CORPORATE GOVERNANCE REPORT

STOCK CODE	**:**	5226
COMPANY NAME	**:**	Gabungan AQRS Berhad
FINANCIAL YEAR	**:**	December 31, 2021

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 PERSUANT 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	:	The Board of Directors ("**Board**") recognises the importance of good corporate governance practices within the Company and its subsidiary companies ("**Group**") as a fundamental part of discharging its responsibilities to safeguard shareholders' investments and to protect the interests of all stakeholders. The Board is assisted by 4 Board Committees, namely, Audit Committee, Nomination Committee, Remuneration Committee and Risk Management & Sustainability Committee (f.k.a. Risk Management Committee) (collectively referred to as "**the Board Committee**"). The Board is guided by its Board Charter which outlines the duties and responsibilities of the Board, and matters specifically reserved as well as to be delegated to Board Committees, the Group Chief Executive Officer ("**CEO**")/Group Deputy CEO and the Management. The Board also has reserved a formal schedule of matters for its decision making to ensure that direction and control of the Company are firmly in its hands. It has also set the strategic direction of the Company, exercised oversight on Management and set the appropriate tone at the top, while providing thought leadership and championing good governance and ethical practices throughout the Company. Its role can be summarised by the following: • Reviewing and adopting a strategic plan for the Group. • Overseeing and evaluating the conduct of the Group's business. • Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures. • Establishing a succession planning for Board and senior management including appointing, training, fixing the compensation of, and where appropriate, replacing Key Senior Management.

	• Overseeing the development and implementation of stakeholders' communications policy for the Group to ensure an effective, transparent and regular communication with its stakeholders. • Reviewing the adequacy and the integrity of the management information and internal controls system of the Group including systems for compliance with applicable laws, regulations, rules, directives, and guidelines. • Formulating of corporate policies and strategies. • Approving key matters such as financial results as well as major investments and divestments, major acquisitions and disposals and major capital expenditure in accordance with the limits of authority. • Annual Assessment of the Board, Board Committees and individual Directors. In line with its overall responsibility for the proper conduct of the Group's business, the Board is also responsible for establishing the Group's business goals and strategic directions, setting operating goals and performance targets for Management and monitoring the achievement of those operating goals and performance targets. The Board also oversees the process of evaluating the adequacy and effectiveness of the system of internal controls and risk management processes.	
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 1.2

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, Y.M. Tunku Alizan bin Raja Muhammad Alias, an Independent Non-Executive Director is primarily responsible for the leadership and management of the Board, ensuring the Board and Board Committees carry out their responsibilities in the best interest of the Company. The role and responsibilities of the Chairman are stated in the Paragraph 2.3.2 of the Board Charter, which is available on the Company's website at http://www.gbg.com.my/ . During Board Meetings, the Chairman leads the discussion, allowing sufficient time for deliberations on key issues and complex matters. He also encourages active participation and allows views including dissent to be freely expressed. He also ensures that every Board resolution is put to vote and the will of majority prevails. Overall, the Chairman is responsible for providing leadership to the Board, controls the orderly and effective functioning of the Board, ensures the integrity and effectiveness of the governance processes of the Board and consults with the Board promptly over any matter that is pertinent to the Company and of concern to 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

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	:	The clear division of roles and responsibilities of the Chairman and Group CEO are explained clearly in Paragraphs 2.3.2 and 2.3.3 of the Board Charter, which are available on the Company's website at http://www.gbg.com.my/. For the position of Chairman, Y.M. Tunku Alizan bin Raja Muhammad Alias leads and manages the Board by focusing on strategy, governance, compliance and also to ensure the Board's decisions have already been implemented whereas the Group CEO, Dato' Azizan bin Jaafar focuses on the day-to-day management and the business of the Group, and is responsible for the implementation of the Board's policies and decisions. The distinct and separate roles of the Chairman and Group CEO with their clear division of responsibilities as mentioned above, ensure a balance of power and authority, such that no one individual has unfettered decision-making powers.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

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'.			
Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Y.M. Tunku Alizan is not a member of the Audit Committee, Nomination Committee or Remuneration Committee. During the financial year ended 31 December 2021, Y.M. Tunku Alizan attended one Nomination Committee Meeting and two Remuneration Committee Meetings as an invitee.	
		Y.M. Tunku Alizan was invited to provide inputs for the matters when necessary for the matters discussed in the respective Nomination Committee Meeting and Remuneration Committee Meeting as mentioned above. However, he did not participate in the decision of the resolutions, proposals and matters tabled at those meetings.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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	:	The Board is supported by three (3) Company Secretaries namely Ms Chua Siew Chuan, Ms Tan Ley Theng and Ms Ooi Li Ann. They are qualified to act as company secretaries under Section 235(2) of the Companies Act 2016 ("**CA 2016**") and are members of the Malaysian Institute of Chartered Secretaries and Administrators and Licensed Secretary by Companies Commission of Malaysia respectively. They are experienced, competent and knowledgeable in the CA 2016, Main Market Listing Requirements of Bursa Malaysia ("**Listing Requirements**"), Malaysian Code on Corporate Governance 2021 ("**MCCG**") and company secretarial matters. The Company Secretaries, whether alone or jointly, attend Board and Board Committees meetings and keep the proper and accurate records of the proceedings of meetings and decisions made. All Directors have access to the advice and services of the Company Secretaries in carrying out their duties. The Company Secretaries also undertake the statutory duties as prescribed under the CA 2016, Listing Requirement and MCCG. They are responsible for providing Directors with advice on compliance and corporate governance issues. The Board is regularly updated by the Company Secretaries on new changes to the statutory and regulatory requirements and the resultant implications to the Company and the Board in discharging their duties and responsibilities. During the Board meeting held on 30 August 2021, Ms Ooi presented to the Board a gap analysis on the revised MCCG and the necessary discussion were made on the steps to be taken to meet the guidance set out in the revised MCCG. The Board believes that the current Company Secretaries are capable of carrying out their duties to ensure the effective functioning 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

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	:	To facilitate the Directors' time management, a scheduled meeting calendar is prepared and circulated in advance of each new year which is usually circulated to the Board before the end of each calendar year. The calendar provides Directors with scheduled dates for meetings of the Board, Board Committees and the Annual General Meeting. The Notices for Board Meetings and Board Committees' Meetings are sent to the Directors via email at least seven (7) working days prior to the meeting. Further, the Company Secretaries will circulate the proper notice of meetings together with the agendas and meeting materials at least five (5) clear days before the meeting date or in a timely manner, via electronically if necessary, to allow reasonable time for Directors to view the Board papers and Board Committees' papers. The deliberations and decisions at Board and Board Committees' meetings are well documented in the minutes, including matters where interested Directors are abstained from voting and deliberation. The minutes of Board meetings are circulated to all Directors on a timely basis for their perusal prior to confirmation of the minutes to be done at the commencement of the following Board meeting. The Directors may request for clarification or raise comments before the minutes are tabled for confirmation. Upon receiving confirmation from all the members at the Board meetings, the minutes will be signed by the Chairman of the meeting as a correct record of the proceedings of the meeting. Actionable items would be recorded as matters arising until they are eventually resolved. Signed copies of the minutes were kept in the minutes book maintained by the Company Secretary.
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	:	The Board is guided by the Board Charter which is an authoritative policy documents that sets out the Board's strategic intent, authority and terms of reference. It also serves as a primary reference for the Directors of their fiduciary duties as directors of the Company which outlines the duties and responsibilities of the Board, matters reserved for the Board's deliberation and decision-making, and those matters which the Board may delegate to the Board Committees. The Board Charter is made available on the Company's website at http://www.gbg.com.my/. The Board will periodically review the Board Charter and make any changes whenever necessary to ensure they remain consistent with the Board's objectives, current law/regulations, good governance practices and in compliance with the Malaysian Code on Corporate Governance. The Board Charter was last amended on 30 August 2021.
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	:	The Group has in place a Code of Conduct and Ethics that is applicable to Directors and employees of the Group. The Code of Conduct and Ethics is accessible on the Company's website at http://www.gbg.com.my/. The Code of Conduct and Ethics sets out the standards of good conduct and ethical practices and aims to maintain confidence in the integrity of the Group's business practices. All Directors and employees of the Group are required to observe the Code of Conduct and Ethics which provides guidance as to the ethical conduct to be complied to uphold the principles of honesty and integrity, to ensure a high standard of ethical and professional conduct is upheld in the performance of their duties and responsibilities. The Board has approved the Anti-Corruption Policy and Anti-Corruption Framework ("**ACP&ACF**") on 21 May 2020. The Board had subsequently reviewed ACP&ACF on 25 February 2021 and 28 April 2021 to ensure that the standards of corporate behaviour are updated and continue to be relevant. The Anti-Corruption Policy is available on the Company's website at http://www.gbg.com.my/. The Company had also conducted a few engagement activities to create awareness on the ACP&ACF to ensure the Group's employees understand the significance of potential violation within or outside of the organization.
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 3.2
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 put in place a Whistle-Blowing Policy to provide an avenue for employees and stakeholders to report genuine concerns about unethical behaviour, malpractices and illegal acts on failure to comply with regulatory requirements without fear of reprisal. All cases shall be independently investigated and appropriate actions taken where required. Included in the policy are the grievance procedures and the independent persons to which report on any suspected wrongdoing maybe reported for further investigation. On 28 April 2021, the Board approved a revised Whistle-Blowing policy to reflect the changes required to align with the Anti-Corruption Policy and Anti-Corruption Framework as well as to the changes in the composition of the Company. The Whistle-Blowing Policy is available for reference on the Company's website at http://www.gbg.com.my/.
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	:	Given the Board's emphasis on the strategic importance of sustainability to the Group, the Risk Management Committee ("**RMC**") was updated by the Management with the Environmental, Social and Governance ("**ESG**") Journey together with ESG Reporting on December 2021. Accordingly, RMC had recommended to the Board of the following:- • Adoption of Sustainability Policy; and • Change of name of RMC to Risk Management & Sustainability Committee ("**RMSC**") to embed with the Sustainability and ESG element into the RMC. The Board had then first adopted the Group's Sustainability Policy and approved with the change of Committee's name for RMC to RMSC in January 2022. The Group's sustainability is driven by the Management Sustainability Committee ("**MSC**") is headed by Group Chief of Financial Officer and Vice President, Strategic Planning & Investment (CEO's Office) whom are the key persons in enhancing the compliance of the sustainability and addressing the integration of sustainability consideration into the Company's operation. The sustainability governance and roles of MSC are outlined in Sustainability Report in the Annual Report 2021 and/or in the Sustainability Policy which is available for viewing on the Company's website.
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.

Application	:	Applied	
Explanation on application of the practice	:	The Company regularly communicates sustainability strategies, priorities and targets as well as performance with external stakeholders. The Company relies on the Sustainability Policy and Sustainability Report which are available on the Company's website to communicate. Other than that, the communication has been made via following ways, amongst others:- • Investor briefing sessions, focus groups and/or one-on-one meetings which are held regularly throughout every year; and • GBGAQRS's corporate website on the Sustainability's tab which is updated on a regular basis.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 4.3
The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	The Board continuously keep themselves abreast with and understanding to the sustainability agendas which are relevant to the Company and its business through periodical updates by the SC as well as via Risk Management Committee ("**RMC**") (now known as Risk Management & Sustainability Committee). In December 2021, the Management has also briefed the member of RMC on the Environmental, Social and Governance journey which includes key focus and priorities in coming years. Furthermore, the Company has implemented various measures to drive sustainability in line with its business values and philosophy particularly environmental-related risks and opportunities which are material governance and strategic issue for the Company in both construction and property divisions. The Board is actively engaged in the governance of these issues supported by the Management Sustainability Committee together with the RMC whom to oversee the Group's various risks including sustainability, climate-related and environmental-related risks.	
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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	A detailed study is required for developing the criteria for the performance evaluations of the Board and the Management to address the material sustainability risks and opportunities.	
		The Company does not have any alternative practice currently.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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

Practice 4.5- Step Up
The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.		
Application	:	Adopted
Explanation on adoption of the practice	:	The Management Sustainability Committee ("**MSC**") has been identified as dedicated committee whereby two designated persons to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Group. The designated persons also function as the secretariat to MSC's set up aligned to the Sustainability Policy in providing stewardship and guidance on relevant key sustainability matters of the Company and to guide the Company in ensuring the effective implementation and management of the various economic, environment, social and governance (EESG) objectives and initiatives.

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	:	The Board through the Nomination Committee ("**NC**") performs an annual review of the effectiveness of the Board as a whole and contribution of each individual director. NC then reviewed the tenure of each director on the Board in its yearly review and made recommendation for re-appointment and re-election as Director to the Board for the Board's consideration. During the year under review, NC had conducted assessment and review the re-election by rotation by Directors pursuant to clause 119 of the Constitution which states that one-third (1/3) of the Directors of the Company for the time being shall retire from the office at least in once every 3 years but shall eligible for re-election. During the financial year review, Datuk Kamarudin bin Md. Ali and Ms Ow Yin Yee were subjected to retired from office. Both NC and the Board were satisfied that both directors have met the performance criteria and recommended them for re-election at 11th Annual General Meeting ("**11th AGM**") held on 24 June 2021. Puan Latifah bin Abdul Latiff was appointed to the Board as an Independent Non-Executive Director on 26 August 2020 and held office until the upcoming 11th AGM under the Clause 118 of the Constitution. NC was confident that based on her educational background and vast career experience including her expertise in the banking industries, she would strengthen the Board composition and dynamics. Following thereto, Puan Latifah is due to retire and was recommended by the NC and the Board for re-election at the 11th AGM. In addition, the Board Charter provides that the tenure of an Independent Director is limit to nine years and to re-designated as a Non-Independent Director if he/she to serve beyond nine years tenure. During the financial review, Datuk Kamarudin bin Md. Ali and Mr Muk Sai Tat who have and reaching to nine years tenures respectively. The Board had assessed and is of the view that their broad and vast experience in various industries provide the Board with necessary skills and experience profile of the Board. The Board was confident that their

	length of services on the Board did not in any way interfere with their duties as an Independent Non-Executive Directors of the Company. Hence, the NC and the Board had recommended both Datuk Kamarudin bin Md. Ali and Mr Muk Sai Tat to retain them as Independent Non-Executive Director at the 11th AGM held on 24 June 2021. All respective directors who are subjected to retirements pursuant to Clauses 118 & 119 of the Constitution and retention as Independent Director at 11th AGM had subsequently obtained the shareholder's approval.	
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	:	As of 31 December 2021, the Board of the Company comprises four (4) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Executive Directors of which each of the Executive Directors also serves as Group Chief Executive Officer, Group Deputy Chief Executive Officer and Group Chief Financial Officer respectively. The four (4) Independent Non-Executive Directors out of the total number of the Board's member made up the Board to comprise at least half of the board are 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	:	Our Board takes cognisance of the best practice of MCCG on the tenure of Independent Director which shall not exceed a cumulative term of nine (9) years and if the Board intends to retain the Independent Directors beyond nine (9) years, it should justify and seek annual shareholders' approval. The Board through the Nomination Committee on 25 February 2021 has undertaken relevant assessment and recommended both Datuk Kamarudin bin Md Ali ("**Datuk Kamarudin**") and Mr Muk Sai Tat ("**Mr Muk**") to continue to serve as Independent Non-Executive Directors of the Company based on the following justification:- (a) They have fulfilled the criteria under the definition of an Independent Director as stated in the Main Market Listing Requirements ("**MMLR**") of Bursa Securities and thus, they would be able to function as check and balance, provide a broader view and bring with them an element of objectivity to the Board. (b) They have not been involved in any business or other relationship which could hinder the exercise of independent judgement, objectivity or their ability to act in the best interests of the Company. (c) They have no potential conflict of interest, whether business or non-business related with the Company. (d) There are significant advantages to be gained from a long-serving Independent Director as they have many years of experience with incumbent knowledge of the Company and the Group's activities and corporate history, and have provided invaluable contributions to the Board in their roles as an Independent Non-Executive Directors. Shareholders' approval had been sought at the Eleventh Annual General Meeting ("**11th AGM**") on 24 June 2021 for Datuk Kamarudin and Mr Muk to continue in office until the conclusion of the forthcoming AGM in year 2022.

	Subsequent to the financial year ended 31 December 2021, both Datuk Kamarudin and Mr Muk have resigned on 28 February 2022 after the Board has taken into consideration of the latest provisions of the MCCG and MMLR. Presently, none of the directors have exceeded the tenure of 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.

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

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	:	The Board acknowledges the importance of diversity in terms of skills, profiles, age, ethnicity, gender, business experience and personal skills of the Directors and Senior Management. Having a range of diversity brings the necessary perspective, experience and expertise required to achieve effective stewardship and management of the Company's operation. The Nomination Committee is responsible to lead the process for the nomination of new Board appointments and making the necessary recommendations to the Board of Directors. Therefore, in making its recommendations, the Nomination Committee should consider the following criteria of the candidates:- • qualification; • skills, knowledge, expertise and experience; • specialist knowledge and technical skills; • professionalism; • integrity; and • in the case of candidates for the position of independent non-executive directors, the nomination committee should also evaluate the candidate's ability to discharge such responsibilities/ functions as expected from independent non-executive directors and time commitment to the Company. All appointments will be assessed based on the merits of each candidate and candidates will be considered against objective criteria, having due regard for the benefits of diversity of the Board and workforce.
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	:	The Board considers a variety of sources for the identification of suitable candidates. The identification of candidates for the appointment of Directors is facilitated through recommendations from the Directors, Management or external parties, including the Company's contacts in related industries, finance, legal and accounting professions. During the financial year 2021 ("**fy 2021**"), the Company has appointed Dato' Kamisah binti Johan as Non-Independent Non-Executive Director of the Company as she is one of the major shareholders. The NC and the Board is of view that her experience and her establishments, skills set and knowledges as a self-made entrepreneur will bring vast experience and expertise in property development and strengthen the Group's position as one of the emerging property developers in Malaysia. Subsequent to the fy 2021, the Board had gone through a restructuring of Board Composition with the appointments of Dato' Muraly Daran A/L M Narayana Menon, Datuk IR Mohd Dom bin Ahmad and Puan Masleena binti Zaid as new Independent and Non-Executive Directors of the Group concurrently with Datuk Kamarudin and Mr Muk voluntarily stepped down and resigned effective on 28 February 2022 after the Board has taken into consideration of the latest provisions of the MCCG and MMLR. The Board will ensure that all Directors are appointed on merit, in line with standards as set out in Paragraph 2.20A of the MMLR of Bursa Securities. Although the selection/identification of candidates of appointment was made based on the recommendation from existing Board members, the Board decisions are still made objectively in the best interest of the Company taking into the account the diverse skills, expertise, board composition and perspective of the current Board members.

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.

Application	:	Applied	
Explanation on application of the practice	:	The performance of retiring Directors recommended for re-election at the 11th Annual General Meeting ("**AGM**") been assessed through the Board annual evaluation (including the independence of Independent Non-Executive Director). Shareholders may refer to the following sections in the Annual Report for information of directors who are standing for election: a) Profile of Directors; b) Explanatory Notes under the Notice of AGM; and c) Statement Accompanying Notice of AGM.	
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 5.8
The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	During the financial year of 2021, the Nomination Committee is chaired by an Independent Non-Executive Director, Mr. Muk Sai Tat.	
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	:	During the financial review, the Board has appointed Dato' Kamisah binti Johan as Non-Independent Non-Executive Director on 12 August 2021. With the newly appointed female Non-Independent Non-Executive Director, the Board comprises eight (8) Directors, out of whom three (3) are women, equivalent to a 37.5% female presentation at the Board level. This has reflected the Board's commitment towards achieving a more gender-diverse 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
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	:	The Board recognises the importance of gender diversity in allowing different perspectives to be included in decision-making. Therefore, the Board has developed the Gender Diversity to promote the representation of women within the Board and Senior Management. The Group's Gender Diversity Policy is available on the Company's website at http://www.gbg.com.my/. The Company also recognises the value of developing and increasing the number of women on the Board and especially improving female representation in Senior Management roles in the Company. Notably, the Senior Management identified by the Management which their profiles are available in the Annual Report are represented by all male leads. Nonetheless, the Company will continue to promote diversity in its widest possible sense and the Board and NC remain committed to ensuring that the Company's policies and practices support this approach with a view to harnessing the potential of its workforce and driving the success of the business.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

Practice 6.1
The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

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

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.	
Application :	Applied
Explanation on application of the practice :	The Nomination Committee ("**NC**") carries out an annual evaluation of the effectiveness of the Board as whole, the Board Committees and the contribution or performance of each individual Director. The NC also assists the Board in assessing the independence of the Independent Directors annually. The annual evaluation, which was internally facilitated, involves individual Director and Committee members completing separate evaluation performance questionnaires regarding processes of the Board and its Committees, their effectiveness and where improvements could be considered. During the financial review, the assessment consists of the following: ▪ Performance Evaluation Sheet - Individual Director's Self/Peer Evaluation; ▪ Board and Board Committee Evaluation Form; ▪ Audit Committee Evaluation Form; ▪ Audit Committee Members' Self and Peer Evaluation Form; and ▪ Independent Directors' Self-Assessment Checklist. The assessment and comments by all Directors were summarised and discussed at the NC meeting which were then reported to the Board at the Board meeting held thereafter. These assessments and evaluations carried by the NC are properly documented. The evaluation results for financial year 2021 were presented to the Board on 24 February 2022. During the aforesaid Board meeting, the Board reviewed the evaluation results and concluded that:- • All Directors were of the view that each of them performed their respective roles and functions effectively and responsibly.

	• The Directors were satisfied with the performance with the performance of the Board as a whole. • Each Director was satisfied with each other's contribution in terms of sharing their insights and actively participating in Board and Board Committees discussion. • All the Board Committees have discharged their roles and responsibilities as per their Terms of Reference.	
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 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	:	The Board has in place a Remuneration Policy to determine the remuneration of its Director and Senior Management. The details as set out in the said policy is available on the Company's website at http://www.gbg.com.my/. The remuneration of Executive Directors and Senior Management are determined at levels which enabled the Company to attract and retain Executive Directors and Senior Management with the relevant experience and expertise to manage the business of the Group effectively. In the financial year 2021 ("**fy 2021**"), Remuneration Committee ("**RC**") had reviewed annually the terms of service of the Executive Directors. The RC had also held a Special RC Meeting on 30 September 2021 to review on the Executive Directors and Senior Management's remunerations, whereupon recommendations were submitted to the Board for approval on specific adjustments and/or reward payments to reflect their respective contribution throughout the past few years. The RC had taking into consideration of the market conditions and comparisons, responsibilities held and in tandem with the Group's long-term objectives, culture, business strategy and overall financial performance of the Group. The Board had then subsequently approved RC's recommendation on 30 November 2021 for the revised remuneration and salary of the relevant Executive Directors and Senior Management be effective from the beginning of January 2022. The RC is also responsible to review the remuneration packages of the Non-Executive Directors of the Company and thereafter recommend to the Board for their consideration. During the financial review, Non-Executive Directors are paid by way of the following components:-

	• Directors' fees – A fixed retainer sum to be paid monthly to the Non-Executive Directors for their on-going contribution to the Board; and • Board Meeting attendance allowance – A payment shall be made to the Non-Executive Directors on a per Board meeting basis with a condition that attendance (physical or virtual) is prerequisite for remittance. Determination of benefit packages of Non-Executive Directors is a matter of the Board as a whole. Hence, Individual Director is not allowed to participate in the discussion of his / her own remuneration. The Company had obtained its shareholder's approval for payment of Directors' fees and payment of Directors' benefit to the Independent Non-Executive Director for the financial year ended 31 December 2021 at the 11th Annual General Meeting ("**AGM**") held on 24 June 2021. Subsequent to fy 2021, the Board had also revisited the Directors' fees component and Board meeting attendance allowance which the Board had agreed to restructure the whole Non-Executive Directors' fees component accordingly. The tabulation of such will be recommended to the shareholders for approval at the upcoming AGM.	
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 level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

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

Practice 7.2

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

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

Application :	Applied	
Explanation on application of the practice :	The Board has in place a Remuneration Committee which comprises solely of Non-Executive Directors. Remuneration Committee's primary responsibilities include establishing, reviewing and recommending to the Board the remuneration packages of each individual Executive Director and Senior Management to ensure that their remuneration should commensurate with their responsibilities and commitment. The authority, duties and responsibilities of Remuneration Committee are provided in the Terms of Reference, which is available on the Company's website at http://www.gbg.com.my/.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	In line with the Code, the disclosure of the remuneration of Directors of the Company is made on a named basis. Details of the nature and amount of each major element of the remuneration of each Director during the financial year 2021 are set out in the table below. The Independent Directors No. 4, 6 and 7 were former Directors who had resigned on 10 January 2022 and 28 February 2022 respectively. The Directors Fees for Non-Executive Director No. 8 is accrued for the service rendered by her since her appointment in conjunction with Section 230 of the Companies Act 2016 and shall be paid upon obtaining shareholder's payment at the upcoming Annual General Meeting in year 2022.

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 Azizan bin Jaafar	Executive Director	-	-	-	-	-	-	-	-	-	1,440,000	-	52,250	10,000	1,502,250
2	Dato' Ow Chee Cheoon	Executive Director	-	-	-	-	-	-	-	-	130,800	1,200,000	-	28,000	-	1,358,800
3	Y.M. Tunku Alizan bin Raja Muhammad Alias	Independent Director	180,000	6,000	-	-	-	-	186,000	-	-	-	-	-	-	-
4	Datuk Kamarudin bin Md. Ali	Independent Director	96,000	6,000	-	-	-	-	102,000	-	-	-	-	-	-	-
5	Ms Ow Yin Yee	Executive Director	-	-	-	-	-	-	-	-	-	540,000	-	28,000	10,000	578,000
6	Mr Muk Sai Tat	Independent Director	96,000	6,000	-	-	-	-	102,000	-	-	-	-	-	-	-
7	Puan Latifah binti Latiff	Independent Director	96,000	6,000	-	-	-	-	102,000	-	-	-	-	-	-	-
8	Dato' Kamisah binti Johan	Non-Executive Non-Independent Director	37,162	2,000	-	-	-	-	39,162	-	-	-	-	-	-	-
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	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	:	The Board has decided not to disclose the Senior Management personnel's remuneration on a named basis due to personal security concerns on the part of the personnel involved. The Board believes that such disclosure is not favourable to the Group as talent poaching is common in the construction and property industries.	
		The remuneration packages of Senior Management are evaluated and reviewed annually and adjustments to their remuneration are based on not only on their individual performance and contributions in the preceding year, but also the Group's performance.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	The Board will continue to review the application of this practice from time to time and consider the appropriateness of such disclosure.	
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	:	During the financial year review, the Chairman of the Audit Committee, Puan Latifah binti Abdul Latiff, is an Independent Non-Executive Director and is not 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	:	None of the Board members are former key audit partners of the External Auditors. The Audit Committee has adopted the Practice 9.2 of the Malaysian Code on Corporate Governance, and incorporated such policy into the External Auditors' Independence Policy of the Company. The External Auditors' Independence Policy is made available for reference on the Company's website at http://www.gbg.com.my/.	
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.

Application	:	Applied
Explanation on application of the practice	:	The external audit function under the purview of the Audit Committee is essential for all shareholders in ensuring the reliability of the Group's financial statements. The Board maintains a formal and transparent professional relationship with the Group's independent external auditors via the Audit Committee. The External Auditors, in supporting their independence, will provide the Audit Committee with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. The External Auditors have provided such declaration in their annual audit plan presented to the Audit Committee of the Company during the financial year. For the financial year ended 31 December 2021, the Audit Committee undertook an assessment of the suitability and independence of the external auditors, using the evaluation form guided by the 3rd Edition of the Corporate Governance Guidebook issued by Bursa Malaysia by obtaining inputs from the external auditors, officers who have contact with the team of the external auditors and as well from the Audit Committee. Based on the results of the evaluation, the Audit Committee and the Board are satisfied with the performance, competence and independence of the external auditors and the Board had recommended their re-appointment to the shareholders' approval at the forthcoming Annual General Meeting.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up
The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The independent directors are important in ensuring the effectiveness of corporate governance practices of the Company. At present, the Audit Committee comprised solely of independent directors.

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.5
Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

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

Application	:	Applied
Explanation on application of the practice	:	The members of the Audit Committee ("**AC**") has a mix of skill, knowledge and the appropriate level of expertise and experience which enable them to discharge their duties and responsibilities pursuant to the Terms of Reference of the AC. The qualification and experience of the individual Audit Committee members are disclosed in the Board of Directors' Profile in the Annual Report. All the members of the AC are financially literate and are able to understand, analyse and grasp complex issues brought to its attention including the financial reporting standards and processes. All AC members are aware of the need to continuously develop and increase their knowledge to keep themselves updated of relevant developments. Furthermore, AC members also received some updates on developments in accounting and governance standards presented by the External Auditors at AC meetings.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

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

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

Practice 10.1
The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	The Board acknowledges its responsibilities for maintaining a sound and reliable system of internal controls within the Group, covering the financial controls, the operational and compliance controls, and risk management. This is a continuing process which includes risk assessments, internal controls reviews, and internal audit checks on the Group. The system of internal controls of the Group, by its nature are designed to provide reasonable but not absolute assurance against risk of material errors, misstatement, fraud, or losses occurring. The Audit Committee is responsible to assess the Group's internal control environment to determine the adequacy and effectiveness of the internal control system put in place by Management. The review covers the financial, operational and compliance controls. The Risk Management Committee ("**RMC**") (now known as Risk Management & Sustainability Committee) assists the Board in reviewing the adequacy and effectiveness of risk management process of the Group as a whole. The RMC deliberates the risk reports and reviews responses to significant risks, risk rating and risk tolerance identified including non-compliance with applicable laws, rules, regulations and guidelines, and output from monitoring processes. The RMC will periodically review the process of identified risks and effectiveness of mitigation strategies and controls. The information on risk management and internal control are set out in the Statement on Risk Management and Internal Control in the Annual Report.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

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

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

Practice 10.2
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	:	The Group has a structured risk management framework in place, whereby a systematic and logical methodology risk management model has been adopted to ensure key risks are identified, evaluated, properly prioritised, owners identified with proper response time set and allowed for continuous improvement. The Risk Management Committee is assisted by the Management to monitor the risk policy implementation, provide risk education to all staff, ensure accountability of risks identified are assigned and facilitate the risk reporting to the Board. Details on the Group's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control in the Company's Annual Report.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

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

Practice 10.3 - 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	:	During the financial review, the Risk Management Committee, comprising six (6) members with a majority of Independent Non-Executive Directors, to oversee the Group's risk management framework and policies. Subsequent to financial year 2021, the Risk Management Committee which now known as Risk Management & Sustainability Committee are still comprises a majority of Independent Directors ("**IDs**"), with 4 IDs out of 7 committee members. The Terms of Reference of the Risk Management Committee is available for reference on the Company's website at http://www.gbg.com.my/.

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	:	During the financial review, the internal audit function is supported by an outsourced independent professional service provider, IA Essential Sdn. Bhd., to assist the Audit Committee as well as the Board in discharging their responsibilities by providing independent, objective assurance and advisory services that seek to add value and improve the Group's operations. The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control is satisfactory and operating effectively. The Audit Committee approves their audit plan and upon completion monitor the implementation progress of their audit recommendations. The internal auditors then perform their work in accordance with the principles of the international internal auditing standards covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders on the audit concerns. The Internal Audit findings including the recommended corrective actions, potential risks, implications and Management responses are presented directly to the Audit Committee. The details and summary of work of the internal audit function are further disclosed in the Audit Committee Report in the Company's Annual Report.
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	:	The Internal Audit Function is outsourced to an external independent service provider, IA Essential Sdn. Bhd. ("**IA Essential**"). The head of the outsourced Internal Audit Function, Mr. Chong Kian Soon, is a Chartered Member of Institute of Internal Auditors Malaysia. He is supported by the engagement team of Internal Auditors who have the relevant professional qualifications such as accounting graduates from local universities. The Internal Auditors have performed its work with reference to the principles of the International Professional Practice Framework of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders. During the financial year ended 31 December 2021, the Audit Committee ("**AC**") also had reviewed the engagement between the Group and IA Essential. The AC opined it is high time for a new engagement and had agreed to establish a plan in setting up an in-house internal audit function to improve the quality of the internal audit function. The following were the proposed items considered by the AC for deliberations and had accordingly recommended the same to the Board for approval:- • Team structure; • Timeline and transition periods between outsourced internal audit function and in-house internal audit function; • Assurance on the objectivity and independence of the in-house internal audit function; • Budget Allocation for team structure of in-house Internal Audit Function; • Terms of Reference for in-house Internal Audit.

	The establishment and transition into in-house internal audit function will be fully implemented in year 2022.	
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	:	The Group believes that clear and consistent communication with investors promotes better appreciation of the Company's business and activities and allows the Group's business and prospects to be evaluated fairly. The Board communicates with stakeholders by way of: ▪ the Annual Report, which contains the financial and operational review of the Group's business, corporate information, financial statements; ▪ various announcements made to the Bursa Securities, which include announcements on quarterly results; ▪ the Company website; ▪ meetings with research analysts and fund managers if required to provide them with insight of business in Group and the industry; and Furthermore, the Annual General Meeting ("**AGM**") remains a principal forum used by the Company for communication with its shareholders. The AGM provides an opportunity for the shareholders to seek and clarify any issues on the resolutions being proposed and also matters relating to the performance, developments within and the future direction of the Group. Shareholders are encouraged to actively participate in the question-and-answer session. The Board, Key Senior Management and the External Auditors will present to answer and provide appropriate clarifications at the AGM. During the financial review, the Company holds its AGM virtually due to the Covid-19 pandemic. The proceeding at these virtual AGM is streamed live with online remote voting enabled. While the Company endeavours to provide as much information as possible to its shareholders and the investment community, it is also mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

	Stakeholders are also encouraged to direct their inquiries via e-mail at enquiries@gbg.com.my or info@gbg.com.my.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

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

Practice 12.2
Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
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 13.1

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	:	The Company has already applied this practice since financial year 2017 and at least 28 days' notice period is given before the date of holding Annual General Meeting.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 13.2
All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	All Directors and the Chairman of every Board Committees were attended remotely and in fully virtual at the Eleventh Annual General Meeting ("**11th AGM**") of the Company held on 24 June 2021 to address questions from shareholders. Shareholders were invited to ask questions by submitting their questions into the text box given via its online meeting platform about the resolutions being proposed before putting them to vote as well as matters relating to the Company's operations in general and meaningful responses were given to the questions raised. The minutes of the 11th AGM are published on the Company's website.	
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 has held its 11th Annual General Meeting ("**11th AGM**") virtually amid the Covid-19 pandemic. Shareholders were able to participate remotely via live streaming webcast and vote in absentia using the Remote Participation and Voting facilities ("**RPV**"). The 11th AGM of the Company was live streamed using the RPV provided by SS E Solutions Sdn. Bhd. via its online meeting platform, namely Securities Services e-Portal at https://sshsb.net.my/. A step-by-step administrative guide was issued to assist shareholders on the registration, participation and voting using the RPV. The administrative guide was also published in the Company's website to encourage shareholders' participation.	
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.

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.		
Application	:	Applied
Explanation on application of the practice	:	The Chairman of 11th Annual General Meeting ("**11th AGM**") ensured that sufficient opportunities were given to shareholders to raise issues relating to the affairs of the Company by providing ample time for the Question and Answer session during the 11th AGM. The Group Chief Executive Officer had presented the Milestones, Group Highlights & Prospects, Strategic Investments, Awards and Analyst Coverage of the Group for the for financial year ended 2020 to all participants of the 11th AGM prior to the Question and Answer session for their information. The shareholders and proxy holders can rely on real time submission of typed text to exercise their rights to speak or communicate in a virtual meeting by submitting questions or remarks in relation to the agenda items into the text box given via its online meeting platform, namely Securities Services e-Portal at https://sshsb.net.my/ and to vote remotely without attending the meeting. The results of the RPV have been duly verified by Commercial Quest Sdn Bhd, the independent scrutineer appointed by the Company, and announced by the Chairman at the 11th AGM. The details of the voting results were announced to Bursa Securities on the same day. Therefore, the intended outcome of this practice has been achieved as the shareholders were able to participate and engage with the Board and Senior Management effectively to make informed voting decisions at the 11th AGM.
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 13.5
The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.		
Application	:	Applied
Explanation on application of the practice	:	The Company engaged Securities Services (Holding) Sdn Bhd to provide the service of Remote Participation and Voting Facilities ("**RPV**"). Shareholders were provided with the Administrative Guide which sets out the guidelines for shareholders and proxies on the conduct and voting procedures using RPV. The Company has closely monitored the RPV during the 11th AGM to ensure a seamless execution of the 11th AGM and also a smooth interaction between the Company and its shareholders. Further details on the conduct of this fully virtual meeting are set out in the explanation to Practices 13.3 & 13.4 of this CG Report. The Company's virtual engagements with its shareholders have risen throughout the year via various digital platforms and this reflected its focus on continuous engagement with its shareholders.
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 13.6
Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.			
Application	:	Applied	
Explanation on application of the practice	:	Minutes of the 11th Annual GeneraL Meeting have been made available to shareholders no later than 30 business days after the AGM on its website at https://www.gbg.com.my/.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT 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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