

CORPORATE GOVERNANCE REPORT

STOCK CODE : 4057
COMPANY NAME : ASIAN PAC HOLDINGS BERHAD
FINANCIAL YEAR : March 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible for the stewardship of the Group business and affairs with a view to enhancing long term shareholders' value while taking into account of other stakeholders' interests and maintaining high standards of transparency and accountability.</p> <p>The principal responsibilities of the Board are as follows:-</p> <ol style="list-style-type: none">1. Reviewing and adopting a strategic plan of the Group;2. Overseeing the conduct of the Group's business to evaluate, challenge and decide on management proposal and monitoring applications that the business is being properly managed;3. Identifying principal risk sand ensuring the implementation of appropriate systems to manage risks;4. Succession planning, including appointing, training, fixing the compensation of, and where appropriate, replacing key management; and5. Reviewing the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance laws, regulations, rules, directives and guidelines. <p>The Board's roles and responsibilities are governed by the Board Charter which is available on the Company's website at www.asianpac.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas ("Tan Sri Dato' Seri Hj Megat Najmuddin"), the Chairman of the Board is responsible for ensuring the integrity and effectiveness of the governance process of the Board with key functions as follows:</p> <ul style="list-style-type: none">a) Leads the Board including presiding over Board meetings and directing Board discussions and encourages debate on issues and seek views from the Directors on matters requiring decisions of the Board;b) Chairs the Annual General Meeting ("AGM") of Asian Pac Holdings Berhad ("Asian Pac") and provides responses to holders of Asian Pac on issues raised by them; andc) Instils leadership in promoting good governance practices and adherence across Asian Pac Group. The Chairman makes sure that relevant board governance are adhered to and there is reasonable interaction between the Boards and Management as part of the effective decision making process.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The position of the Chairman and the Managing Director (“MD”) [Asian Pac has no CEO] is held by different individuals. The distinct and separate role of the Chairman and MD with their clear division of responsibility, ensure balance of power and authority, such that no one individual has unfettered decision-making powers.</p> <p>The Chairman, Tan Sri Dato’ Seri Hj Megat Najmuddin is responsible for ensuring the integrity and effectiveness of the governance process of the Board.</p> <p>The Board has delegated to Dato’ Mustapha Bin Buang, the MD, the authority and responsibility for the stewardship of the Group’s direction, business performance and manages the Group in accordance with the strategies and policies to ensure that the highest standard of conduct and integrity in maintained.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	Tan Sri Dato' Seri Hj Megat Najmuddin, the Chairman of the Board is currently a member of the Audit and Risk Management Committee (" ARMC "), Nomination Committee (" NC ") and Remuneration Committee (" RC ").
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The NC and the Board are looking into refreshing the composition of the Board, including Board Committees in view of the amendments to the Main Market Listing Requirements (" MMLR ") of Bursa Malaysia Securities Berhad (" Bursa Securities ") which will take effect on 1 June 2023 whereby Directors whose tenure exceeds a cumulative period of 12 years will be re-designated as non-independent directors. The process of sourcing for suitable candidate(s) for appointment(s) to the Board has commenced. The composition of the Board Committees will be addressed as part of the broader review on the Board composition.
Timeframe	:	Within 1 year

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by two (2) suitably qualified and competent company secretaries as they are members of the professional bodies prescribed by the Ministry of Domestic Trade & Consumer Affairs and are qualified under Section 235(2) of the Companies Act 2016.</p> <p>The key roles of the Company Secretaries are as follows:-</p> <ul style="list-style-type: none">i) Provide unhindered advice and services to the Directors, as and when the need arises to enhance the effective functioning of the Board and to ensure regulatory compliance;ii) Update the Board on any changes or amendments to the Companies Act, Bursa Securities Listing Requirements, Capital Market & Services Act and other relevant regulatory requirements;iii) Ensure proper upkeep of statutory registers and records of the Company;iv) Provides support to the Chairman to ensure the effective functioning of the Board and assist the Chairman in preparation of conduct of meetings;v) Monitoring the corporate governance development and assisting the Board in applying the best practice to meet the Board's needs and the stakeholders' expectations;vi) Advise the Board on quarterly basis on compliance of statutory and regulatory requirements such as restriction in dealing with securities of the Company; andvii) Act as Secretary for all Board Committees Meetings and general meetings and ensure all the meetings are as properly convened and that accurate and adequate records of the proceedings of the meetings and decisions made were minuted and properly kept. <p>The Company Secretaries constantly keep themselves abreast of the evolving capital market, statutory and regulatory changes and the development in corporate governance through attending relevant</p>

	<p>webinars, training and professional development programmes organised by Companies Commission of Malaysia, MAICSA and Bursa Securities and other professional bodies.</p> <p>The Board is satisfied with the performance and support rendered by the Company Secretaries in discharging of its functions and duties.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>A calendar outlining the annual meeting dates is prepared and circulated in advance of each new year in facilitating the Directors' time planning.</p> <p>The calendar provides Directors with scheduled dates for meetings of the Board and Board Committees and AGM of the Company. The letter in relation to the closed periods for dealing in securities by Directors will be given 30 days before the targeted dates of announcements of the Group's unaudited quarterly results.</p> <p>Prior to board meetings, the Directors are furnished with an agenda together with the relevant documents and information on matters to be deliberated. Notices of Board and Board Committees meetings are sent to the Directors electronically 7 days in advance and the Board papers are made available at least 5 days before the meeting is held, except in the case of an emergency, where reasonable time would suffice. This enables the Directors to have sufficient time to peruse meeting materials and issues arising, and where necessary, to obtain further explanation.</p> <p>The Board papers include meeting minutes which accurately reflects deliberation and decision of the Board, updates on financial, operational and corporate developments of the Group. Board papers are also presented with details on other issues that may require the Board's deliberation include the approval of corporate plans, acquisitions and disposals of assets that are material to the Group, major investments, changes to management and control structure of the Group.</p> <p>Senior Management and Head of Departments may be invited to attend Board and Board Committee meetings, to advise and provide the Board with detailed explanations and clarifications whenever necessary on matters that are tabled.</p> <p>Upon conclusion of the meetings, the Company Secretaries would use their best endeavours to circulate the said minutes in a timely manner. The draft minutes are circulated to Board and Board Committees' members for perusal. The minutes are then confirmed by the relevant chairman at the next meeting. The Directors are updated by the</p>

	Management on the follow-up of its decisions and recommendations by Management.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board's function is guided by Board Charter. The Board Charter outlines the respective roles and responsibilities of the Chairman, MD, Executive Director ("ED"), Non-Executive Directors ("NEDs") and Board as a whole together with formal schedule of matters reserved for the Board's deliberation and decision making.</p> <p>The Board Charter is reviewed and updated periodically to ensure it remain relevant, appropriate and comply to the prevailing regulations. The last review was carried out on 23 November 2020 to enhance governance practices in line with the Malaysian Code on Corporate Governance ("MCCG" or "CG Code"), the MMLR of Bursa Securities and the Companies Act 2016.</p> <p>The Board Charter is available on the Company's website at www.asianpac.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Asian Pac Board has formalised and adopted the Code of Ethics and Conduct which sets out the standard of behaviour and ethical conduct that shall be complied by the Directors.</p> <p>This “Code of Ethics and Conduct” is formulated to enhance the standard of corporate governance and corporate behaviour with the intention of achieving the following aims:</p> <ol style="list-style-type: none">1. To establish a standard of ethical behaviour for directors based on trustworthiness and values that can be accepted, are held or upheld by any one person.2. To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administering a company. <p>The Board of Directors are bound by the Code of Ethics, codifying the principles and standard of conduct by which all Directors are expected to abide and behave ethically and professionally at all times to protect the business interest and maintain its reputation for integrity of the Group. This Code of Ethics is set out in the Board Charter.</p> <p>In conjunction with the Group wide introduction of the Anti-Bribery and Corruption Policy (“ABC Policy”) as approved by the Board in November 2019. A copy of the ABC Policy is available on the Company’s website at www.asianpac.com.my. The Board and the Group’s employees are prohibited from, directly or indirectly, receiving or providing gifts, kickbacks or gratuities from/to third party.</p> <p>To create staff awareness and instil business ethics practices, the Human Resources Division has issued emails to all staff on the aforesaid. This is to ensure commitment to conducting business dealings in an honest and ethical manner.</p>

	<p>In addition, employees, vendors and customers of the subsidiaries are made aware of, to understand and adhere to the Group's ABC Policy. The Group continues to take appropriate measures to instil a compliance culture within Asian Pac Group.</p> <p>For employees, the Code of Conduct is set out in the Asian Pac's Office Policy Manual which governs the workplace behaviour including, among others, conflict of interest, bribery and corruption and confidentiality of information.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Asian Pac has adopted the Whistleblowing Policy on 25 May 2016 which provides and facilitates appropriate communication and feedback channels of misconduct or malpractices between Asian Pac and its employees as well as the stakeholders.</p> <p>The Whistleblowing Policy establishes the channel for employees or stakeholders to report any violations of Code of Conduct, unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements.</p> <p>The Board and Management give their assurance that employees or stakeholders identities are kept confidential and that whistle-blowers will not be at risk to any form of victimisation or retaliation from their superiors or any member of the Management provided that they act in good faith in their reporting. All concerns raised shall be reported directly to the ARMC Chairman and will be investigated.</p> <p>The Whistleblowing Policy is available on the Company's website at www.asianpac.com.my include also the procedure that allow for independent investigation on any improper conduct.</p> <p>The Board will review the Whistleblowing Policy as and when necessary.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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	:	In line with good governance practices, the Board under the leadership and direction of the MD oversees the management and implementation of material economic, environmental and social risks and opportunities presented in our business activities. The Risk Management Working Group oversees the incorporation of sustainability in the Group’s business, as well as to prepare the Group for its sustainability disclosure.	
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	:	<p>The Group's business sustainability is spearheaded by the Board, who is primarily responsible for the overall sustainability performance of the Group by reviewing and adopting strategies which support long term value creation taking into account the economic, environmental and social considerations.</p> <p>The Board has delegated the roles and responsibilities to the ARMC. In ensuring effective implementation of the Group's sustainability initiatives, the Risk Management Working Committee ("RMWC"), which is helmed by key management personnel, has been tasked to assist the Board and ARMC in identifying, assessing, and overseeing the management of the Group's sustainability matters, with specific focus on material sustainability matters, as the Group integrates sustainability into its risk management system.</p> <p>The RMWC is entrusted with the following responsibilities:-</p> <ul style="list-style-type: none">i) establishment of a sustainability framework;ii) reviewing the adequacy of sustainability initiatives and processes;iii) ensuring effectiveness in identification, evaluation, management, and reporting of material sustainability matters; andiv) monitoring and overseeing all sustainable strategies and initiatives of the Group.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is cognisant that the Directors are expected to have a strong understanding and be able to engage in rigorous discussion with Management in addressing sustainability-related risks.</p> <p>The Directors keep themselves apprised with contemporaneous and relevant sustainability developments by way of formal training including webinars, presentation of updates, structured reading and discussions.</p> <p>The Board is committed to staying abreast with sustainability issues associated with evolving global environment, economic, social and governance (“ESG”) aspects of business.</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 4.4

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	:	<p>The annual assessment of performance of the Board, Board Committees, individual director for FY2022 covers competency, fit and proper, contribution and performance, calibre and personality, level of independence (for independent directors) and time commitment to the Company. The review did not include a review of the performance of the Board in relation to overseeing and addressing material sustainability risks and opportunities.</p> <p>The Company may consider to incorporate the ESG issues in the performance evaluation of the Board and Senior Management in the future.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	To establish a new board evaluation form which includes the review of Company's material sustainability risks and opportunities.
Timeframe	:	Within 3 years

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NC reviews the tenure of Directors and take note on the expiry of the tenures and prior to their re-election at the AGM. In reviewing the tenure of Directors, the NC takes into consideration of their performance based on the self-evaluation conducted under the annual board effectiveness evaluation exercise. Their contribution to the Board as well as their participation during the Board and Board Committees' deliberations will also be considered.</p> <p>The NC reviews the performance of the retiring Directors who are standing for re-election at the annual general meeting. Dato' Mustapha Bin Buang and Datuk Mohamed Salleh Bin Bajuri ("Datuk Salleh") retire by rotation pursuant to Clause 23.4 of the Company's Constitution and Mr Chai Yee Choong, a newly appointed Director retired pursuant to Clause 23.3 of the Company's Constitution, offered themselves for re-election at the forthcoming 104th AGM. Based on the satisfactory evaluation of the respective director's performance, commitment and contributions to the Board, the NC recommended to the Board their re-election at the forthcoming 104th AGM.</p> <p>All directors with the exception of Mr Chai, who was newly appointed in June 2022, had undergone a board effective evaluation to assess the performance and contribution of each individual Director, taking into consideration amongst others, competencies, fit and proper, time commitment, calibre and personality as well as the level of independence demonstrated by the Independent Directors. Overall, the individual directors met the performance criteria required of an effective Board.</p> <p>In view of the recency of the appointment of Mr Chai, a comprehensive performance evaluation on him as director will be carried out in year 2022.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Board presently consists of 6 members; comprise 1 MD, 1 ED and 4 Independent Non-Executive Directors (“INED”) which fulfils the prescribed requirement for at least 2 or 1/3 of the Board to be INED as stated in the MMLR. The Board further complies with this Practice 5.2 of the CG Code which prescribes that at least half of the Board comprises Independent Directors. Each Independent Director has exercised judgement objectively during the decision making of the Board and contributed positively and discharged their duties with care and diligence.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.3

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>One of the Independent Directors, Tan Sri Dato' Seri Hj Megat Najmuddin of the Company who had served the Company for a cumulative period of more than 9 years.</p> <p>The Company does not have tenure limit for independent director. The Board noted Practice 5.3 of the CG Code. The Board is of the view that the ability of long serving independent director to remain independent and to discharge his duties with integrity and competency should not be measured solely by the tenure of service. His long service should not affect his independence as he is independent-minded and he continues to provide the necessary checks and balances in the best interest of the Company. The independent directors have each provided an undertaking to Bursa Securities since their appointment confirming and declaring that they are "independent directors" as defined under paragraph 1.01 of the MMLR of Bursa Securities.</p> <p>In relation to the criteria to assess the independence of the directors, the Board had adopted the same criteria used in the definition of the "independence of directors" prescribed by the MMLR.</p> <p>For the financial year ended 31 March 2022, Tan Sri Dato' Seri Hj Megat Najmuddin had provided his annual confirmation of independence to the Board based on the Company's criteria for assessing independence in line with the definition of "independent directors" prescribed by MMLR. The NC had assessed and concluded that Tan Sri Dato' Seri Hj Megat Najmuddin continue to demonstrate, conduct and behaviour that are essential indicators of independence, and that he is independent of the Company's management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company.</p>

	<p>In view of the above, the NC recommended to the Board that resolution for the retention of Tan Sri Dato' Seri Hj Megat Najmuddin as Independent Director of the Company be tabled for shareholders' approval through 2-tier voting process at the forthcoming 104th AGM of the Company. The Board unanimous in supporting this recommendation as Tan Sri Dato' Seri Hj Megat Najmuddin has vast experience in a diverse range of businesses that provide a constructive and independent judgement in the best interest of the Group. In addition, he provides check and balances in Board proceedings and has retained independence of character and judgement and has devoted sufficient time and attention to his responsibilities as Independent Director and exercise due care in the interest of the Group as well as its shareholders. A brief profile of Tan Sri Dato' Seri Hj Megat Najmuddin is presented in the Profile of Directors' section of the Annual Report 2022.</p>	
	<p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>: Please explain the measure(s) the company has taken or intend to take to adopt the practice.</p>	
<p>Timeframe</p>	<p>: Choose an item.</p>	

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	:	<p>All Board and Senior Management appointments are made based on merit, diversity in skills, experience, age, background, gender, ethnicity and other factors.</p> <p>When assessing the suitability of a nominated candidate for appointment to the Board, the NC will review the skill, competencies, experience, integrity, time commitment, industry knowledge and other qualities required to effectively discharge his or her role as director. The Board through the NC's annual assessment, believes that the current composition of the Board brings the required mix of skills, independence, gender diversity and core competencies required for the Board to discharge its duties effectively.</p> <p>The Board will appoint director with proven past performance and business experience required to protect and promote the interests of the Company and also to support the long term delivery of the Company's strategy.</p> <p>All directors are expected to comply with the Company's Code of Conduct and Ethics. The Board believes each director has demonstrated the attributes of devoting sufficient time to undertake the responsibilities of the role; honesty and integrity; and a preparedness to question, challenge throughout the year via their participation in Board meetings, as well as other activities that they have undertaken in their roles.</p> <p>All directors comply with Paragraph 15.06 of the MMLR where they do not hold more than 5 directorships in a public listed company and are able to devote sufficient time and commitment based on the current level of directorship(s) held.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 5.6

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

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>Currently, the selection of candidates to be considered as directors are based on the existing networks and recommendations from the Directors, Management and major shareholders through a selection process facilitated by the NC.</p> <p>The Board is of the opinion that recommendation from existing board members and major shareholder are good for the time being. The NC will evaluate a suitable candidate with the required credentials before recommending for appointment to the Board.</p> <p>The appointment of any additional director is made when deemed necessary by the existing Board with due consideration given to the skills, experience, background, gender, knowledge, integrity, core competencies and commitment (including time commitment) of the candidate that are required for an effective Board. Additionally, in the case of a candidate nominated for appointment as Independent NED, the candidate's independence is a priority consideration.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	In line with the recommendation of the MCCG, apart from referrals from Directors, major shareholders and management, the Board is open to utilising independent sources to identify suitably qualified candidates, where necessary.	
Timeframe	:	Others	As and when required

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>Shareholders may refer to the following sections in the Annual Report for information of directors who are standing for re-election:</p> <ul style="list-style-type: none">i. Profile of Directors; andii. Explanatory Notes under the Notice of AGM. <p>It is the Company's policy to ensure that the material information of directors disseminated to the shareholders is accurate, clear and in a timely manner.</p> <p>In 2022, Datuk Salleh and Dato' Mustapha Bin Buang retire by rotation pursuant to Clause 23.4 of the Company's Constitution. While, Mr Chai, being the newly appointed Director shall hold office only until the next following AGM and shall be eligible for re-election pursuant to Clause 23.3 of the Constitution.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman of NC is Tan Sri Dato’ Seri Hj Megat Najmuddin, who is also designated as the Senior Independent Director.</p> <p>During the year, Tan Sri Chairman had led the annual review of Board effectiveness for FYE 2022, in order that independent assessment of the performance of each individual Director and the Board as a whole were carried out amongst all the Board Members.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Following the retirement of Ms Tan Siew Poh upon the conclusion of the AGM held on 29 September 2021 and resignation of Ms Soon Dee Hwee on 5 July 2022, there is no women participation on Board.</p> <p>The Board will try its best endeavours to fill in woman director vacancy latest by 1 June 2023.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 5.10

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Board presently does not have any policy on gender diversity for the Board and Senior Management.</p> <p>The Board also acknowledges the merit of gender diversity at management level for better decision making and competitive advantages. Currently 31% of the executive and managerial positions of the Group are held by female employees.</p> <p>The Group practices non-discrimination in any form, whether based on age, gender, race, ethnicity or religion or cultural background, throughout the organisation. All genders have equal opportunities in the sourcing and recruitment process.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	<p>The NC will assess annually the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual directors. The criteria used to evaluate Executive Directors and NEDs covers amongst others competency, fit and proper, contribution and performance, calibre and personality, independence of independent NEDs and time commitment of directors. The evaluation was conducted using the following forms/checklists:</p> <ol style="list-style-type: none">1. Self-Evaluation for each of the directors;2. Board and Board Committees Assessment to assess the performance of the Board of Directors and Board Committees; and3. Independent Directors' Assessment. <p>Overall, the performance of the Board and Board Committees met the expectation during the financial year under review. The results of the evaluation showed that there were good mix of age, gender, qualifications, skills, experience and core competencies for the current Board as well as the time commitment from the Board members have enabled the Board and Board Committees to function effectively and efficiently. The individual directors have also discharged their fiduciary duties effectively.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:

Timeframe	:		
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Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had in May 2022, adopted Remuneration Policy for Directors and Senior Management to support business strategy which is more long term and strategic in nature with the aim to motivate the Directors to achieve the Group's business objective. The said Policy is available on the Company's website at www.asianpac.com.my.</p> <p>The remuneration of the directors is determined with regards to Asian Pac's needs to maintain appropriately experienced and qualified Board members in accordance with competitive marketplace to attract, retain, motivate and reward talented individuals to pursue key strategies of the Group.</p> <p>The Directors' fees and benefits payable to the NEDs are tabled to the shareholders for approval on an annual basis via the AGM of the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has a RC consists of three (3) members, all of whom are INEDs.</p> <p>The RC is responsible for recommending the remuneration framework and the remuneration packages of the MD and ED, whilst for Senior Management, the RC will review upon recommendation by the MD so as to ensure that rewards are linked to their performance and contributions to the Group's growth and profitability in order to align the interest of the Directors and Senior Management with those of shareholders.</p> <p>The Committee also ensures that the level of remunerations for MD, ED and Senior Management are linked to their level of responsibilities and contribution to the effective functioning of the Company and the Group. None of the MD and ED participated in any way in determining their individual remuneration.</p> <p>The Board, as a whole, determines the remuneration of the NEDs, with each NED concerned abstaining from any decision with regard to his/her remuneration. The Company pays its NEDs the fees which shall be voted for approval by the shareholders annually during the AGM.</p> <p>During the financial year, the RC reviewed and assessed the remuneration of the MD and ED, the Directors' and Senior Management Remuneration Policy and Procedures as well as the revised Terms of Reference of the RC. The MD and ED do not receive any Directors' fees and meeting allowance.</p> <p>The Terms of Reference of the RC was reviewed and adopted on 26 May 2022. It is available on the Company's website at www.asianpac.com.my.</p>

Explanation for departure	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:			
Timeframe	:	<table border="1"> <tr> <td></td> <td></td> </tr> </table>		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>In line with the CG Code, the disclosure of the remuneration of Directors of the Company and the Group 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 ended 31 March 2022 are set out in the table below.</p> <p>No remuneration was paid to the NEDs who are also the INEDs of the Company other than Directors' Fee.</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	TAN SRI DATO' SERI HJ MEGAT NAJMUDDIN BIN DATUK SERI DR HJ MEGAT KHAS	Independent Director	-	-	-	-	-	-	-	144	7	-	-	-	-	151
2	DATO' MUSTAPHA BIN BUANG	Executive Director	-	-	1414	-	269	-	1683	-	-	1414	-	269	-	1683
3	DATUK MOHAMED SALLEH BIN BAJURI	Independent Director	108	7	-	-	-	-	115	108	7	-	-	-	-	115
4	MS TAN SIEW POH	Non-Executive Non-Independent Director	30	5	-	-	-	-	35	30	5	-	-	-	-	35
5	DR YU TAT LOONG	Executive Director	-	-	-	-	-	-	-	-	-	482	-	59	-	541
6	MS SOON DEE HWEE	Independent Director	60	7	-	-	-	-	67	60	7	-	-	-	-	67
7	MR SHERMAN LAM YUEN SUEN	Independent Director	60	7	-	-	-	-	67	60	7	-	-	-	-	67
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The disclosure on the remuneration of top 5 Senior Management in bands of RM50,000 is set out in the table below. The Board considered the information of the remuneration of these staff to be sensitive and proprietary. The transparency and accountability aspects of corporate governance applicable to the remuneration of these staff are deemed appropriately served by the disclosure below.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Senior Management 1	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	500,001-550,000
2	Senior Management 2	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	400,001-450,000
3	Senior Management 3	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	350,001-400,000
4	Senior Management 4	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	300,001-350,000
5	Senior Management 5	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	250,001-300,000

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	:	Datuk Salleh is the Chairman of ARMC whilst the Chairman of the Board is Tan Sri Dato' Seri Hj Megat Najmuddin.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company recognised the need to uphold independence of its external auditor and that no possible conflict of interest whatsoever should arise.</p> <p>Currently, none of the members of the ARMC is a former key audit partner of the Company.</p> <p>The policy is reflected in the Terms of Reference of ARMC.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>Under the Terms of Reference of ARMC, the ARMC is responsible for assessing the capabilities and independence of the external auditor and to make subsequent recommendations to the Board on the appointment, re-appointment or termination of the external auditor.</p> <p>In the evaluation of the external auditor's independence, the ARMC obtained assurance from the external auditor that it has in place robust and comprehensive processes and systems to ensure the independence of its partners and staff of the audits they are engaged in. In addition, the ARMC also obtained confirmation from the external auditor on its independence in accordance with By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.</p> <p>During the financial year, the external auditor attended two (2) ARMC meetings with the Committee to discuss its audit plan, audit findings and their views in respect of the true and fair view of the financial statements of the Company and its subsidiaries; and any key changes to regulatory requirements and latest developments in the accounting and auditing standards. The ARMC also held a separate session with the external auditors without the presence of the executive board members.</p> <p>In terms of provision of non-audit services, whilst the external auditor is not precluded from consideration for the provision of advisory, consultancy or other types of non-audit services, due care is taken in the selection process in order to ensure that the appointment does not impede on the independence, quality and conduct of the statutory audit.</p> <p>Based on the assessment's results, the ARMC was overall satisfied with the external auditor's exercise of independence, services and performance. There were no major concerns from the outcome of the assessment of external auditor. Therefore, the Board approved the ARMC's recommendation for obtaining shareholders' approval on the re-appointment of Messrs. Ernst & Young PLT as external auditor of the Company at the forthcoming AGM.</p>

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

Intended Outcome

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	:	With the retirement of Ms Tan Siew Poh on 29 September 2021, the ARMC members comprised solely INEDs.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The existing members of the ARMC have experiences and skills in accounting and finance as well as other relevant fields of expertise. All of them are qualified to review the consolidated Financial Statements of Asian Pac prior to recommending the same to the Board for approval.</p> <p>In addition, the ARMC members undertook continuous professional development program to enhance their financial literacy and to keep themselves abreast of relevant developments in accounting practices and rules. The external development program attended by the members of ARMC is disclosed in the Corporate Governance Overview Statement.</p> <p>Apart, the ARMC members were also briefed by the external auditor, Messrs. Ernst & Young PLT on the latest financial reporting developments and Malaysian Financial Reporting Standards.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible for the Group's risk management framework and system of internal control which sets out its risk management strategy, risk structure, risk assessment processes, risk communication and risk monitoring and review.</p> <p>The Board delegated its role on risk management to RMWC to take charge of the operational risks of the Group. The RMWC comprises Heads of respective Departments of the Group and led by the Financial Controller.</p> <p>RMWC oversees, identifies, evaluates, controls, monitors and reports on the critical risks faced by the Group on an on-going basis, including remedial measures to be taken to address the risk vis-à-vis the risk parameters of the Group to ARMC. The Chairman of RMWC reports to ARMC and thereafter the Chairman of ARMC reports the same to the Board on its activities and findings.</p> <p>The details of the risk management and internal control system of the Group are set out in the Statement on Risk Management and Internal Control of the Company's Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 Board has disclosed the key features of its risk management and internal control system as well as its adequacy and effectiveness in the Statement on Risk Management and Internal Control in the Annual Report 2022 pages 59 to 61. The Board will continue to develop and improve on its risk management practices which are consistent with good corporate governance.	
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	:	<p>The Company had established Risk Management Committee by combining it with Audit Committee in 2013 and the Audit Committee was renamed as ARMC.</p> <p>With the retirement of Ms Tan Siew Poh on 21 September 2021 and resignation of Ms. Soon Dee Hwee on 5 July 2022, the ARMC consists no fewer than three (3) members of whom all are Independent Directors. The ARMC supports the Board in providing oversight over risk management activities of the Group.</p>

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The internal audit (“IA”) operates independently and reports to the ARMC. The IA of the Group is carried out by the in-house Internal Audit Department (“IAD”). The Internal Auditors’ role is governed by the IA Charter to ensure that its purpose, authority and responsibility, reflect developments in IA’s activities and in line with best practices promulgated by internal audit professional bodies.</p> <p>The IA Charter is periodically reviewed and updated once in every five (5) years or as and when necessary due to changes in regulatory requirements. The latest IA Charter was reviewed and approved by ARMC in March 2021.</p> <p>There is no undue limitation by the IAD on the authority to access to records, assets and personnel of the Company in the performance of audits.</p> <p>For the financial year, IAD had appropriate provision for training and development in its budget. The IA members are kept abreast of developments in the profession and industry through attendance at numerous external training courses or seminars as well as in-house training to continually improve their competency in accomplishing their tasks efficiently and effectively.</p> <p>The ARMC is satisfied that the IAD had carried out the reviews as planned.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose—

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's IA is headed by Mr Eugene Foo, a member of the Institute of Internal Auditors Malaysia since 2007 with over twenty years of work experience. He holds a Bachelor's Degree with Distinction in Business (majoring in Business Administration). Mr Eugene Foo is supported by one (1) audit staff.</p> <p>The IA function is carried out based on the Institute of Internal Auditors' mandatory guidance, which includes the core principles for the Professional Practice of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing. This would enable the IA function to continuously deliver value-added assurance to the Company as well as in achieving its corporate and strategic business objectives.</p> <p>The Head of IA reports directly to the ARMC on activities based on the approved IA plan. The IA conducts independent reviews of the Group's system of internal control and risk management with the objective of providing reasonable assurance on its adequacy and effectiveness.</p> <p>All IA personnel are free from any relationships or conflicts of interests which could impair their objectivity and independence.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company strives to maintain an open and transparent channel of communication with its stakeholders. The Company believes that a constructive and effective investor relationship is an essential factor in enhancing value for its shareholders.</p> <p>The Company's website is the key communication channel for the Company to reach its shareholders and general public. Through the Company's website www.asianpac.com.my, the Investor Relations section enhances the investor relation function by including all the announcements made by the Company, financial results, annual reports, corporate calendar as well as shares information.</p> <p>The shareholders and general public may direct any queries on the Company via www.query@asianpac.com.my or write to the Senior INED, Tan Sri Dato' Seri Hj Megat Najmuddin, who was designated by the Company to receive and deal with.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Last year's AGM (103rd AGM) was held on 29 September 2021. The Notice for the said AGM was issued on 30 August 2021, more than 28 days prior to the date of meeting, allowing sufficient time for the shareholders of Asian Pac to consider the proposed resolutions tabled at the AGM.</p> <p>In addition, the Notice of 103rd AGM of Asian Pac also included the details and relevant explanatory notes to the resolutions proposed to enable the shareholders of Asian Pac to make informed decisions in exercising their voting rights.</p> <p>Likewise, the Notice for the forthcoming 104th AGM for Asian Pac scheduled on 13 September 2022 will be issued on 30 July 2022 have accompanied the details of the resolutions proposed together with explanatory notes for references by the shareholders of Asian Pac.</p> <p>The 2022 Annual Report together with the Notice of 104th AGM, Proxy Form, and Administrative Guide are also posted on the Company's website at www.asianpac.com.my as soon as it is issued to ensure wider and proper dissemination.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>In view of the outbreak of Covid-19 pandemic and the guidance issued by the Securities Commission and standards operating procedure regarding physical social distancing issued by the Ministry of Health, the Company's 103rd AGM in 2021 was held as a fully virtual meeting through live streaming and online remote voting using the Remote Participation and Voting Facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd's ("Tricor") TIIH Online website at https://tiih.online.</p> <p>At the 103rd AGM, all Directors were present to engage directly with the shareholders. The Senior Management and external auditor were also in attendance to respond to the shareholders' queries.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>In view of the COVID-19 pandemic and as part of the safety measures, the Company had conducted its 103rd AGM on 29 September 2021, fully virtual through live streaming via the online meeting platform provided by Tricor via TIIH Online website at https://tiih.online.</p> <p>This was in accordance with Section 327(2) of the Companies Act 2016 and Clause 18.1 of the Company's Constitution which allows for General Meetings to be held using technology or electronic means. This was also in line with Guidance Note on the Conduct of General Meetings of Listed Issuers issued by Securities Commission Malaysia.</p> <p>The Administrative Guide which set out all the details on the online AGM was published on the Company's website to facilitate the shareholders for registering themselves to participate in fully virtual AGM. The RPV facilities enabled the shareholders to exercise their right as members of the Company to participate and vote by login to Virtual Meeting Portal. Shareholders who were unable to attend and vote at the AGM had been encouraged to submit the proxy forms to appoint their representatives or Chairman of the Meeting to participate in the Meeting, which had allowed them to vote in absence.</p> <p>During the 2021, in line with MMLR of Bursa Securities, all resolutions were decided by electronic poll voting. Leveraging on information technology or effective meeting procedures, an electronic poll voting system was put in place whereby all shareholders of the Company participated in the polling procedure.</p> <p>An independent scrutineer, Scrutineer Solutions Sdn Bhd was appointed to validate the poll results. The voting results of were displayed on the screen to shareholders/proxies.</p> <p>The poll results were also announced by the Company via Bursa Link on the same day for the benefit of the shareholders. The Minutes as well as the key matters discussed at the 103rd AGM were also made available on the Company's website at www.asianpac.com.my.</p>

Explanation for departure	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:			
Timeframe	:	<table border="1"> <tr> <td></td> <td></td> </tr> </table>		

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The AGM represents the principal forum for dialogue and interaction with shareholders where shareholders are informed of current developments.</p> <p>The Company held its 103rd AGM on a fully virtual basis through the Online Meeting Platform of TIH Online website at https://tiih.online provided by Tricor. The Company had issued the Notice of AGM together with the Administrative Guide which encompasses the guidance on the conduct of the virtual 103rd AGM.</p> <p>Shareholders were able to submit questions via typed text in the query box prior to the AGM and during the AGM. During the AGM, the Board provides ample time for the question and answer session and all questions posed by the shareholders have been addressed by the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	<p>The 103rd AGM was conducted on a fully virtual basis on 29 September 2021 via the TIIH online meeting platform at https://tiih.online.</p> <p>Shareholders were notified of the 103rd AGM vide email or ordinary post, newspaper advertisement, and via Bursa Malaysia's and our corporate website for thorough dissemination. The Letter to Shareholders contained information on AGM and provided the links to download the Annual Report 2021 and Administrative Guide which clearly set out the step-by-step process for registration and participation at our AGM including submission of proxy form. A helpline was provided by our poll administrators if the shareholders needed assistance.</p> <p>The registration for remote participation and appointment of proxy was opened on the date of issuance of our Notice of 103rd AGM up until 24 hours prior to the commencement of the said AGM. This was necessary to allow sufficient time for the identities of the applicants to be verified against the General Meeting Record of Depositors.</p> <p>Upon successful registration and verification, an email was generated and sent to the applicant informing whether the registration for remote participation has been approved or rejected.</p> <p>A dedicated server and local area network were assigned to the venue where the online meeting platform was hosted to ensure strong internet connectivity. IT team and poll administrators were also on standby throughout the meeting to assist with any technical issues. However, the connectivity to the online meeting platform for the live webcast and electronic voting is dependent on the bandwidth and stability of the internet connection available at the location of the remote participants.</p>

	<p>Shareholders were able to submit questions to the Board of Directors prior to the AGM through online platform provided by Tricor via its TIH Online website at https://tiah.online by selecting “e-services” to login, pose question and submit electronically or may use the query box to transmit questions during the live streaming of the AGM.</p> <p>All questions posed by the shareholders have been addressed by the Board during the Question & Answer session of the AGM.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	Minutes of the 103 rd AGM were available on the Company's website at www.asiapac.com.my within thirty (30) days after the 103 rd AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

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

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