on all corporate matters. The detailed responsibilities of the Board are set out in the Board Charter.</p> <p>In order to ensure orderly and effective discharge of the functions and responsibilities of the Board, the Board has in place a governance framework where specific powers of the Board are delegated to the relevant Board Committees and the Group Managing Director and the Management Team.</p> <p>The Board Committees comprised Audit and Risk Management Committee (or "ARMC"), Nomination Committee (or "NC"), Remuneration Committee (or "RC") and Investment Working Committee. The Board Committees' roles, duties and responsibilities are clearly defined on their respective Terms of Reference as set out in the Board Charter. Further details are set out in the Corporate Governance Overview Statement ("CG Statement") in the Annual Report 2023 ("Annual Report").</p>

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

Intended Outcome

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Board is led by the Chairman who is responsible for instilling good corporate governance practices within the Group and to provide effective leadership on the strategic direction of the Group and to promote good governance practices of the Group. His responsibilities are set out in The Board Charter. Further details are set out in the CG Statement in Annual Report.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>There is a clear division of roles and responsibilities between the Chairman and the MD of the Company.</p> <p>Mr. Mok Juan Chek was appointed as the Independent Non-Executive Chairman on 10 February 2022. He does not hold any shares in the Company, and does not actively engage in the Group's operational or financial matters. His role is to lead the Board and focus on governance and compliance matters.</p> <p>The MD, Mr. Woo Wai Onn @ Foo Wai Onn was appointed on 8 February 2023. His primary responsibility involves overseeing the day-to-day management of the business and operations of the Group, enhancing organisational effectiveness and the implementing strategies and policies approved by the Board. He is supported by the Management Team in overseeing key operational areas.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Chairman of the Board resigned as a member of the ARMC, NC and RC on 2 May 2023.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application :	Applied	
Explanation on application of the practice :	<p>The Board is supported by a Company Secretary, Ms. Pang Kah Man whom is a member of CPA Australia ("CPA") and the Malaysian Institute of Accountants ("MIA"). She is qualified under Section 235(2) of the Companies Act 2016 (the "Act") to act and holds a Practising Certificate for Secretaries under Section 241 of the Act.</p> <p>The Company Secretary's responsibilities are set out in the Board Charter.</p> <p>Through CPA, MIA and other professional platforms and networks, the Company Secretary stays updated on changes to relevant laws, regulations, and best practices. On an ongoing basis, she regularly attends training sessions to stay abreast of recent developments in laws, regulations and best practices mandated by professional bodies. The Company Secretary keeps the Board updated on relevant developments through written communications or briefings during Board meetings.</p> <p>The Board had reviewed and assessed the performance of the Company Secretary for the financial year under review and concluded that the level of performance and support rendered by the Company Secretary met the expectations of the Board.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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>To facilitate Directors' and Management's planning for the whole financial year, meetings of the Board and the Board Committees are scheduled in advance before the commencement of each new financial year.</p> <p>Throughout 2023, the Board and the ARMC convened five (5) meetings each, while the NC and RC held four (4) meetings each. Prior to each meeting, a structured agenda together with management reports and proposals were provided to the Directors at least five (5) days in advance. The agenda was organised according to the priority of matters, indicating whether they required approval, discussion, or notation, with allocated time for each agenda item to ensure efficient conduct of the meetings.</p> <p>The proceedings of all meetings were meticulously documented, recording issues discussed, decisions made, any dissenting views, and instances of Directors abstaining from voting or deliberating on specific matters, and any necessary follow-up actions. These minutes were promptly circulated to all Board members. In the intervals between Board meetings, Board's decisions or approvals for matters that are time sensitive or administrative in nature were sought via circular resolutions which were supported with relevant information and explanations and the same applied to the Board Committees.</p> <p>Upon conclusion of each meeting, the Company Secretary promptly communicated the Board's decisions and recommendations to relevant Management personnel for appropriate action. The Company Secretary also prepared the Board and Board Committee meeting minutes, properly recording issues deliberated, decision-making processes, and any dissenting views or abstentions by Directors. Draft minutes of meetings were circulated to members of the meetings for factual accuracy verification before being tabled at the next meeting for Directors' confirmation, and sign-off by the Chairman of the respective Board Committees and the Board, as the case may be.</p> <p>The Company Secretary also followed up with Management on the</p>

	status of action items identified in previous minutes of meetings, providing updates to the Board as required. Action items remained documented in the minutes of meetings until they are resolved or deemed no longer relevant.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter details the role and powers of each director and distinguish such authority between the Board Committees which have different functions in assisting the Board. The roles of the Board, Board Committees, Independent Non-Executive Chairman, Non-Independent Non-Executive Deputy Chairman, MD, Executive Directors, Independent Non-Executive Directors, and Company Secretary are set out in the Board Charter.</p> <p>The Board Charter is made available at the Company's website at https://agb.my/. The last review was conducted in April 2024 as to reflect the relevant practices and processes recommended in the Malaysian Code on Corporate Governance 2021 Edition ("MCCG") and to keep abreast with changes in the prevailing or new legislations that affect the roles of the Board and Management.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group adopts the Code of Conduct and Code of Ethics which apply to all directors, officers, employees across the Group and includes contractors and consultants who act for the Group.</p> <p>The Code of Conduct is the ethical framework that include, among others:</p> <ul style="list-style-type: none"> ▪ conducting business with integrity; ▪ upholding intellectual property as right of the Group; ▪ preserving confidentiality and privacy; ▪ not to engage in insider trading; and ▪ maintaining safety of workplace. <p>The Code of Conduct, which was last reviewed in April 2023 is available on the Company's website at https://agb.my/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Group has intergrated its whistleblowing policy into its Code of Conduct. All Directors and employees of the Group are obligated to raise concerns over any potential serious misconduct or unethical behavior within the Group.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible for ensuring that the Company has in place appropriate sustainability strategy which is aligned with the Company's strategic direction to support the Group's long-term objectives. The Board emphasizes on strategic management of material sustainability risks and opportunities, which includes integration of Economic, Environmental, Social and Governance (EESG) factors in their decision-making process and in the Group's operations.</p> <p>Through the review by the senior management, twelve (12) material aspects were identified as high importance and those disclosures were derived into a matrix. The materiality matrix showcases the material disclosures based on its unique influence on the stakeholders and EESG impact to the Company. The materiality matrix was approved by the Board with the Material Sustainability Key Performance Indicators (KPI) being set on in November 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 engages with its employees and stakeholders through range of platforms with the aim of hearing and understanding their concerns and expectations on economic, environment, social and governance ("EESG") matters. As a way of upholding sustainable practices across its supply chain, the Company embeds its sustainability strategies across its supply chain establishing symbiotic collaboration with external stakeholders, e.g. vendors and sub-contractors.</p> <p>Regular reviews of the Group's strategies, businesses and operations are conducted by the respective business units, committees and/or Board levels.</p> <p>The stakeholder engagement and communication channels adopted by the Group include, inter-alia, the Annual General Meeting, quarterly announcements to Bursa Malaysia Securities Berhad ("Bursa Securities"), corporate website, employees' performance review and briefing, customer' satisfaction survey and visitation, supplier' performance evaluation and participation in programmes organised by government bodies.</p> <p>Details of the materiality assessment and stakeholder engagement process as well as the sustainability targets and performance, are set out in the Sustainability Statement of the Company's Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

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

Application	:	Applied
Explanation on application of the practice	:	Board members attended various internal briefings and external trainings to understand and learn the concept, benefits and methodology of incorporating EESG considerations into the strategies, business and operations of the Group to create a more sustainable economic growth model which brings long-term value for the Group. The Board is mindful of the need to keep abreast of the external trends and will continuously devote more resources for learning and sharing of sustainability matters and practices in year 2024.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board takes responsibility to oversee the governance of sustainability of the Company and the Group, including setting the sustainability strategies, priorities and targets, together with the Management.</p> <p>The Board had enhanced the performance evaluations of the Board and Senior Management, enabling them to be conducted in a more holistic manner by having a wider and more in-depth coverage. Reference had been made against the Corporate Governance Guide 4th Edition which sets out specimen questions which can be adapted by the Company for the purpose of assessing the Board and Senior Management in relation to overseeing sustainability performance of the Group vis-à-vis Board-approved targets.</p> <p>For the 2023 annual Board Effectiveness Evaluation, questionnaires on sustainability related performance measures were incorporated for the evaluation of the Board members.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.5 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	<p>This Step-Up initiative was not implemented during the financial year under review. However, the Board has committed to identifying and appointing a senior management representative by the end of financial year ending 31 December 2024. This individual will be dedicated to strategically managing sustainability, which includes integrating sustainability considerations into Axteria's operations. The designated person will report directly to the Chairperson of the Audit and Risk Management Committee.</p> <p>The responsibilities of the designated person encompass:</p> <ul style="list-style-type: none">• Developing the sustainability strategy and overseeing objectives and action plans.• Aggregating, monitoring, and analyzing sustainability reporting.• Coordinating sustainability initiatives across departments.

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>On an annual basis, the NC conducts an assessment to evaluate the effectiveness of the Board, as whole, Board Committees as well as individual Directors, with a focus on determining whether there is a need to refresh the current Board composition.</p> <p>The Board comprises Directors with appropriate skills, knowledge, competence, and experience to meet the needs of the Company. Accordingly, during the year, Directors were evaluated to assess their skillsets, experience, contributions to the Board and its Committees, and their individual performance in meeting the Company's requirements. The assessment utilised a combination of self-evaluation and peer review, with the evaluation questionnaire primarily derived from the Corporate Governance Guide issued by Bursa Securities.</p> <p>The outcomes of this assessment indicated that the Board has effectively discharged its stewardship responsibilities in meeting the Company's needs. No significant areas requiring improvement in Board dynamics or composition were identified. Consequently, the Board endorsed the re-election of retiring Directors as recommended by the NC.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company appreciates the spirit of the MCCG where the Board is encouraged to incorporate the new dimensions of a composition of majority independent directors into the decision-making processes.</p> <p>The Board currently consists of eight (8) Directors, comprising five (5) Independent Non-Executive Directors, one (1) is a Non-Independent Non-Executive Director, one (1) is a MD and one (1) Executive Director, the composition of which also fulfils the Main Market Listing Requirements (“Listing Requirements”) of Bursa Securities for at least one-third (1/3) of Directors or two (2), which is higher, being Independent Non-Executive Directors.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	To-date, none of the independent directors has served beyond nine (9) years.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	This is not adopted by the Company.

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>In the process of identifying and nominating candidates to fill Board vacancies, appointing additional Director(s), or replacing Senior Management personnel, the NC sources candidates through recommendations from fellow Directors, major shareholders, or business associates. Candidates are evaluated based on a range of criteria, including their skills, knowledge, competency, experience, time availability, character, professionalism, and integrity. The NC strictly adheres to the principle of meritocracy in its evaluations, ensuring no specific targets or discrimination based on age, ethnicity or gender. While these attributes are considered, decisions are ultimately based on merit.</p> <p>The Board recognises the importance of diversity in skills, knowledge, age, cultural backgrounds, and experience in fostering good governance and enhancing the effectiveness of Board deliberations. The Board comprises qualified individuals with diverse backgrounds and perspectives who have demonstrated commitment to the Company through their attendance and active participation in meetings and deliberations. The composition and size of the Board are structured to facilitate informed, objective, and efficient decision-making processes.</p> <p>The MD and Executive Director are complemented by Independent Non-Executive Directors who bring independent perspectives and expertise in corporate governance, risk management, audit, finance, accounting, legal and public relations. The Board members possess a fair range of business, finance, legal, administration and public relations experience. This diverse mix of skills and experience is essential for guiding and supervising the Group's overall business activities, especially considering the increasingly challenging economic and operational landscape in which the Group operates.</p>

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

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's Constitution, Board Charter and term of reference of NC set out the process for appointing members to the Board. The NC is responsible for evaluating proposed candidates before recommending them to the Board for appointment.</p> <p>In practice, when the need arises to fill a Directorship position, the NC, with the assistance of the Company Secretary, identifies potential candidates through recommendations from the existing Board members, Management, major shareholders, business associates, and other independent channels.</p> <p>The Board is of the view that this process has been effective in enhancing its overall effectiveness. Moreover, by relying on the recommendations from familiar and trusted parties, the Board gain a certain level of assurance regarding the integrity of the candidates for Directorship.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>Key information regarding the Directors is available in the Profile of Directors section of the Company's Annual Report. The disclosure of such information aims to provide shareholders with the necessary details to make informed decisions regarding the appointment or re-appointment of Directors.</p> <p>In April 2024, the NC met to review and evaluate the effectiveness of the Board as a whole, the Board Committees, and the performance of individual Directors, including assessing independence of the Independent Non-Executive Directors in respect of the financial year ended 31 December 2023. The assessment was conducted using a self and peer assessment approach.</p> <p>The Board, through the NC, has considered the results of assessment of the Directors and collectively agreed that all Directors meet the criteria as prescribed by Paragraph 2.20A of the Listing Requirements of Bursa Securities, pertaining to attributes such as character, experience, integrity, competence, and time commitment necessary to effectively discharge their roles as Directors and contribute to the Company.</p> <p>Based on the NC's recommendations and in the absence of any negative concerns, the Board supports and endorses the re-election of the retiring Directors at the forthcoming Annual General Meeting ("AGM") of the Company.</p> <p>The Board has provided a statement supporting the re-appointment of the retiring Directors in the Notice of AGM, scheduled for June 2024.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The NC was chaired by an Independent Non-Executive Director, Mr. Yau Yin Wee.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The current composition of the Board includes a 25% woman representation, with two (2) women Directors serving as Independent Non-Executive Directors. While this composition departs from Practice 5.9, which requires 30% woman representation, it complies with the recent amendments to the Listing Requirements announced by Bursa Securities on 19 January 2022. These amendments require all listed issuers, particularly non-large companies, to have at least one (1) woman Director on their Board, by 1 June 2023.</p> <p>The Board places a significant importance on diversity, recognizing that a truly diverse Board leverages differences in skills, regional and industry experience, backgrounds, gender, age, ethnicity, and other qualities of Directors, such as competency, character, time commitment, integrity, and relevant experience tailored to the Company's needs. These diversities are carefully considered in determining the optimal composition of the Board and, whenever possible, should be balanced appropriately.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>Although there are no explicit targets set for gender diversity within the Board and Senior Management, the evaluation process for candidates being considered for the Board or Senior Management position is based solely on their competency, character, time availability, integrity and experience in meeting the Company's needs. These evaluations are conducted without discrimination based on age, gender, cultural background, or race.</p> <p>For Independent Non-Executive Director roles, candidates' ability to fulfill the duties of an Independent Non-Executive Director is also considered. The Board constantly advocates fair and equal participation and opportunities for individuals of suitable caliber, ensuring that the selection process remains inclusive and transparent.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: In April 2024, the NC met to review and assess the effectiveness of the Board as a whole, the Board Committees and the performance of individual Directors. Additionally, the independence of the Independent Non-Executive Directors for the financial year ended 31 December 2023, was also evaluated. The assessment was conducted using a self and peer evaluation approach, facilitated by the Company Secretary, who coordinated the process using evaluation questionnaires primarily adapted from the Corporate Governance Guide issued by Bursa Securities. The results of this assessment indicated that the Board and the Board Committees, as well as individual Directors, have effectively discharged of their respective stewardship responsibilities in meeting the needs of the Company.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a RC responsible for recommending remuneration matters pertaining to Executive Directors and Senior Management, taking into consideration the Group's policies and procedures on the remuneration of Directors and Senior Management, for the Board's approval.</p> <p>Remuneration for Independent Non-Executive Directors, including fees and other allowances, is deliberated and recommended by the Board as a whole, for approval by shareholders at the Company's Annual General Meeting. Each Director abstains from participating in discussions or voting on decisions regarding their own remuneration.</p> <p>The Group has implemented a Remuneration Policy & Procedures aimed at attracting and retaining the necessary Directors and Management to lead and control the Group effectively. This policy aligns with the Group's compensation and benefits practices, rewarding employees competitively based on their roles, performance, the Group's financial performance and market conditions of the industry.</p> <p>During the review period, the RC assessed and evaluated the remuneration packages of MD, Executive Directors, Non-Independent Non-Executive Director and Independent Non-Executive Directors at its meeting for consideration and approval by the Board. Recommendations were made for shareholders' approval, where necessary, such as for the fees and other benefits of Executive Directors and Independent Non-Executive Directors.</p>

	<p>The remuneration of Independent Non-Executive Directors is not contingent upon the financial performance of the Group but is determined based on their respective roles within the Company, the number of meetings convened by the Board and Board Committees, and their attendance record. Directors receive fixed Directors' allowances and fees, subject to approval by shareholders at the Company's AGM.</p> <p>The Remuneration Policy & Procedures are accessible on the Company's website at https://agb.my/.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The RC functions according to its Term of Reference, which is accessible on the Company's website at https://agb.my/. Chaired by an Independent Non-Executive Director, Mr. Yau Yin Wee, the RC holds the following principal responsibilities:</p> <ul style="list-style-type: none">a) Reviewing and assessing the remuneration packages and structures of all the Directors and Senior Management, considering the Group's policies and procedures, including performance metrics.b) Ensuring that remuneration levels for Executive Directors and Senior Management are aligned with their performance and responsibilities, attracting and retaining talent essential for the Group's success.c) Ensuring that fees and benefits for Non-Executive Directors reflects their experience, time commitment, and level of responsibilities.d) Considering individual performance, skills, experience, level of responsibility and market benchmarks when determining remuneration packages.e) Structuring remuneration components to link rewards to corporate and individual performance, and assessing the Group's talent needs at Board and Senior Management levels.f) Ensuring that the remuneration and incentives for Independent Non-Executive Directors do not compromise their objectivity and independent judgement on the Board.

	<p>The ultimate responsibility for approving the remuneration of Executive Directors, who are the full time employees of the Group, rests with the entire Board, with the concerned Directors abstaining from the decision.</p> <p>For the remuneration of Independent Non-Executive Directors, the Board deliberates before recommending it for shareholders' approval at the Company's Annual General Meeting.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The remuneration received by each of the Directors, on a named basis, from the Group and Company for the financial year under review is set out in the tables below:

No	Name	Directorate	Company (RM'000)							Group (RM'000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Mok Juan Chek	Independent Non-Executive Chairman	60.0	9.0	-	-	-	-	69.0	60.0	9.0	-	-	-	-	69.0
2	Dato Abdullah Bin Abdul Mannan	Non-Independent Non-Executive Director	117.4	6.0	-	-	-	-	123.4	117.4	6.0	-	-	-	-	123.4
3	Woo Wai Onn @ Foo Wai Onn	Group Managing Director	37.6	5.0	-	-	-	-	42.6	37.6	5.0	120.7	-	-	9.3	172.6
4	Tee (Tay) Eng Joo <i>(Appointed on 1 August 2023)</i>	Executive Director	17.5	2.0	-	-	-	-	19.5	17.5	2.0	150.5	-	-	19.5	189.5
5	Ng Lee Thin	Independent Non-Executive Director	48.0	7.8	-	-	-	-	55.8	48.0	7.8	-	-	-	-	55.8
6	Kevin Low Ee Ming	Independent Non-Executive Director	35.0	4.0	-	-	-	-	39.0	35.0	4.0	-	-	-	-	39.0
7	Yap Yung Chien	Independent Non-Executive Director	35.0	4.0	-	-	-	-	39.0	35.0	4.0	-	-	-	-	39.0
8	Yau Yin Wee	Independent Non-Executive Director	33.6	5.0	-	-	-	-	38.6	33.6	5.0	-	-	-	-	38.6
9	Yee Wei Meng <i>(Resigned on 31 October 2023)</i>	Executive Director	35.0	5.0	-	-	-	-	40.0	35.0	5.0	100.1	-	-	13.0	154.0

10	Ahmad Rehizal Bin Amb Dato' Ahmad Rasidi <i>(Resigned on 9 January 2023)</i>	Non-Independent Non-Executive Director	1.0	-	-	-	-	-	1.0	1.0	-	-	-	-	-	1.0
11	Tan Joo Khong <i>(Resigned on 23 February 2023)</i>	Non-Independent Non-Executive Director	6.4	1.0	-	-	-	-	7.4	6.4	1.0	-	-	-	-	7.4
12	Oon Min Hoon <i>(Resigned on 28 June 2023)</i>	Independent Non-Executive Director	7.1	2.0	-	-	-	-	9.1	7.1	2.0	-	-	-	-	9.1

Intended Outcome

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

Practice 8.2

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

Application	:	Departure	
Explanation on application of the practice	:	<p>The remuneration paid to the four (4) Senior Management Personnel who are not Directors of the Company for the financial year ended 31 December 2023 is detailed on page 135 of the Annual Report 2023.</p> <p>The remuneration of these four (4) Senior Management personnel is presented on an aggregate basis. Additionally, the remuneration for Mr. Tee (Tay) Eng Joo prior to his appointment as Executive Director is also included in this aggregate amount.</p> <p>At this particular juncture, the Board is of the opinion that disclosing the names of the Senior Management Personnel and the breakdown of various remuneration components (such as salary, bonus, benefits in-kind and other emoluments) would not align with the best interest of the Group due to confidentiality, sensitivity and security concerns.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairperson of ARMC, Ms. Ng Lee Thin is a member of the MIA and fellow of Association of Chartered Certified Accountants ("ACCA"). She does not hold the position of Chairman of the Board.</p> <p>The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC is vigilant about potential self-review threats that may arise if a former partner of the external audit firm or its affiliate firms were to be appointed to the ARMC without observing the relevant cooling-off period following the partner's retirement or resignation.</p> <p>To mitigate the risk, both the Board and ARMC have implemented a policy mandating a cooling-off period of at least three (3) years before a former partner of the external audit firm or its affiliate firms can be appointed as a member of the ARMC.</p> <p>None of Directors of the Company were former partners of Crowe Malaysia PLT, the external auditors of the Company, or their affiliate firms.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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 ARMC is responsible for recommending to the Board the appointment or re-appointment of external auditors, their remuneration, and ensuring their independence throughout the audit engagement, in compliance with the relevant professional and regulatory requirements. Additionally, the ARMC ensures that the engagement team conducting non-audit services is separate from the external audit team.</p> <p>This responsibility places upon the ARMC the duty to evaluate the suitability, objectivity, and independence of the external auditors. During the financial year under review, the ARMC collaborated closely with the external auditors and Management to assess the suitability, objectivity, independence, and service quality of the external auditors based on criteria adopted by the ARMC. The Engagement Partner and other members of the external audit team affirmed their independence throughout the audit engagement, adhering to the International Ethics Standards Board of the International Federation of Accountants, and the By-Laws of the MIA.</p> <p>Furthermore, the ARMC conducted an annual assessment of the suitability, objectivity, independence, and quality of service of the external auditors. In accordance with the MCCG, the ARMC also inquired about the governance and leadership structure of the audit firm, measures to uphold audit quality, and risk management practices. The external auditors presented a general overview of their Transparency Report to the ARMC.</p> <p>Based on the outcome of this assessment, the Board endorsed the ARMC's recommendation for shareholders' approval to re-appoint Crowe Malaysia PLT as the external auditors of the Company for the ensuing year, to be sought at the upcoming AGM in June 2024.</p>

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The ARMC comprises wholly the Independent Non- Executive Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board reviews of the ARMC’s teams of office and assesses its performance and of its members annually through al Board Committee effectiveness evaluation led by the NC.</p> <p>Members of the ARMC recognize the importance of ongoing education and skill enhancement through relevant continuing education programs, ensuring their active participation and contribution during ARMC deliberations.</p> <p>Based on the outcome of the ARMC effectiveness assessment, the Board is satisfied with the ARMC’s performance. The Chairperson and members demonstrate financial literacy and possess the requisite knowledge, experience, expertise, and skills necessary to enhance the committee’s effectiveness. Additionally, all ARMC members attended the meetings held during the financial year under review.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises its duty to establish an effective risk management and internal control system to safeguard stakeholders' interests and the Group's assets. However, it acknowledges that such a system cannot entirely eliminate the risk of failure to achieve business objectives but can manage risks to acceptable levels.</p> <p>The Group has implemented a risk management framework using the Control Self-Assessment approach, as outlined in the Annual Report. This framework, integrated into the Group's operations and culture, is continuously applied throughout the year to identify, evaluate, and manage significant risks. Risks identified through this process, including those arising from changes in the business environment, are addressed promptly through remedial measures.</p> <p>The Board, with support from the ARMC and Management Team, reviews the risk management process to ensure its effectiveness and alignment with the established framework.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, facilitated by the ARMC, oversees the Group's risk management policies and the implementation of an enterprise-wide risk management framework.</p> <p>The Group adopts a decentralized approach to risk management, where all employees take ownership and accountability for risks within their respective areas. Department Heads are responsible for overseeing the risk management process and implementing appropriate measures.</p> <p>The Group Managing Director, Executive Director and Chief Financial Officer have assured the Board that the Group's risk management and internal control systems are operating adequately and effectively, ensuring the achievement of corporate objectives in all material aspects.</p> <p>The Annual Report includes a Statement on Risk Management and Internal Control, detailing the key features of the risk management and internal control framework. It also provides further insights into the management and reporting of risks, along with the controls in place to mitigate and manage them.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	The ARMC, comprising wholly Independent Directors, bears the responsibility of overseeing the Group's risk management framework and policies. This entails ensuring the processes involved remain pertinent and efficient in identifying, analysing, evaluating and mitigating the risk factors to which the Group is exposed.

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 Group's Internal Audit Unit is outsourced to Matrix Corporate Consultancy Sdn Bhd., an independent internal audit service provider. Operating independently from the activities they audit and independent of Management, they provide the ARMC and the Board with necessary assurance regarding the adequacy and effectiveness of the Group's risk management and internal control processes.</p> <p>A systematic and disciplined approach is employed to develop the annual audit plan, subject to review and approval of the ARMC before internal audit activities commence. Audits are conducted independently to evaluate internal controls across key areas of the Group's business in accordance with the risk-based approach. The internal auditors maintain direct and unrestricted access to the ARMC and Management.</p> <p>The ARMC retains full authority to inquire into specific matters concerning internal control and may request additional analysis and information regarding areas of concern or of interest. The Board is satisfied with the degree of independence maintained by the internal audit function, and consistently finds that the findings and reports to be impartial and accurate.</p> <p>Further elaboration on the components of the internal control system are provided in the Statement on Risk Management and Internal Control, set out in the Annual Report.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Matrix Corporate Consultancy Sdn Bhd has a total of two (2) professionals, with the head of internal audit being a member of the Institute of Internal Auditors Malaysia, fellow member of the ACCA, member of the Malaysian Institute of Certified Public Accountants and MIA. The internal audit function aligns its approach with the standards set forth in the International Professional Practices Framework of the Institute of Internal Auditors.</p> <p>Internal audit activities are conducted within the parameters and objectives defined in the Group’s risk management framework. The findings and accompanying reports are compiled and presented to the ARMC for review. The ARMC scrutinizes, analyzes, and addresses areas of concern and significant findings, ensuring that the internal audit function operates in accordance with the committee’s terms of reference.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of timely and equal dissemination of material information to the shareholders, stakeholders and public at large. Accordingly, the Board adheres to the stipulations set out in Chapter 9 of Listing Requirements on continuous disclosure.</p> <p>The Board ensures timely dissemination of information on the Group's performance and other matters affecting shareholders' interests through appropriate announcement (where necessary), quarterly financial results, relevant circulars, distribution of annual report and, where appropriate, ad-hoc press statements and interviews.</p> <p>The Group maintains a corporate website at https://agb.my/ for effective dissemination of information where shareholders as well as members of the public can access the latest information on the Company and on the business activities of the Group. Alternatively, they may obtain the Company's latest announcements via the website of Bursa Securities at www.bursamalaysia.com.</p> <p>As part of the Group's commitment towards communication with its stakeholders, experienced members of Management are directly involved in the Group's investor relations activities.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:	As the Company does not meet the criteria outlined for “Large Companies” as defined in the MCCG, this requirement is not applicable to the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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>For the 24th AGM held on 30 May 2023, the Company disseminated the Notice of AGM to shareholders on 28 April 2023, well in advance of the AGM date. This timely dissemination, at least twenty-eight (28) days before the AGM date, exceeded the minimum 21-day requirement mandated by the Act and Bursa Securities' Listing Requirements, provided shareholders with ample time for consideration.</p> <p>The comprehensive notes accompanying the Notice provided detailed explanations for each resolution proposed, empowering shareholders to make informed decisions when exercising their voting rights.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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>At the 24th AGM, all Directors, including the Board Chairman and Chairpersons of the Board Committees, participated virtually, facilitating direct engagement with shareholders. Additionally, representative from Management and external auditors were in attendance to address any queries from shareholders.</p> <p>The proceedings of the 24th AGM included the Questions & Answers session, during which the Chairman invited shareholders to submit questions via the query chat box. These questions covered topics such as the Company's financial statements and other agenda items for adoption at the meeting. Shareholders were encouraged to raise any additional questions they had, in addition to those received prior to the 24th AGM, before any resolution was put to vote.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice		<p>At its 24th AGM, held fully virtually on 30 May 2023, the Company leveraged on technology to enable remote shareholder participation and electronic voting through Remote Participation and Voting (“RPV”) facilities provided by Tricor Investor & Issuing House Services Sdn Bhd's (or “Tricor”) via TIIH Online website at https://tiih.online. The online meeting platform was hosted on a secure platform with pertinent measures in place for cyber hygiene practices to safeguard data privacy, and mitigating potential cyber threats.</p> <p>All resolutions at the 24th AGM were voted by poll in accordance with Paragraph 8.29A of the Listing Requirements of Bursa Securities. This process was administered by an external party, and the results were independently scrutinized by an independent firm of scrutineers.</p> <p>The Administrative Details of the 24th AGM, along with a meeting platform user guide containing comprehensive registration and voting procedures, were shared with the shareholders via the Annual Report and provided prior to the commencement of the 24th AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	<p>During the 24th AGM, the Chairman encouraged shareholders to actively participate by submitting their questions or queries in the query chat box throughout the AGM proceedings.</p> <p>Furthermore, the full minutes of 24th AGM, together with the outcomes of the poll-voted resolutions, were promptly uploaded to the Company's website within thirty (30) business days following the conclusion of the AGM.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Board recognises the significance of utilising a dependable virtual platform for the Company’s AGM to ensure seamless interaction with shareholders and unhindered poll-voting process. Such a platform is instrumental in fostering shareholder activism, particularly enabling remote participation from any location, thus facilitating engagement with the Board and Senior Management.</p> <p>To facilitate the smooth conduct of the Company’s general meeting, the Company’s 24th AGM was conducted virtually via TIH Online website at https://tiah.online, provided by Tricor. This platform was complemented by an experienced technical support team and equipped with the necessary infrastructure and technology.</p> <p>To enable remote shareholder participation and voting in absentia, the Company provided detailed procedures and actions required for the AGM in the Administrative Notes, distributed along with the Notice of the 24th AGM. These guidelines enabled remote participation and voting via the RPV facilities provided by Tricor, ensuring inclusive shareholder engagement at the AGM.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The complete minutes of the 24 th AGM were promptly uploaded to the Company's website within thirty (30) business days following the conclusion of the meeting. This timely action ensured that shareholders who could not attend the AGM could access comprehensive information about the proceedings, including the Board's responses to shareholders' inquiries and the outcomes of the resolutions, which were voted upon via a poll.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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