

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 4057  
**COMPANY NAME** : ASIAN PAC HOLDINGS BERHAD  
**FINANCIAL YEAR** : March 31, 2023

## OUTLINE:

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("<b>the Board</b>") of Asian Pac Holdings Berhad ("<b>Asian Pac</b>" or "<b>the Company</b>") holds the responsibility of overseeing the Company and its subsidiaries ("<b>the Group</b>") business and affairs, with the primary objective to enhance long-term shareholder value while considering the interests of other stakeholders. The Board remains committed to upholding high standards of transparency and accountability throughout its operations.</p> <p>The duties, powers and functions of the Board are governed by the constitution of the Company, the Companies Act 2016, Main Market Listing Requirements ("<b>MMLR</b>") of Bursa Malaysia Securities Berhad ("<b>Bursa Securities</b>"), Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries of Securities Commission Malaysia, and other regulations.</p> <p>In addition, the Board is always guided by its Board Charter which outlines its duties and responsibilities. The Board Charter is reviewed and updated by the Board from time to time to ensure that it continues to remain relevant and appropriate. The Board Charter is available on the Company's website at <a href="http://www.asianpac.com.my">www.asianpac.com.my</a>.</p> <p>The Board is not directly involved in the day-to day management of the Group but implements and monitors adequate guidelines and policies to ensure that Management acts in the best interest of the Group and its stakeholders, and observes and conforms to proper ethical, regulatory and legal requirements. In doing so, the Board has set limits and authority and boundaries for the actions that may be taken by Management and matters that it considers sufficiently material for its deliberation and approval. The responsibility of ensuring such controls are in order has been entrusted by the Board to the Managing Director and Executive Director. These authority limits are reviewed and revised as and when required, to ensure an optimum structure for efficient and effective decision-making in the Group. Notwithstanding, the Board</p>

	<p>reserves the authority to consider and make decision on any matter that it deems of significance to stakeholders and the Group which include new ventures, acquisitions and disposals of undertakings and properties of a substantial value, and changes to the management and control structure within the Group.</p> <p>The Board delegated certain powers and responsibilities to the Board Committees namely, Audit and Risk Management Committee (<b>"ARMC"</b>) (assisted by the Internal Audit function and Risk Management Working Committee), Nomination Committee (<b>"NC"</b>) and Remuneration Committee (<b>"RC"</b>), all of which operate within their defined terms of reference. Notwithstanding this, the Board remains responsible for its fiduciary duties.</p> <p>The key functions and roles of the Board include but are not limited to the following-</p> <ul style="list-style-type: none"> <li>• Setting and reviewing the objectives, goals and strategic plans for the Group with a view to maximising shareholder value.</li> <li>• Adopting and monitoring progress of the Company's strategies, budgets, plans and policies.</li> <li>• Overseeing the conduct of the Group's business to evaluate whether the businesses are properly managed.</li> <li>• Identifying principal risks of the Group's businesses and ensuring the implementation of appropriate systems to mitigate and manage these risks.</li> <li>• Reviewing, challenging and deciding on Management's proposals/recommendations on key issues including acquisition, divestment, joint ventures, restructuring, funding and significant capital expenditure; and monitoring its implementation by Management.</li> <li>• Succession planning for the Board and senior management.</li> <li>• Reviewing the adequacy and integrity of the financial and non-financial reporting of the Group, internal control systems and management information systems.</li> <li>• Ensuring the Company has in place procedures to enable effective communication with stakeholders.</li> <li>• Ensuring that the strategic plan supports long-term value creation and includes Environmental, Social and Governance (<b>"ESG"</b>) considerations underpinning sustainability.</li> </ul> <p>In carrying out the functions above, the Board is aware and does not advocate micro managing or micro governing which can be impractical given the complexity of company groups which may undermine the separate legal entities status of the subsidiaries. In this regard, the Board is mindful of the Group Governance as well as the roles and boundaries of the subsidiaries and their directors. The subsidiaries and their directors have been providing sufficient information to enable the Board to effectively oversee the performance of the subsidiaries, including assessing the non-financial performance of the Group.</p>
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	The Board is mindful of the importance of building a sustainable business and therefore takes into consideration its ESG impact when developing the Group's corporate strategies. The Board directly, and indirectly through its Board Committees, leads and provides direction to the Management to ensure that the Company's strategic plans support its long-term value creation and includes strategies of the ESG considerations underpinning sustainability. The Company's sustainability goals and journey can be found in the Company's Sustainability Statement in the Annual Report 2023.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman, Tan Sri Dato’ Seri (Dr) Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas (“<b>Tan Sri Dato’ Seri (Dr) Hj Megat Najmuddin</b>”) is a non-executive member of the Board. The role of Chairman is outlining in the Board Charter of the Company.</p> <p>Key responsibilities of the Chairman include the following:</p> <ul style="list-style-type: none"><li>• Providing leadership for the Board and advocates openness so that the Board can perform its duties and responsibilities effectively.</li><li>• Leading the Board in the adoption and implementation of good corporate governance practices in the Company.</li><li>• Ensuring the Company Secretary sets the Board agenda and provides all Directors with the Board papers on a timely basis prior to the scheduled Board meetings.</li><li>• Leading board meetings effectively, encourages discussion and active participation among Board members and allowing different/dissenting views to be freely expressed.</li><li>• Promotes constructive and respectful relations between the Board and Management.</li><li>• Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.</li></ul>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The positions of the Chairman and the Managing Director are held by 2 different individuals. The Chairman is Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin and the Managing Director is Dato' Mustapha Bin Buang. Their division of responsibilities are outlined in the Board Charter.</p> <p>The roles of the Chairman and the Managing Director are distinct and separate to ensure that there is a balance of power and authority. The responsibilities of the Chairman include but are not limited to, leading the Board in its collective oversight of Management, ensuring an efficient organisation and conduct of the Board's function and meetings, promoting constructive and respectful relations between the Board and Management, and ensuring effective communication with shareholders and other relevant stakeholders.</p> <p>The Managing Director focuses on the day-to-day management and the business affairs of the Group, and is responsible for the implementation of the Board's policies and decisions. The responsibilities of the Managing Director, amongst others, are to develop and implement corporate strategies for the Group, to supervise the management team responsible for the various functions contributing to the overall success of the Group, to assess business opportunities, and to present material information and other relevant matters for the attention of the Board in an accurate and timely manner.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As at the date of issuance of this CG Report 2023, Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin, the Chairman of the Board is not a member of any Board Committees. He had on 15 March 2023 relinquished his membership as a member of the Company's Board Committees.</p> <p>The Board and the respective Board Committees are now chaired by different Non-Executive Directors to ensure check and balance as well as objective review by the respective Chairman and that there is no absolute control over decision making by one person. Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin does not participate in any of the Board Committees' meetings by way of invitation.</p>
<b>Explanation for departure</b>	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by suitably qualified company secretaries who are Associate members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).</p> <p>The Company Secretaries are responsible for overall corporate secretarial function and providing advices to the Board regarding the performance of duties in corporate compliances. The Board has direct and unrestricted access to the advice and services of the Company Secretaries.</p> <p>The Company Secretaries assume, amongst others, the following roles and responsibilities:-</p> <ul style="list-style-type: none"><li>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;</li><li>ii) Regularly update and advise the Board on any changes or amendments to the Companies Act, Bursa Securities Listing Requirements, Capital Market &amp; Services Act and other relevant regulatory requirements in relation to their duties and responsibilities, at the same time, overseeing the adherence to Board policies and procedures;</li><li>iii) Ensure proper upkeep of statutory registers and records of the Company;</li><li>iv) Provides support to the Chairman to ensure the effective functioning of the Board and assist the Chairman in preparation for the conduct of meetings;</li><li>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;</li><li>vi) Advise the Board on quarterly basis on compliance with statutory and regulatory requirements such as restriction in dealing with securities of the Company;</li></ul>



	<p>vii) Attending and managing meetings of the Board, Board Committees and shareholders to ensure that these meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly; and</p> <p>viii) Assisting in the Directors' training and development by disseminating details of the relevant training programs to the Board. The records of all training programs attended by the Directors are maintained by the Company Secretaries.</p> <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 webinars, training and professional development programmes organised by Companies Commission of Malaysia, MAICSA and Bursa Securities and other professional bodies.</p> <p>The Company Secretaries constantly monitor the developments in corporate governance and assist the Board in applying best practices to meet the Board's needs and stakeholders' expectations.</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Directors will be informed by the Company Secretaries of the annual meeting calendar of each new year to facilitate the Directors' time planning. The Board meets quarterly to review, financial, operational and business performances, with additional meetings convened when necessary. The Board endeavours to deliberate on all important and material matters at physical/virtual meetings. The Board may make routine or administrative decisions via circular resolutions. In all cases, the Board decides after receiving the information it requires for an informed decision.</p> <p>All Directors are furnished with an agenda together with the relevant documents and information on matters to be deliberated prior to scheduled Board meetings. Board papers are distributed electronically and generally at least five (5) business days in advance to ensure Directors are well informed and have the opportunity to seek additional information, and are able to obtain further clarification from the Company Secretaries/Management, should such a need arise.</p> <p>The Board leveraged on digital technology by going paperless as part of its effort to protect the environment. In February 2023, the Company implemented a paperless environment in which board papers were uploaded onto a secure platform and were accessible via laptop, tablet devices and mobile phone. The Director had access to the electronic board papers conveniently and immediately wherever they might be located. The board papers provided include inter alia, financial results, business plan and budget, progress report on the Company's projects and developments, quarterly financial results and minutes of meetings of Board and Board Committees, regulatory/statutory updates and other operational and financial issues for the Board's information and/or approval.</p> <p>Every Director has full, free and unrestricted access to information of the Group. The Directors may also seek independent advice at the expense of the Company, if need be so as to ensure that they are able to make independent and informed decisions. The Board may also seek advice from the Management or request further explanations, information and updates on any aspect of the Group's operations or business concerns.</p>

	<p>A Director who has an interest in any proposal or transaction, either direct or indirect, which is being presented for the Board's approval, will declare his or her interest and abstain from deliberation and voting of the same at the Board meeting. All conflicts of interests are disclosed and recorded in the minutes of the meeting. The Company Secretaries always ensure the recording of proper minutes of all deliberations and decisions of the Board and Board Committees, including any dissenting views and abstentions by any director from voting or deliberating on a particular matter.</p> <p>Upon conclusion of each meeting, the minutes of meetings will be circulated for comments and for follow-up actions by the Management.</p> <p>Upon confirmation by the Board or Board Committees at the following meetings, the minutes will be signed by the Chairman at the said meeting as a correct record of the proceedings of the meeting. Actionable items would be recorded in the minutes as matters arising until they are eventually resolved.</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 2.1**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In discharging its functions and responsibilities, the Board is guided by Board Charter which outlines the role, functions, operation, duties and responsibilities of the Board, matters reserved for the Board as well as those which the Board may delegate to the Board Committees, the Chairman, Managing Director, Executive Director, Non-Executive Directors and Management.</p> <p>The Board Charter which also serves as a source of reference for new Directors, will be reviewed periodically and be updated to ensure its relevance and effectiveness as well as for compliance with legislation and governance standards.</p> <p>The Board Charter is available on the Company's website at <a href="http://www.asianpac.com.my">www.asianpac.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has adopted the Code of Conduct and Ethics for the Company and Group ("<b>the Code</b>"). The Code describes the standards of business conduct and ethical behaviour for Directors and employees of the Group in the performance and exercise of their duties and responsibilities. It provides guidance on disclosure of conflict of interests, maintaining confidential information and disclosure of information, sexual harassment, compliance with relevant laws and regulations, and the duty to report where there is a breach of the Code, amongst others.</p> <p>All Directors and employees are expected to behave ethically and professionally at all times to protect and promote the reputation and performance of the Group. The Code is communicated to all Directors and employees upon their appointment or employment.</p> <p>Any directors and employees who know of, or suspect, a violation of the Code, are encouraged to whistle blow or report their concerns through the Whistle Blowing Policy. The provision, protection and procedure of the Whistle Blowing Policy for reporting of the violations of the Code are available on the Company's website.</p> <p>The Code is reviewed periodically by the Board when the need arises to address the changing conditions of the business environment. The Code is available on the Company's website at <a href="http://www.asianpac.com.my">www.asianpac.com.my</a>.</p> <p><b>Anti-Bribery and Corruption Policy ("ABC Policy")</b> In conjunction with the Group-wide introduction of the Anti-Bribery and Corruption Policy ("<b>ABC Policy</b>") as approved by the Board in November 2019. A copy of the ABC Policy is available on the Company's website at <a href="http://www.asianpac.com.my">www.asianpac.com.my</a>. 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, understand and adhere to the Group's ABC Policy. The Group continues to take appropriate measures to instil a compliance culture within the Group.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

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

### Practice 3.2

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 in place a Whistleblowing Policy which aims to provide an avenue for Directors, employees and external parties to raise concerns about possible improprieties, unethical or illegal activities within the Group. It sets out the procedures for whistleblowing and protection of a whistle blower who acted in good faith.</p> <p>The Board and Management assure that the identities of employees or stakeholders will be kept confidential, and whistle-blowers will not face any risk of victimization or retaliation from their superiors or any member of the Management, as long as they act in good faith when making their reports. All concerns raised shall be reported directly to the ARMC Chairman and will be investigated.</p> <p>The Whistleblowing Policy that forms part of the document of the Company’s Board Charter can be accessed at Company’s website at <a href="http://www.asianpac.com.my">www.asianpac.com.my</a>.</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 4.1

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of incorporating the ESG aspects throughout the business operations and has embedded sustainability considerations into the products and services of the Group.</p> <p>The Board together with Management are responsible for the governance of sustainability in the Company. The Risk Management Working Committee ("<b>RMWC</b>") comprises Heads of respective Departments of the Group and is led by the Financial Controller, was set up 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. The RMWC is entrusted with the following responsibilities:</p> <ul style="list-style-type: none"><li>• establishment of a sustainability framework;</li><li>• reviewing the adequacy of sustainability initiatives and processes;</li><li>• ensuring effectiveness in identification, evaluation, management, and reporting of material sustainability matters; and</li><li>• monitoring and overseeing all sustainability strategies and initiatives of the Group.</li></ul> <p>The RMWC meets quarterly and the Chair of the RMWC will report to the ARMC on the proceedings of the meetings. Minutes of each RMWC will be presented to the ARMC with material matters and progress of execution of the strategies and ESG initiatives highlighted to the ARMC.</p> <p>Further details on the sustainability governance structure are provided in the Sustainability Statement of the Annual Report 2023.</p>
<b>Explanation for departure</b>	:	



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

**Intended Outcome**

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

**Practice 4.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Group's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its stakeholders via the Sustainability Statement which forms part of the annual report. The annual report, once ready, will be uploaded on the Company's website. The internal and external stakeholders will be able to continue to stay informed of the sustainability strategies and plans of the Group through the annual report.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is kept abreast with sustainability issues relevant to the Company and its businesses. The Chair of the RMWC will report and make recommendations to the Board periodically, to facilitate decisions regarding sustainability initiatives and policy decisions that can be undertaken by the Group. Senior Management is responsible for executing and implementing the sustainability initiatives and strategies once adopted.</p> <p>The Board receives updates on sustainability matters issued by the regulators and also the newsletters, trainings, invitations to events, webinars, conferences and other communications materials relating to sustainability from the Company Secretaries. The Directors keep themselves apprised of contemporaneous and relevant sustainability developments by way of formal training including webinars, presentation of updates, structured reading and discussions.</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	:	Applied	
Explanation on application of the practice	:	<p>The Board evaluation questionnaires were refreshed in 2023 to include relevant sustainability-related questions and a review of the performance of the Board in addressing the Group’s material sustainability issues, including climate-related risks and opportunities.</p> <p>The Company will continue reviewing the performance of the Board on ESG and enhance the ESG consideration and sustainability targets</p> <p>The performance review for senior management team also takes into account sustainability KPIs.</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 4.5- Step Up

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

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Board has vested the task to the Chairman of RMWC, who is also the Financial Controller whose role is to focus on and to manage sustainability strategically in the operations of the Group. The RMWC together with the Managing Director will monitor the implementation of sustainability-related measures and actions in achieving the Group's sustainability milestones and goals. The Committee will ensure that the sustainability strategies address key sustainability matters related to ESG and monitor the implementation of the sustainability strategies as approved by the Board. The Committee also oversees the preparation and development of sustainability disclosures/reporting as required by Bursa Securities.

### Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In line with the terms of reference of the NC, the NC will perform annual review of the results of the Board evaluations which covered areas, amongst others, the Board mix, composition, diversity and structure; Board operations and activities; and performance/contribution of the Board Committees.</p> <p>During the financial year ended 31 March 2023 ("<b>FY2023</b>"), the NC has reviewed the tenure of the Independent Non-Executive Directors ("<b>INEDs</b>") and recommended to the Board, the re-designation of Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin and Datuk Mohamed Salleh Bin Bajuri, who have served on the Board as INEDs for a tenure of more than twelve (12) years to be Non-Independent Non-Executive Directors ("<b>NINED</b>") on 15 March 2023. Pursuant to the results of the Board evaluations for FY2023 which was carried out in May 2023, the NC was satisfied with their performance and was of the view that their continued service would benefit the Company and its stakeholder.</p> <p>The NC took the opportunity to enhance the composition of the Board by appointing two INEDs, namely Datuk Yunos Bin Abd Ghani ("<b>Datuk Yunos</b>") and Puan Rahana Binti Abdul Rashid ("<b>Puan Rahana</b>"). Datuk Yunos was appointed on 15 March 2023, while Puan Rahana's appointment took place on 1 June 2023. These new appointments further strengthen the Board's composition by bringing in individuals with a diverse range of skills, expertise, and knowledge.</p> <p>The NC also reviewed and recommended to the Board, those retiring Directors who are eligible to stand for re-election at the forthcoming 105<sup>th</sup> Annual General Meeting ("<b>AGM</b>"), namely Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin and Dr Yu Tat Loong. The recommendation was based on the review and assessment of the performance and contribution of these Directors, as well as the fit &amp; proper criteria in accordance with the Directors' Fit and Proper Policy. The Board approved the NC's recommendation to support the re-election of these Directors at the forthcoming 105<sup>th</sup> AGM.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

### Practice 5.2

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board currently has seven members, comprising one Managing Director, one Executive Director and five Non-Executive Directors (including Chairman). Three out of the five Non-Executive Directors are independent, which fulfils the prescribed requirement for at least two or one third of the Board to be independent directors, as stated in the MMLR.	
		The Board is of the opinion that the presence of the existing Independent Directors, though not forming half of the Board's composition, aptly provides the element of independence in the Board's composition and conduct, giving the assurance that there is balance of power and authority on the Board. The Board will review its composition from time to time to ensure that such level of independence is not in any way compromised.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	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 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	To date, none of the present INEDs of the Company has exceeded the nine (9) years tenure.  Tan Sri Dato’ Seri (Dr) Hj Megat Najmuddin who will be retired by rotation and eligible to seek for re-election at the forthcoming 105 <sup>th</sup> AGM, had been re-designated from his role as INED to that of a NINED of the Company on 15 March 2023.	
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.*

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

### Intended Outcome

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

### Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted the Directors' Fit and Proper Policy in year 2022, which serves as a guide for the NC and the Board in the selection of candidates for appointment as Directors and for re-election of Directors to the Board of the Company and its subsidiaries. This Policy also aims to ensure that Directors possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders.</p> <p>As part of Board succession planning, our NC is responsible for identifying suitable candidates to fill Board vacancies or to complement the Board's current composition as and when the needs arise. Thereafter, the NC makes recommendations to the Board on new appointment(s) to the Board. Our NC assesses the suitability of candidate(s) with reference to the Directors' Fit and Proper Policy, amongst others, taking into consideration of the required mix of skills, knowledge, expertise and experience, professionalism, integrity, competencies, personal qualities, the potential for the candidate's skills to augment the existing Board, the candidate's availability to commit to the Board's activities, and in the case of the candidate proposed for appointment as Independent Director, the candidate's independence.</p> <p>In year 2023, prior to the appointments of Datuk Yunos and Puan Rahana as Independent Directors of our Company, our NC had carefully evaluated their qualifications and experiences, time commitment, existing board positions, independence and potential conflict of interest issues. The evaluations were based on the Particular and Declaration and the Fit and Proper Declaration Forms completed and submitted by them to the NC. The NC had then recommended the appointments of Datuk Yunos and Puan Rahana to the Board, being satisfied that Datuk Yunos and Puan Rahana have the necessary integrity, professionalism and calibre to exercise independent judgement in the Board decision making process.</p>

	<p>The Board is aware of the importance of boardroom diversity and is supportive of the recommendation of MCCG 2021 to the establishment of boardroom and workforce gender diversity. The ultimate decision on the selection of suitable candidates as new Board members will be based on merit and contribution that the selected candidates could bring to the Board, regardless of gender. Equal opportunity is given and does not practice discrimination of any form, whether based on age, gender, race and religion, throughout the organisation.</p> <p>Appointments of key senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.</p> <p>None of the Directors hold more than five directorships in listed companies. This ensures that his/her time commitments would not impair the ability to discharge his/her duties effectively as a Director of the Company.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.6

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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>On 15 March 2023, Datuk Yunos was appointed as an INED of the Company via the recommendation from an existing Board member. The Board was of the view that Datuk Yunos is a good candidate as he has extensive knowledge and experience in banking industry, which could fill the Board's competency gap and for succession plan.</p> <p>On 1 June 2023, Puan Rahana was appointed as an INED of the Company via the recommendation from an existing Board member. The Board was of the view that Puan Rahana is a good candidate as she has extensive knowledge and experience in finance and corporate affairs, which could fill the Board's competency gap and for the succession plan.</p> <p>The proposal for new appointment(s), regardless of whether they are suggested by major shareholders, third-party referrals, or other Board members, would undergo the same procedure and process. The proposal will be presented to the NC for assessment and evaluation before being recommended to the Board for approval.</p> <p>The Company is aware of the governance requirements for the appointment of Directors. However, it also acknowledges the importance of having expertise relevant to the Company's core business. Based on the backgrounds and experiences of Datuk Yunos and Puan Rahana, the Board determined that there was no need to utilise independent sources to identify additional qualified candidates.</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>		

<b>Measure</b>	:	Notwithstanding the above, the Company would endeavour to enhance the Board selection process and will utilise the independent sources for selection of candidates, if the need arises.	
<b>Timeframe</b>	:	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 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>To ensure shareholders have sufficient information on the appointment and re-election of Directors, the profiles of Directors are published in the Annual Report, disclosing information such as their age, gender, directorships in other companies, membership in Board Committees, working experience, shareholding in the Company and conflict of interest (if any).</p> <p>During the FY2023, the NC has carried out annual assessment of all Directors of the Company. Based on the outcome of the NC's review, the performance and contribution of the retiring Directors namely Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin and Dr Yu Tat Loong in discharging their duties during the assessment period of FY2023 have been satisfactory.</p> <p>Based on the outcome of the NC's review on the qualifications and experiences, time commitment, existing board positions, independence and potential conflict of interest issues of Datuk Yunos and Puan Rahana, the NC had then recommended the appointments of Datuk Yunos and Puan Rahana to the Board, being satisfied that Datuk Yunos and Puan Rahana had the necessary integrity, professionalism and calibre to exercise independent judgement in the Board decision making process.</p> <p>Upon the recommendation of the NC, the Board supported the re-elections of Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin and Dr Yu Tat Loong, who are seeking re-election as Directors under Clause 23.4 of the Company's Constitution. The Board reasonably believes that, with their vast experience, ability, and exposure, they will be able to carry out their positions effectively and act in the best interests of the Company. Additionally, the Board also supports the re-elections of Datuk Yunos and Puan Rahana, who were newly appointed on 15 March 2023 and 1 June 2023, respectively, and are retiring under Clause 23.3 of the Company's Constitution.</p>

	The information for the Directors standing for re-election and the Board's statement of support on the proposed re-election of the directors are disclosed in the Explanatory Notes to the Notice of the 105th AGM to enable shareholders to make an informed decision on the voting of resolutions relating to the proposed re-election of Directors.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

**Practice 5.8**

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

Application	:	Applied	
Explanation on application of the practice	:	The NC was previously chaired by Tan Sri Dato’ Seri (Dr) Hj Megat Najmuddin, who was the Senior INED. Following the re-designation of Tan Sri Dato’ Seri (Dr) Hj Megat Najmuddin as NINED on 15 March 2023, he ceased to be the Chairman of NC. Consequently, Datuk Yunos, an INED was appointed as the new Chairman of the NC in place of Tan Sri Dato’ Seri (Dr) Hj Megat Najmuddin.	
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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board acknowledges that the recommendation of Practice 5.9 of the MCCG 2021 with regards to the 30% women representation on the Board has yet to be adopted.	
		A female INED namely Puan Rahana has been appointed to the Board on 1 June 2023. The process of sourcing for potential candidates would continue to be undertaken by the Board.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board does not have a specific Gender Diversity Policy but the NC is mindful of its responsibilities to conduct all Board appointment processes in a manner that promotes gender diversity pursuant to the recommendation stated in MCGG 2021. The NC will endeavour to consider both suitable male and women candidates, and candidates of all ethnicities in the recruitment exercise, when the need arises.</p> <p>The NC would look into the current diversity of skills, experience, age and ethnicity of the existing Board in seeking potential candidate(s). This helps to ensure an appropriate balance between the experience perspectives of the long-term Directors and new perspectives that bring fresh insights to the Board.</p> <p>A female INED namely Puan Rahana was appointed to the Board on 1 June 2023.</p> <p>In respect of workforce diversity, the Group is an equal opportunity employer and all appointments and employments are based strictly on merits and are not driven by any racial or gender or age bias.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board undertook a formal and comprehensive annual evaluation of its own performance, comprising the Board as a whole, the Board committees, each individual Director as well as the independence of Independent Directors for FY2023.</p> <p>During the financial year under review, a Board evaluation exercise facilitated by the Company Secretary, was carried out to assess the performance and effectiveness of the Board, Board Committees and each Director; and the independence of Independent Non-Executive Directors. The evaluation exercise was conducted via questionnaires, which were distributed to all the Directors and covered areas which include, amongst others, the Board mix, composition and structure; quality of information and decision making; roles and responsibilities and of the Board and the Board's Chairman; performance on ESG; and performance/contribution of the Board Committees.</p> <p>In the assessment of the independence of Independent Directors based on the criteria specified in the MMLR of Bursa Securities, the Board was of the opinion that the Independent Directors consistently provided independent and objective judgement in all Board and Board Committee deliberations. The Board was also satisfied with the level of independence demonstrated by the Independent Directors and their ability to act in the best interest of the Company.</p> <p>The NC and Board, in accordance with Chapter 15, Paragraph 15.20 of the MMLR of Bursa Securities, also reviewed the term of office and performance of the ARMC and each of ARMC members, and they were satisfied that the ARMC and its members have carried out their duties effectively in accordance with the ARMC's terms of reference.</p> <p>The NC had reviewed and assessed the performance of the individual Directors, including Directors who are seeking for re-election through</p>

	<p>the Self &amp; Peer Assessments. The NC was satisfied with their performance and is of the view that their continued service would benefit the Company and its stakeholders. Performance of individual Directors were assessed against a range of criteria, as follows:-</p> <ul style="list-style-type: none"> <li>(i) Participate actively in Board deliberations and share information/insights.</li> <li>(ii) Take strong constructive stands at Board or Committee meetings, where necessary.</li> <li>(iii) Regular and timely attendance of Board/Committee meetings.</li> <li>(iv) Maintain good relationships and able to work with other Directors and Management.</li> <li>(v) Ensure that contribution is relevant; up-to-date with changes in laws/regulations and industry developments.</li> <li>(vi) Provide practical advice in Board/Committee deliberations.</li> <li>(vii) Apply analytical and conceptual skills to decision-making process.</li> <li>(viii) Exercise independence of judgement when considering issues before the Board.</li> <li>(ix) Communicate persuasively in a clear and non-confrontational manner.</li> <li>(x) Has a clear understanding of the roles and responsibilities of a Director.</li> <li>(xi) Attend meetings well prepared.</li> <li>(xii) Take initiative to request for more information, where necessary.</li> </ul> <p>Based on the Board evaluation results for the FY2023, the NC and the Board were satisfied with the overall performance and effectiveness of the Board. The overall average rating for the Board Assessment was above 3 based on a full scale of 4. The areas identified for improvement were the Board mix and composition, and improvement on ESG and these are currently being addressed by the NC and Management.</p> <p>The Board was also satisfied with the performance and effectiveness of all the Board Committees and there were no major concerns from the results of the evaluations of the Board Committees.</p> <p>All assessments and evaluations carried out by the NC are documented and maintained by the Company Secretary.</p>
<b>Explanation for departure</b>	<div></div> <div></div>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	

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

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has formalised and adopted a Remuneration Policy to provide clear and guiding principles for determining the remuneration of the Board and Senior Management such that the remuneration packages offered by the Company can be competitive, adequate and in line with the market practices to attract, retain, motivate and reward talented individuals to drive and pursue the key strategies of the Group. The said Policy is available on the Company's website at <a href="http://www.asianpac.com.my">www.asianpac.com.my</a>.</p> <p>The Company strives to set the remuneration packages of the Senior Management, including the Executive Directors, at a competitive level and provides incentives based on the agreed performance outcomes on an individual and on a corporate basis. The Company also strives to ensure that the remuneration packages reflect the relevant duties and responsibilities; and are fair and equitable.</p> <p>For Non-Executive Directors, the level of remuneration reflects their experience, expertise and level of responsibilities undertaken by the Non-Executive Directors concerned. Market survey data is also used to benchmark the Directors' fees against other comparable companies which are in similar industry or with similar size (market capitalisation) before recommendation is made to the Board.</p> <p>The annual remuneration review takes place in December each year. The remuneration of the Group will be reviewed by the Managing Director with the relevant internal and external inputs before presenting it to the RC for approval. The RC reviews the remuneration of Non-Executive Directors, Executive Directors and Senior Management whereby the RC will consider various factors including the performance of the Group, individual performances, duties, responsibilities and commitments of the Directors and Senior</p>

	<p>Management. The Managing Director is bound by a contract of service, which will be subject to review by the RC every two (2) years. Upon the review by the RC, the appropriate recommendations will be made to the Board for approval. The Board will consider and, if deemed appropriate, approve the recommended remuneration for Executive Directors and Senior Management. As for the remuneration of Non-Executive Directors, upon the endorsement of the recommendation by the RC, the Board will propose the remuneration for approval by the shareholders at the following AGM.</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has in place the RC to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management in accordance with the Company's Remuneration Policy. The policies and procedures on the remuneration are stipulated in the Remuneration Policy of the Company, a copy of which is publicly available on the Company's website.</p> <p>Our RC consists of all non-executive directors with a majority of them are INED. The duties of the RC are disclosed in the Terms of Reference of RC, a copy of which is publicly available on Company's website at <a href="http://www.asianpac.com.my">www.asianpac.com.my</a>.</p> <p>The RC meets as and when required, and at least once a year. The RC met once during FY2023 and the meeting was attended by all the Committee members. None of the Managing Director and Executive Director participated in any way in determining their individual remuneration. The RC, at its meeting held on 23 February 2023, reviewed and recommended for the Boards' approval, the proposed remunerations of the Executive and Non-Executive Directors and Senior Management in respect of FY2023 performance. The Senior Manager of the Human Resource attended the meeting at the invitation of the RC. The Board reviewed and endorsed RC's recommendation on the remuneration for shareholders' approval at the forthcoming 105<sup>th</sup> AGM.</p> <p>The Company pays its Non-Executive Directors the fees which shall be voted for approval by the shareholders annually during the AGM.</p>
<b>Explanation for departure</b>	:	

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

**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Details of remunerations of the Directors of Asian Pac (received from the Company and on a group basis respectively) for the FY2023 are as follows:-

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 (Dr) Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas	Non-Executive Non-Independent Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	144	5	Input info here	Input info here	Input info here	Input info here	149
2	Dato' Mustapha Bin Buang	Executive Director	Input info here	Input info here	1431	2	Input info here	340	1773	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Datuk Mohamed Salleh Bin Bajuri	Non-Executive Non-Independent Director	108	5	Input info here	Input info here	Input info here	Input info here	113	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Chai Yee Choong	Independent Director	50	4	Input info here	Input info here	Input info here	Input info here	54	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Dr Yu Tat Loong	Executive Director	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	760	2	Input info here	92	854
6	Sherman Lam Yuen Suen	Independent Director	55	5	Input info here	Input info here	Input info here	Input info here	60	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
7	Ms Soon Dee Hwee	Independent Director	16	1	Input info here	Input info here	Input info here	Input info here	17	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Datuk Yunos Bin Abd Ghani	Independent Director	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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	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>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Senior Management 1	Input info here	100,001-150,000	0-50,000	0-50,000	0-50,000	0-50,000	100,001-150,000
2	Senior Management 2	Input info here	300,001-350,000	0-50,000	0-50,000	0-50,000	0-50,000	350,001-400,000
3	Senior Management 3	Input info here	450,001-500,000	0-50,000	0-50,000	0-50,000	50,001-100,000	550,001-600,000
4	Senior Management 4	Input info here	450,001-500,000	0-50,000	0-50,000	0-50,000	50,001-100,000	550,001-600,000
5	Senior Management 5	Input info here	450,001-500,000	50,001-100,000	100,001-150,000	0-50,000	50,001-100,000	700,001-750,000

**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.

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



No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	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	:	<p>Datuk Salleh was the Chairman of ARMC whilst the Chairman of the Board is Tan Sri Dato’ Seri Hj Megat Najmuddin. Following re-designation of Datuk Salleh as NINED, he relinquished his role as the Chairman of the ARMC and was redesignated as member of ARMC on 15 March 2023, in accordance with the ARMC's terms of reference which require the Chairman to be an independent director.</p> <p>Mr. Chai Yee Choong is the new Chairman of the ARMC, effective from 15 March 2023, who is not the Chairman of the Board.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board is cognisant of the importance of upholding independence. None of the Board members were former partners within the cooling off period of three years. Hence, there is no such person being appointed as a member of the ARMC.</p> <p>The Board/ARMC will observe a cooling-off period of at least three years in the event any potential candidate to be appointed as a member of the ARMC, is a former partner of the external audit firm of the Company.</p> <p>The terms of reference of ARMC provides that in the event of a proposal to appoint a former key audit partner of the external auditors and/or affiliate firms of the external auditors as a member of the ARMC, the Company has to ensure that such former key audit partner has observed a cooling-off period of at least three years from his/her last engagement as external audit partner of the Company.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board does not have a specific External Auditors Policy but under the terms of reference of ARMC, the ARMC is responsible for reviewing and assessing the suitability, objectivity and independence of the external auditor annually for recommendation to the Board for the external auditor re-appointment by taking into consideration of their relevant professional and regulatory requirements. It is tasked with ensuring there are proper checks and balances in place so that the provision of non-audit services is not in conflict with their audit function and does not impair the independence and objectivity of the External Auditors. Prior approval of the ARMC was obtained before the non-audit services were provided by the External Auditors.</p> <p>The Board, through the ARMC, maintains an appropriate, formal and transparent relationship with both Internal and External Auditors.</p> <p>In May 2023, the ARMC undertook an assessment of the suitability and independence of the external auditors, Messrs UHY for their re-appointment as Auditors of the Company at the forthcoming 2023 AGM, which included a structured evaluation questionnaire completed by each member of the ARMC. The questionnaires which are used as an assessment tool, are based on a 4-scale rating or 'Yes' and 'No' answer, whichever is applicable for each question. The areas which were covered in the assessment encompassed the external auditors' performance in terms of skills, expertise and competencies, calibre of the external audit firm, independence and objectivity, audit scope and planning, reasonableness of audit fees, provision of non-audit services and quality of communications with the ARMC. This annual evaluation provides the ARMC with a disciplined approach for maintaining effective oversight of the external auditors' performance.</p> <p>The evaluation results were tabled at the ARMC meeting held on 29 May 2023. The ARMC acknowledged that this is the first year of UHY assigned to the annual audit for FY2023, it may not be possible to provide a comprehensive assessment in the current cycle. ARMC would continue to monitor UHY's performance and the evaluation process is expected to yield more meaningful insights in the future. In addition, the ARMC acknowledged that UHY has declared its independence to the</p>

	<p>Group and its compliance pursuant to Paragraph 290.173 of the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants. The ARMC was satisfied with the suitability and independence of UHY and thereby recommended to the Board for their re-appointment at the forthcoming 2023 AGM of the Company.</p> <p>At the ARMC meeting held on 23 February 2023, the ARMC’s approval was sought on the proposed non-audit services before the services were rendered by the external auditors of the Company. The ARMC was satisfied that the provision of non-audit services by UHY did not impair their objectivity and independence as external auditors. The review showed that the non-audit fees did not impair or threaten the audit independence of UHY as such amount is not significant as compared to the total audit fees to be made to UHY.</p> <p>In addition, private session with UHY was held once on 29 May 2023, to review the extent of assistance rendered by Management and issues arising from their audit. The ARMC was satisfied with the openness in communication and interaction with the engagement partner and his team, which demonstrated their independence and professionalism.</p> <p>Having regard to the outcome of the annual assessment of external auditors where no major concerns from the outcome of the assessment of external auditor, the Board at its meeting held on 29 May 2023, approved the ARMC’s recommendation for the re-appointment of external auditors, subject to the shareholders’ approval being sought at the forthcoming 2023 AGM.</p>	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

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

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman and members of our ARMC are financially literate where all of them have the necessary experience and possess economics and financial background to meet their responsibilities and to provide an effective level of challenge to management. Their qualifications and experience are disclosed in the Profile of Directors in our Annual Report 2023.</p> <p>The ARMC reviews and discusses with Management the Company's financial reporting, transactions and other financial information, and where required, challenges Management's assertions on the Company's financials.</p> <p>The ARMC demonstrates an appropriate level of vigilance and scepticism towards, among others, detection of any financial anomalies or irregularities on the financial statements.</p> <p>Where there are significant matters requiring judgement, the ARMC asks probing questions to ascertain whether the financial statements are consistent with operational and other information known.</p> <p>The ARMC reviews and provides advice on whether the financial statements taken as a whole provide a true and fair view of the Company's financial position and performance.</p> <p>The Board reviews the term of office of the ARMC members and assesses the performance of the ARMC and its members through an annual evaluation. Based on the outcome of the evaluation for FY2023, the Board was satisfied with the ARMC's performance.</p> <p>All members of the ARMC had attended training programmes to keep themselves abreast of the latest developments. The training</p>

	programmes attended by the ARMC members during the financial year are set out in the Corporate Governance Overview Statement contained in the 2023 Annual Report.			
<b>Explanation for departure</b>	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
<b>Measure</b>	:			
<b>Timeframe</b>	:	<table border="1"> <tr> <td></td> <td></td> </tr> </table>		



### Intended Outcome

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 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 Group has a well-defined organisational structure with clearly delineated lines of accountability, authority and responsibility to the Board, its committees and operating units. 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. 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.</p> <p>The key processes have been established in reviewing the adequacy and effectiveness of the risk management and internal control systems. Some of the key processes for reviewing the adequacy and effectiveness of the risk management and internal control are as follows:-</p> <ul style="list-style-type: none"><li>a) the ARMC of the Company, with the assistance of the RMWC, has oversight over the Group's risk management framework, and obtains assurance through the Internal Audit Department ("<b>IAD</b>"), on the adequacy and effectiveness of the risk management and internal control systems. The ARMC consults the independent External Auditors of the Group, whenever required;</li><li>b) the RMWC oversees and performs regular reviews on the risk management processes of the Group's business and operations to ensure that risk management activities are aligned with the Group's corporate strategies and objectives, within established priorities; and</li><li>c) the IAD performs risk-based audits on various operating units within the Group, in-line with the annual audit plan approved by the ARMC. The IAD reviews and verifies control effectiveness, and</li></ul>

	<p>subsequently recommends for internal control improvement for any gaps identified that may strategically or operationally affect the operations of the Group.</p> <p>d) 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>	
<b>Explanation for departure</b>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>		
<b>Timeframe</b>		

### Intended Outcome

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

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

### Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group is applying the following internationally recognised standards closely to ensure the adequacy and effectiveness of its risk management and internal control system:</p> <p>(i) Risk management-ISO 31000:2009 and (ii) Internal audit-International Professional Practices Framework.</p> <p>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 2023 pages 71 to 72.</p> <p>The Board will continue to develop and improve on its risk management practices which are consistent with good corporate governance.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

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

### Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Our ARMC is responsible for monitoring and reviewing the effectiveness of the internal audit function.</p> <p>The internal audit operates independently and reports directly to the ARMC. The internal audit of the Group is carried out by the in-house IAD. The Internal Auditors' role is governed by the Internal Audit Charter to ensure that its purpose, authority and responsibility, reflect developments in Internal Audit's activities and in line with best practices promulgated by internal audit professional bodies.</p> <p>The Internal Audit 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 Internal Audit 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>Each year, the IAD prepares yearly Internal Audit Plans for consideration and approval by the ARMC. The IAD adopts a risk-based approach in developing the annual internal audit plan for approval by the ARMC. The ARMC receives quarterly internal audit reports from the IAD and discusses these reports to ensure recommendations in the reports are duly acted upon by Management.</p> <p>In May 2023, the ARMC carried out an evaluation of the effectiveness of the internal audit function in respect of FY2023. The appraisal covered the adequacy of IAD's scope, its functions, resources, authority and independence, as well as the competency of internal audit staff. The results of the evaluation were tabled at the ARMC meeting held on 29 May 2023. Overall, the ARMC was satisfied that the IAD has been operating satisfactorily and was able to function independently and able to provide the Board and Management with pertinent information on potential weakness in the system of internal controls as well as providing the Management with constructive inputs and ideas for remedial action.</p> <p>For the financial year, IAD had appropriate provision for training and development in its budget. The IA members are kept abreast of</p>

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

### Intended Outcome

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

### Practice 11.2

The board should disclose—

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group's Internal Audit 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 Internal Audit 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 Internal Audit 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 Internal Audit reports directly to the ARMC on activities based on the approved Internal Audit plan. The IAD 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 Internal Audit personnel are free from any relationships or conflicts of interests which could impair their objectivity and independence.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 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>Timely announcements and disclosures are made to Bursa Securities, which include the financial results, changes in the composition of the Group and any other material information that may affect investors' decision making. Financial results are released on a quarterly basis to provide shareholders and other stakeholders with a regular overview of the Group's performance. All announcements made by the Company to Bursa Securities are also available to shareholders and the market on the Investor Relations section of Asian Pac's website.</p> <p>The Company's website, <a href="http://www.asianpac.com.my">www.asianpac.com.my</a> provides detailed information on the Group's projects and assets, as well as the profiles of the Board. The website has a dedicated section on investor relations which contains announcements to Bursa Securities, quarterly financial results, annual reports and stock information, among others.</p> <p>The Group welcomes inquiries and feedback from shareholders and other stakeholders. Shareholders and other stakeholders are encouraged to convey any queries or concerns regarding the Group to the designated representatives. They can do so by sending an email to <a href="mailto:query@asianpac.com.my">query@asianpac.com.my</a> or by using the contact form available under the 'Contact Us' section on our Company's website. The Group highly values the input of shareholders and other stakeholders and looks forward to addressing any questions or concerns they may have.</p>
<b>Explanation for departure</b>	:	

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

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

**Intended Outcome**

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

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

**Practice 12.2**

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

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

**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company had served more than 28 days' notice for its 104<sup>th</sup> AGM which was scheduled on 13 September 2022. The notice period given to the shareholders would allow them to have sufficient time to scrutinise the Annual Report and to make the necessary arrangements to participate in the 104<sup>th</sup> AGM.</p> <p>The Notice of AGM was published in one national newspaper to provide for wider dissemination of such notice to encourage shareholder participation. In addition, the 2022 Annual Report together with the Notice of 104<sup>th</sup> AGM, Proxy Form, and Administrative Guide were also posted on the website of Asian Pac and Bursa Securities.</p> <p>Each item of special business included in the Notice of AGM was accompanied by an explanatory statement for the proposed resolution to facilitate better understanding and enable shareholders to make an informed decision in exercising their voting rights.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 13.2**

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

Application	:	Applied	
Explanation on application of the practice	:	<p>All the Directors attended the Company’s 104th AGM which was held virtually on 13 September 2022.</p> <p>The respective Chairman of the Board Committees were present to provide responses to any questions addressed to them. Senior Management and the Group’s External Auditors were in attendance to respond to shareholders’ enquiries.</p> <p>This general meeting provided a channel for shareholders to engage directly with the Board in a meaningful discussion on the specified agenda. The Board encouraged shareholders’ active participation at these meetings.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolutions since year 2020. The virtual AGM had enabled shareholders to participate remotely and safely from wherever they were. A shareholder who was not able to participate in the AGM was given the option of appointing a proxy to participate remotely and vote online on his/her behalf.</p> <p>The shareholders, proxies and corporate representatives who wish to participate in the virtual general meetings through the live streaming and online remote voting, are required to register themselves at the appointed Poll Administrator's online portal.</p> <p>The Administrative Guide of the AGM including the detailed registration procedures as well as the procedures for Remote Participation and Voting ("<b>RPV</b>") facilities, appointment of proxy, entitlement to participate, voting at meeting and pre-meeting submission of question to the Board of Directors were published in the Company's website and shared with shareholders along with the Notice of AGM. Hence, the eligible shareholders were able to attend, speak and vote either by themselves, or appoint their proxy(ies) to attend, speak and vote on behalf via RPV facilities.</p> <p>Tricor Investor &amp; Issuing House Services Sdn Bhd ("<b>Tricor</b>") was appointed as the Poll Administrator for the AGM to conduct the RPV process and Scrutineer Solutions Sdn Bhd was appointed as the Independent Scrutineer for the verification of poll results. The entire AGM proceedings were held through RPV facilities provided by Tricor via its TIH Online at <a href="https://tiih.online">https://tiih.online</a>.</p> <p>Shareholders and proxies were allowed to start voting online at the beginning of the 104<sup>th</sup> AGM upon declaration by the Chairman. The online polling results were tabulated upon completion of the deliberation of all resolutions tabled at the 104<sup>th</sup> AGM.</p>

	<p>The voting results of all votes cast in respect of each resolution were displayed on the screen for information. The Chairman then declared the resolutions carried based on the results shown on the screen.</p> <p>The independent Scrutineers, Scrutineer Solutions Sdn Bhd, had verified the poll results and the poll results detailing the number of votes cast for and against each resolution and the respective percentages were announced via Bursa LINK after 5.00 pm on the same day.</p> <p>The Poll Administrator, Tricor had put in place information security measures to prevent cyber threats and data breaches.</p>	
<b>Explanation for departure</b>		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>		
<b>Timeframe</b>		

### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company held the 104<sup>th</sup> AGM virtually, which provided the update of the Company's performance and facilitated the shareholders to participate and submit their questions electronically through the online platform provided by Tricor via its TIH Online website at <a href="https://tiah.online">https://tiah.online</a> prior to the AGM, or used the query box to transmit questions to the Board via RPV facilities during live streaming of the AGM.</p> <p>During the AGM, the Chairman read out and answered the relevant questions received and for those questions that were not answered during the AGM were responded to the shareholders by email. All the questions and answers were also recorded in the Minutes of the AGM, which can be accessed on the Company's website at [<a href="http://asianpac.com.my/AGM_zn_EGM/">asianpac.com.my/AGM_zn_EGM/</a>].</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



## Intended Outcome

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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company held the 104th AGM fully virtual through RPV facilities provided by Tricor via TIH Online website at <a href="https://tiih.online">https://tiih.online</a>, which allowed shareholders to submit questions to the Board of Directors and Chairman prior to the AGM through the online platform at <a href="https://tiih.online">https://tiih.online</a> 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. The shareholders submitted their questions at any time from the day of notice of the 104<sup>th</sup> AGM and up to the time when the meeting was in progress.</p> <p>The shareholders were provided with the Administrative Guide which sets out the procedures for RPV facilities, the appointment of proxy, entitlement to participate, voting at the meeting and pre-meeting submission of questions to the Board of Directors were published on the Company’s website and shared with shareholders along with the Notice of 104th AGM.</p> <p>The questions posed by the shareholders would be visible during the AGM and the Chairman read out and answered the relevant questions received.</p> <p>Results of the voting are made in real-time and announced by the Company to Bursa Securities on the same day after the conclusion of the 104th AGM, which ensuring ensures transparency, accountability and accuracy. Minutes of the 104<sup>th</sup> AGM were also made available on the Company’s website.</p>
<b>Explanation for departure</b>	:	

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

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

**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Minutes of the AGM detailing the meeting proceedings including the issues, and questions raised by shareholders and the Company's responses have been made available to shareholders no later than 30 business days after the meeting on its website.</p> <p>The minutes of the 104<sup>th</sup> AGM can be accessed on the Company's website at [asianpac.com.my/AGM_zn_EGM/].</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## **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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