

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0186
COMPANY NAME : PERAK TRANSIT 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 Board retains full and effective control of the Company. This includes responsibility for determining the Company's overall strategic direction as well as development and control of the Group.</p> <p>The Board reviews the strategy and business plan periodically and assesses the Group's performance in meeting the objectives and goals of the Company.</p> <p>The Board assumes, amongst others, the following duties and responsibilities:</p> <ul style="list-style-type: none">(a) Review and adopt the strategic and business plans for the Group;(b) Oversee the conduct and performance of the Group's businesses;(c) Review, identify and effectively manage the principal risks affecting the Group;(d) Review the adequacy and integrity of the management information and internal control systems of the Group;(e) Establish and implement succession planning for business continuity; and(f) Maintain effective communication with various stakeholders including shareholders and the general public. <p>The following are matters which are specifically reserved for the Board:</p> <ul style="list-style-type: none">(a) Approval of corporate and annual operating plans of the Group;(b) Approval of interim and annual financial results of the Group, including the Annual Report;(c) Approval of the internal and external audit plans;(d) Approval of any significant change in the accounting policies and practices;(e) Approval of the Risk Management Framework and Risk Management Report for the Group;

	(f) Approval of the dividend policy and any interim dividend and recommendation of the final dividend thereon; (g) Approval of changes to the management and control structure within the Group, including key policies, delegated authority limits; (h) Approval for the establishment of the Board Committees and their terms of reference; (i) Approval of new ventures and major investments; (j) Approval of material acquisitions and disposals of undertakings and properties; and (k) Approval of major borrowing or giving of security over assets. In order to assist the Board in the discharge of its responsibilities, the Board has also delegated certain responsibilities to the Board Committees, which operate within clearly defined terms of reference	
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	:	<p>The Chairman is responsible for the oversight, leadership, effectiveness, conduct and governance of the Board.</p> <p>The Chairman provides support to the management in performing their responsibilities, leading Board meetings and discussion by encouraging active participation and allowing dissenting views to be freely expressed.</p> <p>The responsibilities of the Chairman, amongst others, are as follows:</p> <ul style="list-style-type: none">(a) To lead the Board in the oversight of management and ensures its effectiveness in all aspects of its role;(b) To ensure the directors are effectively apprised on the business and operations of the Group;(c) To facilitate the effective contribution of all directors at Board meetings;(d) To ensure decisions are arrived after taking into consideration the interests of shareholders, employees, customers and other stakeholders; and(e) To ensure the integrity and effectiveness of the relationships between the directors, and between the Board and management.
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>Tan Sri Dato' Chang Ko Youn assumes the position of Chairman of the Board while Dato' Sri Cheong Kong Fitt holds the position of Managing Director.</p> <p>The Chairman is responsible for the oversight, leadership, effectiveness, conduct and governance of the Board. The Managing Director, supported by his management team, is responsible for the day-to-day management of the Group's businesses, which includes implementing the policies and decisions of the Board, overseeing the operations to ensure organizational effectiveness, and managing the development and implementation of the businesses and corporate strategies. The Managing Director also assesses business opportunities which are of potential benefit to the Group.</p> <p>The Managing Director reports to the Chairman with respect to matters concerning the Board members and is obliged to report and discuss at Board meetings, all material matters currently or potentially affecting the Group and its performance, including all strategic projects and regulatory developments. Such materials and other relevant matters should be brought to the attention of the Board in an accurate and timely manner.</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 is not involved in any of the board committees to ensure that there is appropriate check and balance as well as objective review by the Board.
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 Company Secretary of the Company is qualified to act as company secretary under Section 235(2) of the Companies Act 2016. The Company Secretary report directly to the Board and play an advisory role to the Board and Board Committees, particularly with regard to their policies and procedures and the Company's compliance with regulatory requirements, rules, guidelines and legislations, as well as the best practices of corporate governance.</p> <p>All directors have access to the advice and services of the Company Secretary and are updated on the changes in the regulatory framework and corporate governance practices. The Company Secretary provides support to the Board in ensuring that the applicable rules and regulations are complied with as well as that the governance structure of the Group remains relevant and effective.</p> <p>The Company Secretary or his representatives who are also qualified company secretaries attend all meetings of the Board and Board Committees and ensures that meeting procedures are followed and deliberations and proceedings at the meetings are accurately recorded and well-documented.</p> <p>The Company Secretary constantly keeps himself abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through attending relevant conferences and training programmes. He has also attended the relevant continuous professional development programmes as required by the Companies Commission of Malaysia.</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	:		
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Intended Outcome

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

Practice 1.6

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Prior to each Board meeting, directors are sent an agenda and a full set of Board papers for each agenda item prepared and presented in a concise and comprehensive manner so that the directors have a proper and relevant depiction of the issues to be discussed at the meeting.</p> <p>This is issued in sufficient time to enable the directors to obtain further explanations, where necessary.</p> <p>The Board papers for each agenda item together with the minutes of the previous meeting are circulated at least five (5) days prior to the meeting, on availability.</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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has formalised a Board Charter which clearly sets out the composition, roles and responsibilities of the Board and Board committees and the processes and procedures for convening their meetings. The Board Charter serves as a reference providing prospective and existing members of the Board and management insight into the fiduciary duties of directors.</p> <p>The Board Charter identifies the issues which require the decision of the Board, defines and clearly separates the roles of the Chairman and the Managing Director, Board meeting processes and continuing education and development of the directors.</p> <p>The Board shall review the Board Charter on a regular basis to keep up to date with changes in the Bursa Malaysia Listing Requirements, other regulations and best practices and ensure its effectiveness and relevance to the Board's objectives.</p> <p>On 22 February 2024, the Board approved the change of name of the 'Risk Management Committee' to 'Risk Management and Sustainability Committee' to better reflect the expanded duties and responsibilities to assist the Board in fulfilling its oversight in relation to the Group's sustainability strategy and initiatives covering environmental, social and economic responsibilities as well as the related sustainability practices in the businesses.</p> <p>The Board Charter is available for reference on the Company's website at www.peraktransit.com.my.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

The 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 Board has adopted a Code of Conduct to set out the principles and standards of business conduct of the Group. The Code of Conduct is to assist and guide all directors, officers and employees (including full time, probationary, contract and temporary staff) of the Group in defining the ethical standards and business conduct at work, which collectively leads and is responsible for the success of the Group.</p> <p>The Code of Conduct covers the following core areas of conduct:</p> <ul style="list-style-type: none">• Compliance with laws and regulations• No conflict of interests• Maintenance of confidential information• Safeguard insider information• Protection of properties, assets, business records and control• Business courtesies and gifts• Health and safety• Fair and courteous behaviour• Misconduct• Bribery and corruption• Money laundering <p>The Code of Conduct serves as both an internal guideline and an external statement of corporate values and commitment and acts as a central point of reference for all directors, officers and employees to support day-to-day decision-making.</p> <p>The Board has adopted an Anti-Corruption and Anti-Bribery Policy across the Group which outlines the Group's position on anti-corruption and anti-bribery behaviour, the responsibilities of the directors, officers and employees of the Group to uphold all laws to combat corruption and bribery and the procedures on anti-corruption and anti-bribery that are guided by the Guidelines on Adequate Procedures issued pursuant to subsection (5) of section 17A of the Malaysian Anti-Corruption</p>

	<p>Commission (Amendment) Act 2018. On 1 October 2023, the Board introduced the Employee's Anti-Corruption and Anti-Bribery Declaration to promote and facilitate employees, managerial and non-managerial level, to make declaration when the amount of gift/token or meal treats received by them exceeds a stated monetary threshold.</p> <p>The Code of Conduct and the Anti-Corruption and Anti-Bribery Policy are available for reference on the Company's website at www.peraktransit.com.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 board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Whistle Blowing Policy to promote and support its culture of honest and ethical behaviour. The policy encourages the employees to raise any concerns and report instances of unethical, illegal or fraudulent behaviour or any other matter that may contravene the Company's Code of Conduct, policies or laws. The intended objectives of the policy are as follows:</p> <ul style="list-style-type: none">(a) To provide avenues for the employees to raise concerns and define ways to handle these concerns;(b) To enable the management of the Group to be informed at an early stage about acts of misconduct;(c) To reassure the employees that they will be protected from punishment or unfair treatment for disclosing concerns in good faith in accordance with this policy; and(d) To help develop a culture of integrity, openness and accountability. <p>The policy is intended to provide and facilitate a mechanism where an employee can report or disclose through established channels, concerns about any violations of the Code of Conduct, unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place, has taken place, or may take place in the future.</p> <ul style="list-style-type: none">(a) The Company shall treat all reports or disclosures as sensitive and will only reveal information on a "need to know" basis or if required by law, court or authority. The identity and particulars of the employee shall also be kept private and confidential unless the employee choose to reveal his/her identity.(b) All reports will be investigated promptly by the person receiving the report or disclosure. If required, he/she can obtain assistance from the appropriate departments within the Group. <p>Upon completion of investigation, appropriate course of action will be recommended to the Board for its deliberation no later than at the next scheduled meeting. Decision taken by the Board will be implemented immediately. Where possible, steps will also be implemented to prevent similar situation from arising.</p>

	<p>The Board has on 15 November 2023 approved the revision of Whistle Blowing Policy by included the clause on “Review of Policy” as per the recommendations of the Internal Auditors.</p> <p>The revised Whistle Blowing Policy is available for reference on the Company’s website at www.peraktransit.com.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 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 to ensure that the Group's strategies promote sustainability, which includes economic, environmental and social responsibilities.</p> <p>The Board is involved in setting the Group's sustainability strategies, priorities and targets and take necessary steps to ensure that these targets are made known to the internal and external stakeholders. In relation to achieve sustainable long-term growth, the Company covered the core business activities of the entire Group, namely integrated public transportation terminal operations, bus operations and petrol station operations.</p> <p>The Sustainability Statement is available for reference on the Company's website at www.peraktransit.com.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 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 is committed to being accountable and responsive to the expectations and interests of its stakeholders. Amongst the Company's key stakeholders are as below:-</p> <ul style="list-style-type: none"> (a) Investors and Financiers (b) Customers (c) Regulatory and Statutory Bodies (d) Business Partners (e) General Public (f) Suppliers (g) Local Communities (h) Management (i) Employees <p>Stakeholders will continuously be the focal point of the Company, therefore, the Company has engaged all stakeholder groups through various methods in differing frequencies through both formal and informal discussions and meetings that cover shareholder meetings, investor conferences, direct engagement programmes, surveys, audits, and more.</p> <p>To facilitate stakeholders' better understanding of the Company's sustainability strategies, priorities and targets as well as performance against these targets, the Company has placed various documents and information pertaining to the organisation as well as other corporate activities information on its website at www.peraktransit.com.my which is accessible to the public, as well as through the Sustainability Statement in its 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

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	:	<p>The Risk Management Committee (“RMC”) together with the Risk Management Working Group Committee (“RMWGC”) have been tasked to identify, assess and manage the sustainability risks and opportunities in the business areas which in line with the Board’s vision towards achieving sustainable long-term growth for its core business activities. In line with the enlargement of the role of the RMC to assist the Board in carrying out, among other things, its responsibility to direct and oversee the processes, framework and strategies pertaining to manage environment, social and governance of the Group, the Chairman of RMC has proposed the name of RMC shall be renamed to Risk Management and Sustainability Committee (“RMSC”) and the Board has approved the same on 22 February 2024.</p> <p>The RMWGC is also tasked to include climate-related risks and opportunities in the Company’s risk management and internal control framework, which is continuously reviewed by the RMC to ensure compliance.</p> <p>Action taken by the Company during the year to remain sustainable are as follows:</p> <ul style="list-style-type: none">i. Create and distribute economic value among stakeholdersii. Incorporate new technologies and foster new approaches within business operations to drive modernisation and efficiency improvementsiii. Enhance customer satisfaction with products and services by actively seeking their feedbackiv. Implement ethical and sustainable sourcing practices, which involve evaluating suppliers based on their environmental and social impacts, adhering to the Group’s established policiesv. Utilise, conserve, and protect natural resources such as energy, water and raw materials, aiming to minimize environmental impact and promote long-term ecological resiliencevi. Involve the creation and maintenance of a productive, inclusive, and supportive work environment that fosters employee engagement and well-beingvii. Encompass the policies, procedures and practices designed to minimize risks and ensure a safe working environmentviii. Protect the fundamental rights and freedoms of employees in the workplace

	<div>ix. Active participate, partner and engage with the communities in which the business operates in</div> <div>x. Comply with Corporate Governance to ensure the Group’s transparency, accountability and fairness are available for all stakeholders</div> <div>A details action taken by the Board are tabulated in the Sustainability Statement that is available for reference on the Company’s website at www.peraktransit.com.my.</div>	
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 4.4

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	:	Approvals, responsibilities and accountabilities applicable to the identification, evaluation, management and reporting of the Company’s risks are attributed to the Board, the Managing Director and the Heads of Departments.	
		The Nomination and Remuneration Committee (“NRC”) have revised and adopted the Board and Board Committee Evaluation Form to include their performance in addressing the Company’s material sustainability, including climate related risks and opportunities for the financial year 2023.	
		For key senior management, their annual performance evaluation forms have also been revised where sustainability performance had been included as one of the factors for considerations in their annual performance evaluations for the financial year 2024.	
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 4.5- 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	:	Adopted
Explanation on adoption of the practice	:	The Managing Director, via the Risk Management and Sustainability Working Group Committee, is designated to manage the sustainability issues of the Group by integrating them into the day-to-day operations of the Group. This is to promote accountability among the Board and senior management on sustainability issues concerning the Group, which is crucial for the long-term growth of the Group.

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>The NRC have reviewed annually the tenure of each director. The NRC have also reviewed the performance and contribution of the directors who are due for retirement and eligible for re-election at each Annual General Meeting.</p> <p>In financial year 2023, the NRC, in carrying out the annual assessment of the tenure, is satisfied with the performance of the Board as a whole and that of its individual directors. The NRC have also assessed and concluded that the retiring directors are equipped with the criteria in effectively discharging their roles as directors of the Company.</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 5.2

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 Board has seven (7) members, in which five (5) members are independent directors, including the Chairman of the Board.</p> <p>More than half of the Board members are independent directors. This higher proportion of independent directors will alleviate boardroom dominance, stereotype discussions and complacency and provide for more effective oversight of management.</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 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is aware that the tenure of independent directors should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years term, an independent director may continue to serve on the Board subject to the director's re-designation as a non-independent director.</p> <p>The Board believes that the length of service of the independent directors on the Board does not interfere with their exercise of independent judgment and ability to act in the best interest of the Group notably in discharging their roles. The Board shall undertake further assessment on independence of its independent directors whose tenure exceeds the cumulative term of nine (9) years.</p> <p>The tenure of all five (5) independent directors of the Company has yet to exceed the cumulative term of nine (9) years as at the end of the financial year 2023.</p> <p>In determining the independence of individual directors, the Board, through the NRC, conducts assessment on the independent directors of the Company annually. In addition, each independent director is required to declare his or her independence annually.</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 5.4 - Step Up

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

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to ensure that each of its directors has the character, integrity, experience, competence and time to effectively discharge his or her role as a director.</p> <p>The Board has adopted the Directors' Fit and Proper Policy of the Company to ensure there are formal and transparent procedures for the appointment and re-election of directors of the Group. The NRC recommends to the Board, suitable candidates for the directorship on the Board with the aim of having a good mix of members with diverse experiences and background to provide for a collective range of skills, expertise and experience which are relevant to support the growth and cope with the complexities of the Group's businesses.</p> <p>The NRC considers the following criteria prior to performing the selection process of new candidates for recommendation to the Board:</p> <ul style="list-style-type: none">• Required skills, knowledge, expertise and experience• Time commitment, professionalism and integrity• Competent and specialist knowledge or technical skills in line with the Group's strategy• Diversity in age, gender, cultural background• Number of directorships in companies outside the Group <p>The selection process of new candidates for the appointment to the Board is as follows:</p> <ol style="list-style-type: none">(a) Review the existing Board composition to identify the expertise required;(b) Screen through to identify the potential candidates;(c) Evaluate the potential candidates;(d) Shortlist and assess the candidates who possess the expertise required and time commitment to the Board; and(e) Recommend to the Board for approval.

	<p>The ultimate responsibility for the final decision, however, lies with the Board.</p> <p>The Directors' Fit and Proper Policy is available for reference on the Company's website at www.peraktransit.com.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

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 NRC is responsible for proposing new nominees for appointment of directors to the Board. The NRC considers and recommends to the Board candidates of sufficient calibre, knowledge, integrity, reliability, professionalism and experience to fulfil the duties of a director. The NRC and the Board are committed to utilise independent sources, where possible, to identify suitably qualified candidates.</p> <p>The NRC will adhere to the adopted Directors' Fit and Proper Policy in carrying out its responsibilities in relation to the process for the selection and appointment of directors to the Board.</p> <p>Nevertheless, in financial year 2023, there were no changes to the Board's composition.</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>The NRC deliberates the appointment or reappointment of directors and upon its recommendation, the Board approves them.</p> <p>An announcement to the Bursa Malaysia Securities Berhad will be made in the event of any changes in the composition of the Board such as the appointment of a new director with the necessary information as stipulated in Part A of Appendix 9A of the Bursa Malaysia Listing Requirements.</p> <p>For the reappointment of directors, details of any interest or position which may influence their independent judgment are disclosed together with their qualifications and experience in the Annual Report. The explanatory note to the Notice of Annual General Meeting contains a statement referring to the profile and information relating to the directors seeking for re-election, including disclosures of any interest or position which may influence their independent judgment, as well as the Board's decision on whether to support the appointment or reappointment of directors and the reasons why.</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	:	<p>The terms of reference of the NRC provided that the members of the Committee shall be appointed by the Board from amongst its members (who are not alternate directors), comprising at least three (3) members who are exclusively non-executive directors, with a majority of them being independent directors. The Chairman of the NRC shall be an independent director and the Chairman of the Board shall not be a member of the Committee.</p> <p>The NRC comprises three (3) members, all of them are independent directors, chaired by Dato’ Haji Mohd Gazali Bin Jalal.</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 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Board comprises two (2) female directors out of a total of seven (7) directors, representing approximately 29% of women participation in the Boardroom.</p> <p>The Board will actively work towards identifying suitable female directors to be appointed to the Board so as to meet at least 30% women directors.</p> <p>The Board recognises that the evolution of the diversity is a long process and weighs the various factors relevant to Board balance and diversity when vacancies arise in the boardroom.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Gender Diversity Policy has been adopted which serves as a guideline for the Group to promote gender diversity in workplace and to support women participation on the Board and within the senior management of the Group. The policy is to assist the Board to build a diverse workplace with the aim to achieve at least 30% women participation in the Boardroom and within the senior management team.</p> <p>The Board considers that gender diversity contributes positively to the performance of the Board which is vital to the sustainability of the Group's businesses. Currently, the Board has two (2) female directors out of a total of seven (7) directors, representing approximately 28.57% of women participation in the boardroom. The Board will actively work towards identifying more suitable female directors to be appointed to the Board by sourcing from independent search firms and through advertising or other mediums available.</p> <p>The position of the Company's Chief Financial Officer, a senior management position, is held by a woman. The Company has achieved a 44% female employees participation in the senior management at the end of the financial year 2023. It is the Company's aim to increase the participation of women in the senior management to promote diversity and ensure a healthy talent pipeline and succession.</p> <p>The Gender Diversity Policy is available for reference on the Company's website at www.peraktransit.com.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

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	<p>The Board, through the NRC, conducts annual assessment of each individual director under the evaluation process to ensure the effectiveness of the Board as a whole. The assessment of directors is an examination of each director's ability to contribute to the effective decision making of the Board.</p> <p>The NRC conducts annual review of the term of office performance of the Audit Committee as a whole and each of its members annually and assess whether the Audit Committee as a whole and each of its members have carried out their duties in accordance with its terms of reference.</p> <p>For the evaluation of the Board and individual directors, each member of the Board shall conduct a self and peer evaluation of the other directors, as well as an assessment of the Board as a whole on an annual basis.</p> <p>For the annual review of the Audit Committee, the review shall be conducted by the NRC on a self and peer evaluation basis.</p> <p>The evaluation process involves the distribution of evaluation forms containing a tailored set of questions and comments for completion by the directors, where applicable. The completed evaluation forms will be forwarded to the company secretary for compilation. The results are then discussed by the NRC before presenting to the Board.</p> <p>The overall results of the evaluation process and the improvements recommended thereon are to be presented by the Chairman of the NRC to the Board in respect of the performance of the Audit Committee and the Board as a whole.</p>

	<p>The Board is satisfied with the results of the annual evaluations and noted that the Board, the Board committees and the individual directors have discharged their roles and responsibilities effectively with commitment and professionalism. In addition, the Board comprises a good mix of members with diverse experiences background to provide for a collective range of skills, expertise and experience which are relevant to support the growth and cope with the complexities of the Group's businesses.</p> <p>The Board will continue its efforts to source for female directors in order to achieve at least 30% women directors in 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

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 not adopted a formal remuneration policy. However, adequate procedures are put in place to ensure independence and transparency in determining the level of remuneration for directors and senior management.</p> <p>For the remuneration of directors, the NRC reviews the directors' salaries, directors' fees, meeting allowance and other benefits for the directors of the Company.</p> <p>In determining the executive and non-executive directors' remuneration packages of the Company, the remuneration is structured so as to link rewards to individual performance, reflecting the experience and level of responsibilities undertaken by the individual concerned, benched against industry standards and market competitiveness in light of the performance of the Group in the industry and in accordance with the financial resources available in the Company.</p> <p>The ultimate decision to determine the level of remuneration for the executive directors shall be the responsibility of the Board as a whole after considering the recommendations from the NRC.</p> <p>The decision to determine the level of remuneration for the non-executive directors shall be the responsibility of the Board as a whole after considering the recommendations from the NRC with ultimate approval of shareholders at the Annual General Meeting.</p> <p>Directors, whether executive or non-executive, shall not participate in decisions on their own remuneration packages.</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 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 NRC comprises three (3) members, all of them are independent directors.</p> <p>The duties and responsibilities of the NRC are set out in the terms of reference of the Committee.</p> <p>The terms of reference of the NRC is available for reference on the Company's website at www.peraktransit.com.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

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	:	<p>Detailed disclosure on named basis for the remuneration of individual directors is made in the Corporate Governance Overview Statement.</p> <p>The detailed disclosure allows shareholders to make an informed decision when voting on the approval of directors' remuneration and to consider the appropriate remuneration package taking into account the responsibilities of the directors.</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Sri Cheong Kong Fitt	Executive Director	-	4	88	-	-	-	92	-	4	695	94	5	-	798
2	Dato' Cheong Peak Sooi	Executive Director	-	4	75	-	5	-	84	-	4	556	77	5	-	642
3	Tan Sri Dato' Chang Ko Youn	Independent Director	66	4	-	-	-	-	70	66	4	-	-	-	-	70
4	Dato' Haji Mohd Gazali Bin Jalal	Independent Director	54	4	-	-	-	-	58	54	4	-	-	-	-	58
5	Mr Ng Wai Luen	Independent Director	54	4	1	-	-	-	59	54	4	1	-	-	-	59
6	Puan Azian Binti Kassim	Independent Director	54	4	1	-	-	-	59	54	4	1	-	-	-	59
7	Puan Zalinah Binti A Hamid	Independent Director	54	4	-	-	-	-	58	54	4	-	-	-	-	58
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Board considers the information required of the top senior management's remuneration to be sensitive and proprietary in nature. The Board is of the view that the non-disclosure on named basis of the remuneration of the top senior management will not significantly affect the understanding and the evaluation of the Group's governance and will ensure the confidentiality of the remuneration of the top senior management.</p> <p>The Board further believes that the interest of the shareholders will not be prejudiced as a result of such non-disclosure of the remuneration of the top senior management personnel who are not directors.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairmanship of the Audit Committee and the Board are held by different persons. Mr Ng Wai Luen is the Chairman of the Audit Committee while Tan Sri Dato’ Chang Ko Youn is the Chairman of the Board.	
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 9.2

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	:	The terms of reference of the Audit Committee provided that a former audit partner of the Company's external audit firm and/or the affiliate firm (including those providing advisory services, tax consulting, etc.) is required to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee. The Board has not ever considered the appointment of a former key audit partner as a director. Hence, the issue of appointing a former key audit partner as a member of the Audit Committee does not arise.	
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 Audit Committee conducts an annual assessment on the suitability, objectivity and independence of the external auditors by considering, amongst others, –</p> <ul style="list-style-type: none">• the performance, technical competency, audit quality, sufficiency of resources and allocation of audit staff assigned to the audit;• the nature and extent of the non-audit services rendered and the appropriateness of the level of fees; and• obtaining written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements (including International Independence Standards). <p>Having regard to the outcome of the annual assessment of external auditors and recommendation by the Audit Committee, the Board will seek the shareholders' approval at the Annual General Meeting of the Company for the appointment of auditors.</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	:	<p>The terms of reference of the Audit Committee provided that the members of the Committee shall be appointed by the Board from amongst its members (who are not alternate directors or executive directors), comprising at least three (3) members who are independent directors. The Chairman of the Board should not be a member of the Committee.</p> <p>Currently, the Audit Committee has three (3) members, all of them are independent directors:</p> <ul style="list-style-type: none">i) Mr Ng Wai Luen – Chairman;ii) Dato' Haji Mohd Gazali Bin Jalal – Member; andiii) Puan Azian Binti Kassim – Member.

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 Audit Committee comprises three (3) independent directors with appropriate mix of skills and experience, including financial literacy.</p> <p>As part of the directors' continuous professional development, the members of the Audit Committee have attended relevant seminars and training programmes. They are encouraged to continuously undertake trainings and regularly update and refresh their skills and knowledge to enable them to effectively discharge their duties.</p> <p>The Board is satisfied that the Audit Committee composed of members with appropriate mix of skills and experience, including financial literacy, to meet the Company's requirements and for the Audit Committee and its members to discharge their functions, duties and responsibilities in accordance with its 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

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 has established a framework to formulate and review risk management policies and risk strategies. The Board is of the view that the current system of risk management and internal control in place through the Group is sufficient to safeguard the Group's assets and shareholders' investment.</p> <p>The RMC assist the Board in overseeing the risk management framework and policies of the Group and assess regularly such framework to ascertain its adequacy and effectiveness. A RMWGC comprising management level personnel headed by the managing director assists the RMC to identify the overall risk exposure of the Group.</p> <p>The Board is committed to maintain a sound system of internal control, covering risk management and financial, organisational, operational and compliance controls. The Board has adopted Enterprise-Wide Risk Management Reporting, Risk Management Policy and Risk Appetite to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks of the Group.</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 10.2

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 system of internal control covers, inter alia, risk management and financial, organisational, operational and compliance controls. The Board discusses the internal audit matters that are presented by the internal auditors to them to ensure an on-going process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of the Group's business objectives.</p> <p>The Group has in place the following key elements of internal control and risk management:</p> <ul style="list-style-type: none">• An effective Board, Audit Committee and RMC which retains control over the Group, reviews the business operations, approves significant transactions, monitors management, assesses the effectiveness of internal controls and review any conflict of interest situations and related party transactions;• Clearly defined lines of authority and divisionalised organization structure to achieve the Group's objectives and monitor the conduct and operations within the Group;• Quarterly results of the Group's financial performance are presented to the Audit Committee for recommendation for adoption by the Board;• Regular management meetings comprising the senior management to review and discuss significant issues relating to financial performance, operations, technical and key support functions;• Segregation of duties and physical safeguarding of assets such as limiting of access to assets, documents and records and establishing custodial responsibilities; and• Clearly defined recruitment processes and relevant training to enhance staff competency levels. <p>The Board regularly reviews these processes and ensure compliance with the Risk Management and Internal Control Guidance.</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	:	<p>The RMC comprises three (3) members with a majority of them being independent directors.</p> <p>The RMC is established to assist the Board in overseeing the risk management framework and policies of the Group and assess regularly such framework to ascertain its adequacy and effectiveness.</p> <p>At the end of the financial year 2023, the RMC has reviewed the reports from the Risk Management Working Group Committee and the risks areas identified, the Statement on Risk Management and Internal Control and recommended to the Board for consideration and approval, and meeting plan of Risk Management Working Group Committee.</p>

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 Board recognises that effective monitoring on a continuous basis is a vital component of a sound internal control system. In this respect, the Company has outsourced the internal audit function to an independent professional service firm to carry out independent internal audit services for the Company and the Group.</p> <p>During the financial year 2023, the internal auditors have conducted a series of audits of the operating units including subsidiaries of the Company. Their internal audit reports were tabled at the Audit Committee meetings, where Audit Committee members discussed and reviewed the findings with the management. The internal auditors ensured, on a follow up basis, that recommendations to improve controls are implemented by the management.</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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has outsourced the internal audit function to an independent professional service firm, JWC Consulting Sdn Bhd, and the internal audit function is carried out in accordance with a recognised framework.</p> <p>JWC Consulting Sdn Bhd had declared that they have no professional conflict of interest with regards to their engagement and do not have any association with the Company, the subsidiaries and the staff. In addition, they have adequate and experienced resources to deliver the required number of audits on time and on quality with flexibility and practicality.</p> <p>The internal auditors had carried their activities in accordance with the Internal Audit Plan for financial year 2023 as approved by the Audit Committee and the Board.</p> <p>JWC Consulting Sdn Bhd is headed by its founding Managing Director, Ms Joyce Wong, who is a member of the Malaysian Institute of Accountants, Certified Practicing Accountants, Australia and corporate member of The Institute of Internal Auditors Malaysia. She has more than 18 years professional experience and has vast exposure in the Internal Audit field. She is supported by four (4) capable staffs to carry out the internal audit assignments.</p> <p>The internal audit engagement with the Group is headed by Mr Koh Cheang Yew, who is a member of the Certified Practicing Accountants, Australia and corporate member of The Institute of Internal Auditors Malaysia.</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 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's corporate website at www.peraktransit.com.my provides an avenue for accessing to the latest corporate information and development of the Group easily and immediately. It houses information of the Group which includes corporate profile, Company's announcement, financial results, quarterly interim financial reports, Annual Report, and corporate news and events. Notices of meetings of members, including the Annual General Meeting, and their respective minutes are also available on the Company's corporate website.</p> <p>The Company also issues press releases disseminated through financial press and electronic media to communicate with its stakeholders on the progress and development of the Group's businesses.</p> <p>Alternatively, Bursa Malaysia Securities Berhad's website at www.bursamalaysia.com is another source of information to shareholders, investors and public community on the various announcements made by the Company from time to time in addition to the Annual Report submitted to Bursa Malaysia Securities Berhad.</p> <p>The Board encourages participation from shareholders by having a question and answer session during the Annual General Meeting. All directors and Chief Financial Officer are available to provide responses to questions from the shareholders during the meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:		
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>Notice of the Annual General Meeting and the Annual Report are sent out to shareholders at least 28 days before the date of meeting to give shareholders a good lead time to read and consider the resolutions to be resolved.</p> <p>The Company is in compliance with the Practice 13.1, the Companies Act 2016 and the Bursa Malaysia Listing Requirements.</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>All the directors are encouraged to attend the meetings of members of the Company. The directors and key senior management team are available to provide responses to questions from the shareholders during the meetings. The Company also invites the external auditors and advisers to attend the meetings.</p> <p>During the financial year 2023, all directors attended the Annual General Meeting. The Chief Financial Officer and Company Secretary also attended the meeting and the Chief Financial Officer had responded to the queries from the shareholders during the meeting.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

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	:	The Company’s 14th Annual General Meeting held on 22 May 2023 was conducted fully virtual through live streaming and online remote voting using Remote Participation and Voting (“RPV”) facilities. The RPV facilities enabled shareholders to attend, speak, posed questions (via real time submission of typed texts) and vote remotely without physically attending the meeting. For shareholders who were unable to attend the meeting via electronic voting and remote participation, they were allowed to appoint a proxy to vote on their behalf in their absence.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman encourages shareholders to participate in the Questions and Answers session by posting questions or seeking clarifications on matters discussed at the general meetings.</p> <p>During the 14th Annual General Meeting, shareholders and proxies are able to submit their questions prior to the meetings or via real time submissions during the live streaming of the Annual General Meeting.</p> <p>The Chief Financial Officer had addressed substantially the questions submitted by the shareholders and proxies during the Questions and Answers session.</p> <p>As for those questions that were not answered during the meetings, the Company had replied to these questions directly to the respective shareholders via email after the meetings.</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 Company had leveraged on technology and held its fully virtual Annual General Meeting during the financial year 2023 to facilitate remote shareholders' participation and electronic voting.</p> <p>During the previous virtual Annual General Meeting, shareholders and proxies are able to submit their questions prior to the meetings or via real time submissions during the live streaming of the Annual General Meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.6

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

<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 Company has published the minutes of general meeting at the website of the Company no later than 30 business days after the general meetings.
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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