

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5088  
**COMPANY NAME** : APEX EQUITY HOLDINGS BERHAD  
**FINANCIAL YEAR** : December 31, 2022

## OUTLINE:

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board's main roles are to govern, set the strategic directions and exercising oversight function on management. The Board is primarily responsible for the Group's overall strategic plans and direction to ensure its sustainability, overseeing the conduct of the businesses, risk management, succession planning, effective investor relations and ensuring the systems and processes of internal controls and management are adequate and effective.</p> <p>The Board provides overall strategic guidance, effective oversight on the governance and management of the business affairs of the Group.</p> <p>The principal roles and responsibilities assumed by the Board in discharging its leadership function and fiduciary duties towards meeting the goals and objectives of the Group are as follows:</p> <ul style="list-style-type: none"><li>• Reviewing and adopting a strategic plan which supports long-term value creation and business sustainability;</li><li>• Monitoring the conduct of business;</li><li>• Reviewing the adequacy and integrity of the management information and internal control systems and identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;</li><li>• Succession planning;</li><li>• Ensuring effective communication with stakeholders; and</li><li>• Reviewing quarterly financial results and business performance of the Group.</li></ul> <p>In discharging its duties, the Board is guided by its Board Charter which outlines the duties and responsibilities of the Board and the Board Committees. Matters specifically reserved for the Board and those delegated to Board Committees are clearly defined in the Board Charter.</p>

<b>Explanation for departure</b>	:			
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<b>Measure</b>	:			
<b>Timeframe</b>	:	<table border="1"> <tr> <td></td> <td></td> </tr> </table>		

### 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 Chairman of the Board holds an executive position and is primarily responsible for matters pertaining to the Board and the overall conduct of the Board.	
		The Chairman of the Board is not a member of any Board Committees to ensure there is proper check and balance as well as objective review by the board.	
		The Board acknowledges that having the same person assume the positions of Chairman of the Board, and Chairman of the Board Committees gives rise to the risk of self-review and may impair the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the Board Committees.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The roles and responsibilities of the Chairman and the Group Executive Directors ("GEDs")/ Chief Executive Officer ("CEO") are clearly separated.</p> <p>The Chairman is primarily responsible for matters pertaining to the Board and overall conduct of the Board in its collective oversight of management.</p> <p>The current GEDs are responsible for the formulation of corporate goals and objectives and the implementation of strategies to achieve them as well as day-to-day management of the Company.</p> <p>Specific duties of the Chairman and the GEDs/CEO are available in the Board Charter.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Chairman of the Board is Mr. Farhash Wafa Salvador. He is not the member of Audit Committee, Nomination Committee and Remuneration Committee, which avoids risk of self-review and the objectivity of the Chairman and the Board being impaired when deliberating on the observations and recommendations put forth by the Board Committees.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is assisted by qualified and competent Company Secretaries whose appointments and removals are determined by the Board. The roles and responsibilities of the Company Secretaries are clearly defined in the Board Charter. The Company Secretaries provide updates and advice on statutory and regulatory requirements, and the resulting implications of any changes therein to the Company and directors in relation to their duties and responsibilities.</p> <p>The Company Secretaries organise and attend all Board and Board Committees meetings and ensure accurate and proper records of the proceedings and resolutions passed are maintained. The Company Secretaries constantly keep abreast of regulatory changes and developments in corporate governance through attending trainings and conferences.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Board meetings are scheduled in advance and Board members receive meeting materials at least 5 days prior to every meeting.</p> <p>Prior to the Board meetings, every Director is given an agenda and a comprehensive set of board papers consisting of reports on the Group's financial performance, the quarterly or annual financial results, minutes of preceding meetings of the Board and/or Board Committees, and relevant proposal papers (if any) to allow them sufficient time to review, consider and deliberate knowledgeably on the matters to be tabled.</p> <p>All matters discussed and resolutions passed at each Board meeting are recorded in the minutes of the meeting. The minutes are circulated to all Directors in a timely manner upon conclusion of the meeting for review and the signed board minutes are entered into the minutes books kept by the Company Secretaries.</p> <p>The Board also perused the recommendations deliberated by the Board Committees through their respective minutes of meetings and through the briefing by the Chairman of the respective Board Committees. The Chairmen of the Board Committees is responsible for informing the Board at the Board meetings of any salient matters noted by the Board Committees and which may require the Board's direction or decision. Minutes of Board and Board Committees meetings are circulated on a timely manner for comments. Action items are highlighted for follow-up by Management.</p> <p>In between Board meetings, approvals on matters requiring the sanction of the Board are sought by way of circular resolutions enclosing all the relevant information to enable the Board to make informed decisions. All circular resolutions approved by the Board are tabled for notation at the subsequent Board meeting.</p>
<b>Explanation for departure</b>	:	



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

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

### Intended Outcome

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

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As part of governance process, the Board has formalised and adopted the Board Charter which, inter alia, provides guidance on Board composition, its roles, responsibilities and reserved powers, and the ethical standards and integrity expected of the Board.</p> <p>The Board Charter sets out the key values and principles of the Board and it is acknowledged that the duties and scope of Directors should remain unfettered. Each of the Board Committees have detailed Terms of References that sets out their scope and authority. The Board Charter also sets out the composition and balance, roles and responsibilities and processes of the Board and to ensure that all Board members acting on behalf of the Group are aware of their duties and responsibilities as Board members.</p> <p>The Board Charter is reviewed as and when required to be aligned with the practices recommended in Malaysian Code on Corporate Governance, provisions in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as well as current practices. The details of the Board Charter are available for reference at <a href="http://www.apexequity.com.my">www.apexequity.com.my</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Group’s Code of Conduct (“the Code”) governs the standards of conduct and behaviour expected from the Directors and employees in all aspects of the Group’s operations. To ensure its compliance with the Code, the Board and senior management will ensure all levels of officers and employees communicate and are informed through emails or hardcopy memos. The Board will periodically review and reassess the adequacy of the Code. The Code is published on the Company’s website at <a href="http://www.apexequity.com.my">www.apexequity.com.my</a>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

The 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 Board has implemented a Whistleblowing Policy to enable employees and members of the public to raise any alleged improper conduct committed or about to be committed within the Group. The Whistleblowing Policy sets out the procedures for dealing with any complaints lodged by whistleblowers. All complaints of alleged misconduct received on an independent and confidential basis will be investigated and the necessary actions taken to protect the interests of the Group and stakeholders. This Whistle Blowing Policy is made available on the company’s website: <a href="http://www.apexequity.com.my">www.apexequity.com.my</a>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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

### Practice 4.1

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

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board together with the management understand the importance of the pertinent environmental, social, and governance (“ESG”) factors on affecting the Group’s performance and has been actively taking in the sustainability in every decision-making process.</p> <p>The Board and management have been continuously engaged and considered the views of its internal and external stakeholders to better understand and manage the company’s sustainability risks and opportunities.</p> <p>The identification of relevant sustainability matters is discussed in the Sustainability Statement in the Annual Report.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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

**Practice 4.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Group's sustainability environmental, governance structure, sustainability and initiatives are described in the Sustainability Statement as included in the Company's Annual Report.</p> <p>The company carried review with its management team on the discussion on sustainability reporting. The stakeholders will be able to assess the company's approach towards sustainability via the disclosure in the Company's Annual Report and company's website: <a href="http://www.apexequity.com.my">www.apexequity.com.my</a></p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board keeps abreast and understand the sustainability issues relevant to the Company and its business through the Board Committees and senior management.</p> <p>Audit Committee ("AC") reviews and deliberates together with senior management the risk areas which would have significant impact on the sustainability of the Company regularly. AC monitors the progress of initiatives and internal controls taken by the senior management mitigating the underlying sustainability issues faced by the Company.</p> <p>The Board has sufficient understanding and knowledge of sustainability issues that are relevant to the Company and its business, to discharge its role effectively. The Board ensures that the strategy of the Company and the sustainability efforts are aligned. To accomplish the Company's transparency, the Board encourages open communications with all key stakeholders built on high levels of information disclosure, clarity, and accuracy as well as an openness to recognising faults and improving practices.</p> <p>The Board is committed to abide by all applicable environmental laws and regulations in relation to climate change, energy use and waste management. Regular review on any risks and potential challenges is essential to ensure that the business operations risks are being appropriately managed.</p> <p>The sustainability initiatives relevant to the Company are set out in the Sustainability Statement in the Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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

**Practice 4.4**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board and senior management play an important role in addressing material sustainability risks and opportunities. The yearly performance evaluations of the board and senior management is not only focused on the financial performance of the Company. It always covers other non-financial performance including sustainability review.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.5- Step Up

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

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

<b>Application</b>	:	Applied
<b>Explanation on adoption of the practice</b>	:	<p>As disclosed in the Sustainability Statement, the Board ensure that the sustainability efforts are embedded in the strategic direction of the Apex Group by involving all the pertinent Heads of Group Departments. The Corporate Sustainability Committee ("CSC") was established to oversee the formulation, implementation and effective management of our sustainability matters in line with the strategies. The structure also encourages continuous improvement on the sustainability initiatives in the Group. Due to numerous changes in Board of Directors of the holding company, the CSC was led by the Chief Executive Officer ("CEO")/Executive Director of the principal subsidiary for financial year 2022. The working members comprise all departments and operational units responsible for implementing the initiatives within the organisation. Moving forward, the Group Executive Director will steer the CSC.</p> <p>The CEO/Executive Director provides regular updates to the Board on matters relating to key environmental, social and governance risks and opportunities concerning sustainability matters.</p>

### Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board believes an appropriate balance and mix of skills, knowledge, experiences, backgrounds and gender contributes to the effectiveness of the Board. The NRC evaluates the effectiveness and performance of the Board, Individual Directors and Board Committees via Board Evaluation Exercise annually.</p> <p>Currently, the Board comprises members from diverse backgrounds which provide the Group with diverse views and a wealth of expertise, experiences and networks to draw upon.</p> <p>The tenures of all three (3) Independent Non-Executive Directors, namely Mr. Woon Wai En, Mr. Lee Siow Hong and Pn. Rozana Shamsuddin are less than six (6) consecutive years. The profiles of the Directors and Board diversity charts can be found in the Annual Report 2022.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.2**

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	:	The Board currently comprises six (6) members of whom three (3) are Executive Directors and three (3) are Independent Non-Executive Directors. The composition of the independent directors is 50% and two (2) out of six (6) Directors are women. Hence, the Company meets the requirement of having a majority of independent directors.	
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	:	The tenure of an Independent Non-Executive Director (“INED”) shall not exceed a cumulative term of 9 years. Upon completion of the 9 years, an INED may continue to serve on the board as Non-Independent Non-Executive Director. If the Board intends to retain an INED beyond 9 years, it will provide justification and seek annual shareholders’ approval through a two-tier voting process. As at the date of this report, none of the current INEDs has served more than 9 years.	
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 5.4 - Step Up**

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

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

### Intended Outcome

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

### Practice 5.5

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

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

Application	:	Applied	
Explanation on application of the practice	:	Selection of candidates for appointment as Directors and senior management may be recommended by Directors, senior management, major shareholders or independent sources. The Nomination and Remuneration Committee assesses the suitability of the candidates before recommending the candidates to the Board for appointment after taking into consideration the following criteria: <ul style="list-style-type: none"><li>• Required mix of skills, background, experience, independence, and diversity, including gender, where appropriate;</li><li>• Character, knowledge, expertise, and experience;</li><li>• Professionalism, integrity, competence, and time commitment;</li><li>• The independent directors’ abilities to discharge such responsibilities/functions as expected from the independent directors; and</li><li>• Potential contribution to the Company and its subsidiaries.</li></ul>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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

### Practice 5.6

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Appointments of new directors are undertaken by the Board as a whole after considering the recommendations of the Nomination and Remuneration Committee (“NRC”). Potential candidates may be proposed by any current Board member, shareholder or senior management personnel or by utilising independent sources such as recruitment firms or through industry associations.</p> <p>In considering potential candidates for appointment, the NRC undertakes a thorough review of the candidate’s criteria, amongst others, qualifications, skills, knowledge, expertise, experience, personal attributes and the capability to devote the necessary time and commitment to the role.</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 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The profiles of Board of Directors are presented under the 'Board of Directors' in the Annual Report 2022. These includes their age, nationality, date of appointment, directorship in other companies, working experience, shareholding in APEX and conflict of interest, if any.</p> <p>Shareholders are kept informed of Board's decision in respect of appointment of directors via announcement to Bursa Malaysia Securities Berhad which includes the background information, position and interest.</p> <p>For any re-election of Directors, the Board through the Nomination and Remuneration Committee has assessed the performance and contribution of each director. The Board is satisfied with the performance and recommends the directors to shareholders for approval, a Statement accompanying Notice of Annual General Meeting ("AGM") is attached in the annual report to provide the relevant information to shareholders for their consideration and decisions to be made during AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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 Nomination and Remuneration Committee is chaired by Mr. Lee Siow Hong who is an Independent Non-Executive Director of the Company.	
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	:	Applied	
Explanation on application of the practice	:	A summary of the Board composition based on gender in FY 2022 is set out as below:	
		Gender	%
		Male	67%
		Female	33%
		Out of the six (6) Board members, two (2) of them are female Directors namely Dato’ Leong Wai Leng and Puan Rozana Shamsuddin. This represents 33.33% of the total Board members. The Company has met the nation’s target of 30% representation of women directors on the board of public listed companies.	
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 5.10**

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Company has not established policy on gender diversity for the Board and Senior Management.</p> <p>The Company is of the view that the gender diversity for Board and Senior Management is a noble objective and will try its best effort to achieve such objective. However, the Company is also taking a more realistic approach that meritocracy should be the right criteria in appointing any individuals at Board and Senior Management level of the Group. In addition, this is consistent with the Group's practice of being an equal opportunity employer where all appointments and employments are based strictly on merit and are not driven by any racial or gender bias.</p> <p>Dato' Leong Wai Leng and Puan Rozana Shamsuddin, who were appointed as Directors on 20 June 2022 have strengthened the profile of the Board and improved the Board's gender diversity and independence.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Nomination and Remuneration Committee ("NRC") annually reviews the size and composition of the Board and Board Committees in order to ensure the Board and Board Committees have the requisite competencies and capacity to effectively oversee the overall business and carry out respective responsibilities. The NRC uses the Board and Board Committee Evaluation Form comprising questionnaires for the assessment. The effectiveness of the Board is assessed in the areas of the Board's responsibilities and composition, administration and conduct of meetings, communication and interaction with Management and stakeholders and Board engagement.</p> <p>The annual evaluation of the individual Director/Board Committee member are performed by the NRC via the Directors' Evaluation Form comprising questionnaires pertaining to the Director's knowledge and skills, participation, contribution and performance, caliber and personality.</p> <p>To assess the independence of the Independent Directors, each of the Independent Directors annually provides the NRC with their Self-Assessment Independence Checklist.</p>
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  

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

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established and adopted a Remuneration Policy and Procedures.</p> <p>Remuneration is aligned with the business strategy and long-term objectives of the Group and complexity of its activities. The remuneration packages for executive directors are structured to reflect the demands of the Group's operations as well as the talent pool, and to link rewards to corporate and individual achievements comprising both fixed and variable elements. The remuneration packages reflect the scale and complexity of both the business and the role and have to be competitive with the market. Executive directors are not involved in deciding their own remuneration.</p> <p>The remuneration packages for non-executive directors comprise fixed fee, meeting allowances and benefits which are not linked to the financial results. The remuneration packages are structured to reflect the responsibilities, experience required, and time demanded in discharging their duties and responsibilities. Where applicable, the Board also takes into consideration any relevant information from survey data. The remuneration payable to non-executive directors is subject to shareholders' approval at the annual general meeting ("AGM") of the Company and Directors who are also shareholders will abstain from voting at the AGM to approve their own remuneration.</p> <p>Details of the aggregate remuneration of the directors of the Company during FY 2022 are disclosed in the Annual Report 2022.</p>
<b>Explanation for departure</b>	:	

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



### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a Nomination and Remuneration Committee ("NRC") which is responsible for reviewing and ensuring that a fair remuneration is in place to attract and retain the Directors and senior management. The NRC has written terms of reference which deals with its authority and duties and these terms are disclosed on the Company's website at <a href="http://www.apexequity.com">www.apexequity.com</a></p> <p>The NRC will also review and report to the Board on remuneration and personnel policies, compensation, and benefits programmes with the aim to attract, retain and motivate individuals of the highest quality. Remuneration is aligned with the business strategy and long-term objectives of the Company, and to reflect the Board's responsibilities and expertise given the complexity of the Group's activities.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The remuneration of individual directors on a named basis for the financial year ended 31 December 2022 are tabulated as follow:

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	Farhash Wafa Salvador	Group Executive Chairman	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Dato' Choong Chee Meng	Group Managing Director	39	-	594	-	11	70	714	-	-	-	-	-	-	-
3	Dato' Leong Wai Leng	Group Executive Director	-	-	360	120	12	85	577	-	-	-	-	-	-	-
4	Lim Kok Eng	Group Executive Director	-	18	210	70	-	55	353	-	-	-	-	-	-	-
5	Lee Siow Hong	Independent Non-Executive Director	42	5	-	-	-	-	47	-	-	-	-	-	-	-
6	Woon Wai En	Independent Non-Executive Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Rozana Shamsuddin	Independent Non-Executive Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Dato' Ahmad Redza Abdullah	Independent Non-Executive Chairman	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Dr. Yap Lang Ling	Independent Non-Executive Director	25	7	-	-	-	-	32	-	-	-	-	-	-	-
10	Ng Kit Ching	Independent Non-Executive Director	25	7	-	-	-	-	32	-	-	-	-	-	-	-
11	H'ng Boon Keng	Independent Non-Executive Director	19	7	-	-	-	-	26	-	-	-	-	-	-	-
12	Chithra Ganesalingam	Independent Non-Executive Chairman	55	6	-	-	-	-	61	-	-	-	-	-	-	-
13	Lee Cheow Fui	Non-Independent Non-Executive Director	25	2	-	-	-	-	27	-	-	-	-	-	-	-

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board considers the information on the remuneration of senior management personnel to be highly confidential, sensitive and proprietary in view of the competitive nature of the industry.</p> <p>The Board believes that the existing remuneration related policies, practices and processes are sufficient and produced the desired positive result.</p> <p>The Company has disclosed in its Annual Report 2022, the remuneration of the senior management personnel by bands of RM50,000 on an unnamed basis.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1								
2								
3								
4								
5								

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of the Audit Committee is Mr. Woon Wai En, who is not the Chairman of the Board.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>There is no former key audit partner being appointed as a member of the Audit Committee (“AC”).</p> <p>Any former key audit partner shall observe a cooling off period of at least three (3) years before being appointed as a member of AC pursuant to the Terms of Reference of the AC.</p> <p>The AC is effective and independent, therefore, providing assurance to stakeholders of the accuracy in the disclosure of financial information.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The assessment of suitability, objectivity and independence of the external auditors is provided in the Terms of Reference of the Audit Committee ("AC").</p> <p>The AC conducts annual evaluation on the performance of the external auditors to annually assess their suitability, objectivity, and independence, and undertake follow-up measures, where required, taking into consideration the following:</p> <ul style="list-style-type: none"><li>(i) the competence, audit quality and resource capacity of the external auditors in relation to the audit;</li><li>(ii) the appropriateness of audit fees to support a quality audit;</li><li>(iii) the nature and extent of non-audit services rendered and the appropriateness of the level of fees paid for such services relative to audit fees.</li></ul> <p>In this connection, the AC shall review and approve all proposed non-audit services, including proposed fees, prior to work commencement to avoid situations where the audit firm inadvertently assumes the responsibilities of Management in the course of providing non-audit services, which may be a breach of the independence requirements on the part of the audit firm; and</p> <ul style="list-style-type: none"><li>(iv) the conduct of and independence demonstrated by the external auditors throughout the audit engagement.</li></ul> <p>In this connection, the AC shall obtain written confirmation from the external auditors that they are, and have been, independent in accordance with all relevant professional and regulatory requirements.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted			
Explanation on adoption of the practice	:	<p>The Audit Committee (“AC”) of the Company comprises solely of Independent Directors. The composition of the AC as at 31 December 2022 was as follows:</p> <table><tr><td><b>Members of AC</b></td></tr><tr><td><u>Chairman</u> Mr. Woon Wai En</td></tr><tr><td><u>Members</u> Mr. Lee Siow Hong Pn. Rozana Shamsuddin</td></tr></table>	<b>Members of AC</b>	<u>Chairman</u> Mr. Woon Wai En	<u>Members</u> Mr. Lee Siow Hong Pn. Rozana Shamsuddin
<b>Members of AC</b>					
<u>Chairman</u> Mr. Woon Wai En					
<u>Members</u> Mr. Lee Siow Hong Pn. Rozana Shamsuddin					

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is satisfied that the Audit Committee ("AC") members possess the necessary skills to discharge its duties and are financially literate and have the ability to understand matters under the purview of the AC including the financial reporting process.</p> <p>The Chairman of the AC, Mr. Woon Wai En is a Member of the Malaysian Institute of Accountants and a Fellow Member of the Chartered Institute of Management Accountants. The profiles of other members of the AC are disclosed in the Annual Report 2022.</p> <p>The AC members do attend training programmes and seminars to keep themselves abreast of relevant developments in standards and practices in accounting and auditing, listing requirements, corporate law, risk management and changes in the business environment.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company's Group Risk Management Committee ("GRMC") is put in place at the principal subsidiary level, which comprises the respective Heads of Group/Department and representatives from the Credit Risk Management Department to evaluate, monitor and manage the risks that may impede achieving business objectives. The GRMC has been tasked to identify and communicate the existing and potential critical risk areas and the management action plans to mitigate such risks by working with the internal auditors in providing periodic reports and updates to the Group Board Risk Committee ("GBRC").</p> <p>The formation of GBRC is to assist the Board in reviewing and monitoring the adequacy and integrity of the Group's risk management and internal control framework. The GBRC is supported by the GRMC and the Group Internal Audit.</p> <p>The GRMC will assist the GBRC to identify, assess, mitigate and monitor critical risks highlighted by business units and implements risk management policies and strategies approved by the Board. The Group Internal Audit, which undertakes the internal audit function, assists the GBRC to review, evaluate and monitor the effectiveness of the Group's governance, risk management and internal control processes.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>There is an ongoing process of risk identification which involves identifying possible risk exposures arising from changes in the internal and external environment as well as operational conditions. The process was in place for the financial year under review and up to the date of issuance of this Report.</p> <p>As part of the risk management process, a Register of Risks is maintained to identify key principal business risk areas and is updated on an on-going basis for changes in the risk profile. The Register of Risks summarizes the risk matrix, risk control actions, and roles and responsibilities. The risk measurement guidelines consist of qualitative measures to determine the financial and non-financial consequences of the different risks based on their likelihood and impact. The risk control actions are designed and implemented based on the priority sequence.</p> <p>All key risks from the various business units are consolidated in the Group Key Risk Register. Group key risks identified in financial year 2022 are summarized as follows: -</p> <ul style="list-style-type: none"><li>• Market Risk</li><li>• Operation Risk</li><li>• Legal &amp; Regulatory Risk</li><li>• Strategic &amp; Reputation Risk</li><li>• Financial Risk</li><li>• Credit Risk</li><li>• Information &amp; Technology Risk</li><li>• Human Resource Risk</li></ul> <p>The overall features of the risk management and internal control framework and the review of the adequacy and effectiveness of this framework is disclosed in the Statement of Risk Management and Internal Control in the Annual Report for 2022.</p>
<b>Explanation for departure</b>	:	

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



**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Board established the Group Board Risk Committee ("GBRC") to assist the Board in reviewing and monitoring the adequacy and integrity of the Group's risk management and internal control framework. The GBRC is supported by the Group Risk Management Committee and the Group Internal Audit.

### Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has an in-house independent internal audit function, namely, Group Internal Audit ("GIA"), that reports directly to the Audit Committee ("AC").</p> <p>The primary responsibility of the GIA is to provide independent objective assessment on the adequacy and effectiveness of governance, risk and processes implemented by the management. The GIA team performs their functions impartially with proficiency and due professional care. The GIA also undertakes regular monitoring of the Group's key controls and procedures, which is an integral part of the Group's system of internal control. GIA highlights significant findings and corrective measures in respect of any non-compliance to the Management and the AC on a timely basis. The annual audit plan is reviewed and approved by the AC annually and a quarterly audit report is circulated to the AC updating on the progress of the quarterly internal audit work program and the status of management's response to the identified audit issues.</p> <p>GIA adopts a risk-based approach to plan and prioritize audit work focusing on high-risk auditable areas which include the Group's business operations and information system review.</p> <p>GIA's internal audit function, responsibility and authority are governed by its Internal Audit Charter which was approved by the AC. GIA maintained their independence and impartiality on the activities and functions it audits. To reflect the independence of the internal audit function, the GIA reports functionally to the AC and administratively to the Chief Executive Officer of Apex Securities Berhad (formerly known as JF Apex Securities Berhad). The Head of GIA has free and direct access to the chairman of the AC.</p> <p>Further details are set out in the Statement on Risk Management and Internal Control in the Annual Report 2022.</p>
<b>Explanation for departure</b>	:	

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

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

## Intended Outcome

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

## Practice 11.2

The board should disclose—

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Head of Group Internal Audit is free from any relationships or conflict of interest which could impair her objectivity and independence. The Head of Group Internal Audit, Ms. Tan Siok Cheng, graduated with a bachelor's degree in accounting and finance, and has over 11 years of working experience. She is also a member of the Institute of Internal Audit Malaysia.</p> <p>Group Internal Audit comprises four (4) staff, including the Head of Group Internal Audit. The team members are graduates with bachelor's degrees in accounting, marketing and management, computer science or other related disciplines. They have adequate computer literacy, report writing capability, as well as the ability to interact objectively with key officers and Heads of Departments. The internal audit function is performed by staff who audit areas of work un-related to them to ensure unimpaired objectivity and independence. Group Internal Audit is not responsible for the execution of the Company's activities and Head of Group Internal Audit has direct access to the Chairman of the Board and accountable to the Audit Committee.</p> <p>The Board together with Audit Committee work towards ensuring that the internal audit function is carried out in accordance with a recognised framework.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of effective, transparent, and timely dissemination of information to shareholders and investors to ensure that they are well informed of activities and major developments of the Company and the Group. Such information is communicated to shareholders and investors through various disclosures and announcements to Bursa Malaysia Securities Berhad ("Bursa Securities"), including the quarterly financial results, annual reports and where appropriate, circulars and press releases.</p> <p>The Company makes use of a broad range of communication channels to disseminate information regarding the Company. The communication channels include public announcements via Bursa Securities, corporate website, road shows or events and general meetings of the Company.</p> <p>Apart from the announcements made through Bursa Securities, the Company also provides the Group's corporate and non-financial information including the Company's policies, corporate governance, Board Charter as well as Terms of Reference of Board Committees at the Company's website: <a href="http://www.apexequity.com.my">www.apexequity.com.my</a></p> <p>The notices of general meetings and key matters discussed at annual general meetings, if any, are also made available on the Company's website.</p> <p>To maintain transparency and effectively address concerns, the Company has dedicated electronic mails – info@apexequity.com.my to which stakeholders can direct their queries or concerns.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

### Intended Outcome

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

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

### Practice 12.2

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	Apex Equity Holdings Berhad is not a Large Company as defined in Malaysian Code of Corporate Governance, thus, this Practice is not applicable. Nonetheless, the Company will review the need to adopt the integrated reporting based on a globally recognised framework at the appropriate time when the Company become a Large Company.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The notice of Annual General Meeting (“AGM”) to shareholders is dated 28 April 2023, which is more than 28 days’ notice for holding the Company’s AGM on 19 June 2023.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	All Directors attend the General Meetings of the Company so as to provide meaningful response to questions addressed to them.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The existing Articles of Association of the Company (“AA”) did not expressly provide for virtual meetings. The Company had tried six (6) times to adopt a new constitution at six (6) separate general meetings but to no avail. Unless the Company is able to secure 75% shareholders’ approval to adopt a new Constitution, the Company will not be able to hold virtual general meetings and disseminate notices of general meetings electronically.	
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>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Shareholders and proxies were allowed to pose questions at the beginning of the Annual General Meeting ("AGM") where the Chairman provided ample time for the Questions and Answers sessions during AGM.</p> <p>During the Questions and Answers session of the AGM, the Chairman and the Board responded to all the questions raised by the shareholders pertaining to the agenda and resolutions tabled before putting them for voting. The Directors, including the Group Executive Chairman, Group Executive Directors, Management and External Auditors were in attendance to respond to the shareholders' queries.</p> <p>The Company has also dedicated the electronic mails - info@apexequity.com.my to which stakeholders can direct their queries or concerns, to maintain transparency and effectively address concerns.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 13.5

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

<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>		
<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	The existing Articles of Association of the Company ("AA") did not expressly provide for virtual meetings. The Company had tried six (6) times to adopt a new constitution at six (6) separate general meetings but to no avail. Unless the Company is able to secure 75% shareholders' approval to adopt a new Constitution, the Company will not be able to hold virtual general meetings and disseminate notices of general meetings electronically.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Board of Directors is aware and in full support of effective shareholders' participation at every general meeting. The minutes of the general meeting will be circulated to shareholders not later than 30 business days after the general meeting by uploading to the Company's website.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

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

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

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