CORPORATE GOVERNANCE REPORT

STOCK CODE	**:**	5232
COMPANY NAME	**:**	LEON FUAT BERHAD
FINANCIAL YEAR	**:**	December 31, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE
Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA
Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	The Board of Directors of the Company ("Board") is collectively responsible for the proper stewardship of the Group to ensure the maximisation of shareholders' value and safeguarding the stakeholders' interests including securing and attaining sustainable long-term financial results and sustainability objectives, taking into consideration the environmental, social and governance ("ESG") risks and opportunities. The Board is also responsible to promote and ensure effective execution of good corporate governance practices and a corporate culture of ethical conduct especially among its members. The Board assumed specific duties and responsibilities to facilitate the effective discharge of its fiduciary and leadership functions in the pursuit of the objectives of the Group. These includes but not limited to overseeing the conduct of the Group's business and operations, reviewing the strategic plan of the Group, ensuring the Group has in place effective risk management and internal control framework to identify and assess the risks faced by the Group and implementing appropriate internal controls to manage and mitigate the risks, ensuring effective investor relations programme for effective communication with shareholders and stakeholders and establishing and reviewing the Group's succession planning for key roles and positions to ensure leadership continuity. Board Committees are established to assist the Board in carrying out its oversight functions and execution of its duties. The Audit Committee, Nomination Committee and Remuneration Committee are established and authorised by the Board to oversee, deal with and deliberate on specific matters delegated to them within their respective terms of reference, which are available on the Company's website.

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

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	The Chairman represents the Board to the shareholders. The Chairman leads the Board in establishing and monitoring good corporate governance practices in the Group and ensuring the integrity and effectiveness of the governance processes of the Board, amongst others. The key roles and responsibilities of the Chairman include: a) Managing Board communications and Board effectiveness and effective supervision over Management; b) Creating conditions for good decision making during Board and shareholders' meetings; c) Ensuring Board proceedings are in compliance with good conduct and best practices; d) Maintaining good contact and effective relationships with external parties, investing public, regulatory agencies and trade associations and other stakeholders; e) Ensuring that quality information to facilitate decision-making is delivered to the Board on a timely manner. The Chairman ensures that appropriate board processes and procedures are in place and there is active participation by Board members during Board meetings, with robust and open discussions on matters tabled for review; and the comments and opinions of the Board members are taken into consideration prior to the Board making an informed decision. For matters involving the interests of Directors or persons connected to them, the relevant Director is required to declare his interests to the Board accordingly and abstain from deliberating and voting at the Board meeting as appropriate.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	The roles and responsibilities of the Chairman and Group Managing Director are separated to ensure balance of power and authority within the Board. The Independent Non-Executive Chairman of the Board is responsible for leading and ensuring the effective overall functioning of the Board in the discharge of the Board's duties and responsibilities. On the other hand, the key responsibilities of the Group Managing Director include ensuring the day-to-day business affairs and operations of the Group are effectively managed and the Group's strategies and corporate policies are effectively implemented and monitored. The roles and responsibilities of the Chairman and Group Managing Director are clearly outlined in the Board Charter.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.			
Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Board is not a member of the Audit, Nomination or Remuneration Committees.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.5

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

Application	:	Applied	
Explanation on application of the practice	:	The Board have full and unrestricted access to the Company Secretaries who keep the Board abreast and appraised of corporate governance best practices, regulatory legislations and requirements and other applicable rules or guidelines affecting the Group from time to time. The Company Secretaries are members of the prescribed professional bodies and are holders of valid practicing certificate to legally act in that capacity pursuant to the Companies Act 2016. The Company Secretary works closely with the Chairman and Board to ensure smooth and effective functioning of the Board. Besides advisory, the Company Secretary plays a key role in ensuring the effectiveness of board procedures and compliance with the laws. The Company Secretaries ensures that the discussions and deliberations at Board and Board Committees' meetings are recorded and documented. The Company Secretaries undertake continuous professional development to enhance their skills and knowledge for effective performance of their role. The Board is satisfied with the performance and supports rendered by the Company Secretaries to the Board in discharging its functions including legal duties and responsibilities.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	The Board holds at least five (5) scheduled meetings annually and additional meetings will be convened as and when necessary. Meetings materials including notice and agenda, management reports and discussion papers are circulated to the Board and Board Committees members at least seven (7) days in advance to allow sufficient time for the Directors to review and peruse the meetings papers and be prepared for discussion prior to making informed decision. The relevant papers or reports from Management to be tabled at the meetings address the matters and issues on which the Board or Board Committee will deliberate as set out in the meetings agendas. The Chairman of the Committees will report to the Board key issues discussed at each Committee's meeting. Discussions and deliberations at Board and Board Committees' meetings as well as matters resolved are recorded and the relevant minutes are circulated to the Board and Committees for review and comments within reasonable time and confirmed as a correct record of the proceedings by the Board and relevant Committees at following meetings. The approved minutes of the meetings shall be conclusive evidence of the proceedings and resolutions passed at the meetings thereat, and enter in the Minutes Books accordingly. The confirmed minutes of the Committees' meetings shall be tabled to the Board for notation.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

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

Practice 2.1
The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

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

Application	:	Applied
Explanation on application of the practice	:	The Board Charter sets out the principles and guidelines in the performance of the Board's functions, which include formal schedule of matters specifically reserved for its decision, delegation and/or approval covering issues relating to strategy and management, financial reporting, board appointment and remuneration, corporate governance, regulatory and compliance, major transactions and internal controls, amongst others. The Board Charter outlines the roles, functions, responsibilities, structure and procedures of the Board including but not limited to: • Board responsibilities; • Board membership guidelines; • Board structures and procedures; • Relationship of the Board with management; • Directors' remuneration; and • Relationship of the Board with shareholders. The Board Charter is reviewed by the Board annually or when necessary to ensure it remains current, adequate and consistent with the Board's objectives and responsibilities and comply with applicable rules and regulations and governance practices. The Board Charter is published on the Company's website.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

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

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

Practice 3.1
The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

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

Application	:	Applied
Explanation on application of the practice	:	The Code of Ethics and Conduct ("Code") outlines the ethical principles and standard of good conduct expected of the Directors, Management and employees of the Group. They are required to observe and comply with the spirit of the Code and uphold the ethical standards and behaviour and operate in a manner consistent with the Group's values and all applicable laws, rules and regulations governing the Group, besides conduct themselves with integrity, professionalism and act in an ethical manner and at all time faithfully and diligently carry out their duties to the best of their ability. The Code was formulated at the Group level and covers the following key areas: 1. Ethical Standards and Duties 2. Compliance with Laws and Policies 3. Conflict of Interest 4. Misuse of Position and Information 5. Confidentiality of Information 6. Company Properties 7. Safety and Health 8. Non-Discrimination and Equal Opportunity 9. Reporting of Suspected Violations A group-wide Anti-Bribery and Corruption Policy and Procedures has been implemented based on the principles of the Anti-Bribery Management System (MS ISO 37001) and guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of Malaysian Anti-Corruption Commission Act. In its effort to consistently and continuously fight against bribery, the Group is committed to: • Take a ZERO TOLERANCE approach to bribery;

	• Provide and maintain an anti-bribery working environment for all employees and stakeholders; • Comply to anti-bribery laws that are applicable to the organization; • Satisfy all requirements established in the Anti-Bribery Management System; • Provide avenue and encourage raising concerns regarding bribery conduct; • Continually improve the Anti-Bribery Management System; • Assign and authorize the Anti-Bribery Compliance Function to carry out their duties independently; and • Impose appropriate action against any act of not complying with the Anti Bribery Policy. The Code and Anti-Bribery and Corruption Policy are published on the Company's website and reviewed by the Board regularly to remain consistent with the Board's objectives and responsibilities.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

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

Practice 3.2
The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	The Whistle-Blowing Policy provides a platform where an individual including employees and stakeholders can raise concern about risk, malpractice or wrongdoing that may affect the Company and Group. Individuals are encouraged to raise genuine concerns at the earliest opportunity and in an appropriate way. The Policy supports the Group's values and ensure that the employees or other concerned parties are protected and can raise genuine concerns without fear of reprisals through a transparent and confidential process. The Policy covers possible improprieties in matters relating to but not limited to financial, fraud, corruption, bribery or blackmail, criminal offences, breach of legal or regulatory obligations, sexual harassment as well as concealment of any or combination of any of the above. In line with the adoption of the Anti-Bribery and Corruption Policy, the Group has identified at each subsidiary level the chief in the anti-bribery compliance functions to act as the contact point for bribery related issues or any grievances in the workplace for effectiveness. The Whistle-Blowing Policy shall be reviewed and/or updated when deemed necessary to ensure effectiveness and consistent with current circumstances and the Company's policies. The Whistle-Blowing Policy is published on the Company's website.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

Practice 4.1
The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

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

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

Application	:	Applied
Explanation on application of the practice	:	As a specialised steel trading, processing and manufacturing company, the Company acknowledges the importance of integrating Environmental, Social and Governance ("ESG") considerations into its business, aiming to leave a positive impact on society and the environment. The Company continues to refine its processes and operations to align with modern best practices, viewing it as its responsibility to shape a better future for generations to come. The Company drives sustainability by integrating ESG practices into its operations, business plans and organisational goals The ESG performance of the Group encompasses three (3) main subsidiaries, namely Leon Fuat Metal Sdn Bhd, Leon Fuat Hardware Sdn Bhd and Supreme Steelmakers Sdn Bhd. The ESG strategy promotes responsible business practices by integrating sustainability considerations into the corporate strategy. It is grounded in four (4) sustainability pillars and thirteen (13) key sustainability matters as set out below that align with the stakeholder Groups, UN SDGs and material sustainability matters: **1. Economic Prosperity** • Operational Excellence • Responsible Procurement **2. Responsible Governance** • Corporate Governance and Anti-Corruption • Data Privacy and Cybersecurity **3. Environmental Stewardship** • Climate Change and Energy • Effluent and Waste Management • Water Efficiency

	4. Social Responsibility • Occupational Health and Safety • Noise Management • Labour Practices and Standards • Diversity and Inclusiveness • Product Quality and Customer Satisfaction • Corporate Social Responsibility The Sustainability Policy articulates the Group's efforts towards its objectives. It strategically equips the Group to manage emerging risks and leverage opportunities, driving its ESG progress forward.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

Practice 4.2
The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied	
Explanation on application of the practice	:	The Group continues to engaging with stakeholders through effective communication and collaboration fosters meaningful, mutually-beneficial relationships. Continuous dialogue ensures the Company stays informed of evolving trends, developments, and expectations, allowing the Company to embrace new opportunities and remain relevant. The Company maintains open and transparent communication with seven (7) stakeholder groups below through diverse methods and channels: • Investors/ Shareholders • Government/ Regulatory Authorities • Management • Customers • Employees • Vendors / Suppliers • Community Further details on the stakeholders' engagement approach are set out in the Sustainability Report in the Annual Report 2024 of the Company.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

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

Application	:	Applied
Explanation on application of the practice	:	The Board oversees climate-related risks and opportunities, while the Management team, led by the Sustainability Committee, is responsible for managing and implementing relevant initiatives. <u>Board's oversight on climate-related risks and opportunities</u> (i) Provides strategic oversight of ESG-related matters, including climate-related risks and opportunities and its integration into the Group's strategy (ii) Approves sustainability strategies proposed by the Sustainability Committee ("SC") (iii) Conducts an annual review of sustainability policies, initiatives, and performance progress <u>Management's role in assessing and managing climate-related risks and opportunities</u> (i) The SC, led by the Executive Director and Chief Financial Officer, is responsible for assessing and managing climate-related risks and opportunities. (ii) The SC drives sustainability initiatives, implementing strategies and reporting outcomes to the Board. (iii) Conducts assessments of climate-related risks and opportunities, providing strategic recommendations for the Board's consideration. (iv) Ensures active engagement from management in addressing the evolving sustainability landscape The resilience of the Group's strategy is contingent upon its ability to adapt to changing conditions and emerging risks. The Group assessed potential climate-related risks, impacts, and opportunities by evaluating both transition and physical risks over short (1-5 years), medium (6-10 years), and long-term (>11 years) periods. Further details on the governance and strategies can be found in the Sustainability Report in the Annual Report 2024 of the Company.
Explanation for departure	:	

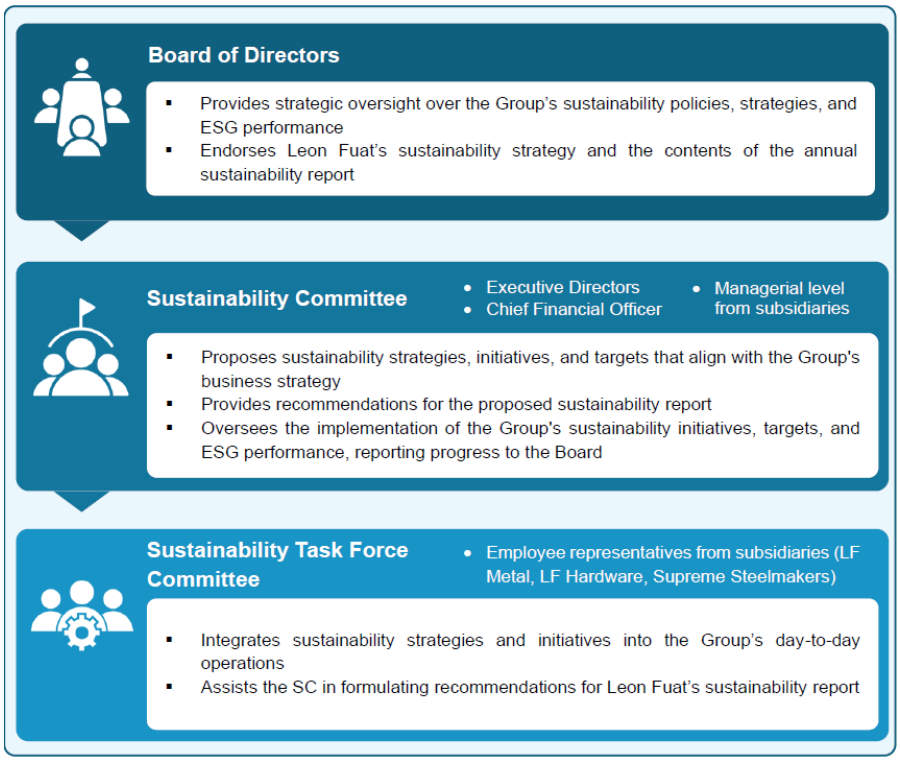
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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	:	Leon Fuat's three-tiered Sustainability Governance Structure clearly defines responsibilities for sustainability practices across the organisation. The Board presides over sustainability strategies, policies, targets, and climate-related risks and opportunities. The Sustainability Committee ("SC") supervises management-level activities, while the Sustainability Task Force Committee ("STFC") guides day-to-day activities, ensuring alignment with broader objectives and translating ambitions into actions. The Group's sustainability governance structure is depicted below:  The consideration, oversight and management of sustainability risks and opportunities are the criteria encompassed in the annual evaluation of the Board and senior management and based on the annual assessment performed for the financial year under review, the Board is satisfied with the robustness and effectiveness of the established framework and overall sustainability governance and management by the Group.

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

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

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

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.		
Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Practice 5.1
The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	The Nomination Committee, in the discharge of its function has performed annual evaluation on the Board, Board Committees and individual Directors for the financial year 2024 and reviewed the structure, size and composition of the Board and Board Committees with due regard of the appropriate size, mix of skills, experience, core competencies, tenure as well as attendance records of the Directors on their time commitment. Based on the in-house assessment, the Nomination Committee was satisfied that the Board and its Committees have been functioning effectively in discharging their respective duties and responsibilities and there have been no recommendations for changes to the composition of the Board or Board Committees. For the Directors retiring and eligible for re-election at the AGM, the Board through the Nomination Committee has carried out fit and proper assessment on the retiring Directors and noted that they met the criteria as set out in the Directors' Fit and Proper Policy on character and integrity, experience and competence, time and commitment to effectively discharge their role as Directors. The Board and Nomination Committee have also noted the Director Self and Peer Performance Evaluation conducted encompassing fit and proper assessment on the Directors of the Company and satisfied that the Directors including the retiring Directors have effectively discharge their role in the Board.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

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

Practice 5.2
At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	For the financial year ended 31 December 2024, the Board comprises nine (9) members with five (5) Executive Directors, three (3) Independent Non-Executive Directors including the Chairman of the Board and a Non-Independent Non-Executive Director. The presence of the Independent Non-Executive Directors continues to ensure that views, consideration and judgement exercised by the Board in board deliberations and decision making remains objective, unbiased and independent whilst assuring the interest of other parties such as minority shareholders are adequately protected as well as being accorded with due consideration.	
		The Board considers the existing composition of Independent Directors are adequate in providing necessary check and balance to the Board's decision-making process. Notwithstanding, the Company may consider appointing additional independent director(s) to the Board when suitable candidate(s) are identified.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome
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	:	None of the Independent Directors of the Company are serving more than 9 years.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 5.4 - Step Up
The board has a policy which limits the tenure of its independent directors to nine years without further extension.

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

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

Practice 5.5
Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

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

Application	:	Applied
Explanation on application of the practice	:	The Board seeks to ensure that its membership reflects diversity covering a combination of skills, experience, race, age, gender, educational and professional background and other relevant personal attributes in providing a range of perspectives and insights to enable it to discharge its duties and responsibilities effectively. In accordance with the Directors' Fit and Proper Policy, the Board ensures that the Directors appointed to the Board are persons with the required character, integrity, experience, competence and time to effectively discharge their responsibilities and duties and to contribute towards the proper governance of the Group. The Nomination Committee is delegated with the responsibility of identifying, assessing and considering and recommending to the Board, suitably qualified candidates for appointment as Directors, after taking into consideration the criteria set out in the Directors' Fit and Proper Policy and having regard to the diversity objective of the Company. In terms of time commitment, the Directors are expected to devote sufficient time to carry out their duties and responsibilities as Directors of the Company and are required to notify the Chairman before accepting any new directorships in other listed companies.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

Practice 5.6
In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

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

Application :	Applied	
Explanation on application of the practice :	The Board may consider the recommendations from the existing board members, the Management and/ or major shareholders as well as independent sources for the identification of suitably qualified candidate for appointment to the Board. During the financial year under review, the Board has considered and approved the proposed appointment of Mr. Wong Sze Yan as an Independent Non-Executive Director, after having reviewed and considered the recommendations from the Management and Nomination Committee with regard to the requirements of the Board, and upon assessment of the adopted fit and proper criteria besides the required mix of skills, expertise and experience of Mr. Wong. No other independent sources or recommendation were considered by the Management and Board for the appointment.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

Practice 5.7
The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application :	Applied	
Explanation on application of the practice :	For individuals standing for election as directors of the Company (excluding directors standing for a re-election), the Board ensures shareholders are provided with the necessary information in order to make an informed decision on the proposed appointment. For the Directors standing for re-election, the profiles of the Directors including their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interest as well as their shareholdings in the Company, if any, are set out in Directors' Profile section in the Annual Report 2024.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Notwithstanding that the Chairman of Nomination Committee, Mr. Chan Kee Loin is a Non-Independent Non-Executive Director, the current composition of the Nomination Committee complies with the Listing Requirements and its Terms of Reference.	
		The Board and Nomination Committee agrees that despite being a Non-Independent Non-Executive Director, Mr. Chan continues to provide balanced and objective view in Board deliberations.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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

Practice 5.9
The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Currently, the only female Director on the Board comprises less than 30% of the Board.	
		The Board took cognisance and will consider increase the female board representation where necessary.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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

Practice 5.10
The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied	
Explanation on application of the practice	:	As provided in the formalised Directors' Fit and Proper Policy, the Board in its selection criteria for board membership would ensure that besides the skills, experience, educational and professional background, diversity including race, age and gender will also be sought and considered to provide a range of perspectives and insights for effective discharge of the Board's function. The Board will also seek to develop diversity in the workforce within the Group including senior roles held by female executives when vacancies arise and suitable candidates are identified.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

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

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

Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.	
Application :	Applied
Explanation on application of the practice :	The Board through the Nomination Committee has performed an in-house annual assessment of the Board, Board Committees and individual Directors (including the independence of the Independent Non-Executive Directors) for the financial year ended 31 December 2024, facilitated by the Company Secretary. The evaluation typically involves the completion of the Board and Board Committees Evaluation Form, covering four (4) key areas of board governance: Board Structure, Board Operations, Board Roles and Responsibilities and Board Committees. For Director's Self and Peer Evaluation, the assessment criteria include contribution to interaction, quality of input and understanding of role as a member of the Board. Based on the summary rating recorded, the Nomination Committee and Board were satisfied that for the financial year under review, the performance of the Board, Board Committees and individual Directors have been satisfactory with effective performance of respective functions and discharge of roles and responsibilities. On its assessment of the independence of the Independent Non-Executive Directors, the Nomination Committee was satisfied with the level of independence demonstrated and noted that all the Independent Non-Executive Directors have fulfilled the prescribed independence criteria under the Listing Requirements and there were no issues of independence in the Board.
Explanation for departure :	

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

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	The oversight function for reviewing and overseeing the policy and framework of the remuneration packages of the Board, the Executive Directors and Key Management Personnel is carried out by the Remuneration Committee. The Board is cognisance and is mindful that fair remuneration is important to attract, retain and motivate Directors and Key Management Personnel needed to run and manage the Company successfully. The adopted Remuneration Policy aims to create a balanced, competitive and performance-driven compensation system aligned with the business strategy, focusing on sustainable results and considering shareholders' interests and industry trend. The remuneration offered to executive Board members and Key Management Personnel involves a balance between fixed and variable pay reflecting performance objectives of the Company and its goals, which consist of salary, bonus, benefits in kind and other emoluments. Payment of performance-related bonus to Executive Directors and/or Key Management Personnel is linked to the Group and individual company's performance measured against the achievement of pre-determined targets which are closely aligned to the Company's objectives. The Remuneration Policy is published on the Company's website and is periodically reviewed by the Board to ensure its effectiveness.
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Remuneration Committee of the Board has been tasked to review and recommend to the Board the remuneration of the Board members and Key Management Personnel, guided by the adopted Remuneration Policy and Procedures. The Terms of Reference of the Remuneration Committee is published on the Company's website.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	Details of the remuneration of individual Directors of the Company for the financial year ended 31 December 2024 are set out below.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Lim Cheng Poh	Independent Director	140.00	5.00	-	-	-	-	145.00	140.00	5.00	-	-	-	-	145.00
2	Dato' Sri Ooi Bin Keong	Executive Director	120.00	-	-	-	-	-	120.00	330.00	-	864.00	144.00	41.33	122.45	1,501.78
3	Ooi Seng Khong	Executive Director	120.00	-	-	-	-	-	120.00	190.00	-	864.00	180.00	31.63	127.76	1,393.39
4	Ooi Kong Tiong	Executive Director	120.00	-	-	-	-	-	120.00	330.00	-	691.20	57.60	33.40	91.71	1,203.91
5	Ooi Shang How	Executive Director	120.00	-	-	-	-	-	120.00	190.00	-	604.80	126.00	29.42	91.23	1,041.45
6	Ng Kok Teong	Executive Director	120.00	-	-	-	-	-	120.00	260.00	-	604.80	50.40	35.20	82.30	1,032.70
7	Chan Kee Loin	Non-Executive Non-Independent Director	120.00	6.00	-	-	-	-	126.00	120.00	6.00	-	-	-	-	126.00
8	Thien Shy Wei	Independent Director	120.00	6.00	-	-	-	-	126.00	120.00	6.00	-	-	-	-	126.00
9	Wong Sze Yan	Independent Director	110.00	5.00	-	-	-	-	115.00	110.00	5.00	-	-	-	-	115.00
		Executive Director														
	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

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

Practice 8.2
The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The remuneration of the top five (5) Key Management Personnel of the Company are not disclosed on a named basis.	
		The remuneration of the top five (5) Key Management Personnel of the Company are disclosed on an aggregate basis in bands of RM50,000. The Board has opted not to disclose the names and remuneration components of the Key Management Personnel due to confidentiality and security concerns.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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

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

Practice 8.3 - Step Up
Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.1
The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Audit Committee and the Chairman of the Board are held by different individual, both being Independent Non-Executive Directors with clear division of roles and responsibilities.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.2
The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	The Audit Committee's Policy on External and Internal Auditors provides guidelines and procedures for the Audit Committee to review, assess and monitor the performance, suitability, objectivity and independence for appointment and/or re-appointment of the External Auditors of the Company. The Policy provides that former partners of the external audit firm of the Company will not be offered employment by the Company or any of its related corporations or being appointed as a member of the Audit Committee within three (3) years of undertaking any role on the audit. This applies to all partners of the audit firm and/or the affiliate firm including those providing advisory services, tax consulting etc..	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.3
The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	The Audit Committee's Policy on External and Internal Auditors outlines the guidelines and procedures for the Audit Committee to review and assess the performance, suitability, objectivity and independence for appointment and/or re-appointment of the External Auditors of the Company. During the financial year under review, evaluation on the performance of Baker Tilly Monteiro Heng PLT, the External Auditors of the Company was carried out by the Audit Committee via the adopted evaluation questionnaire which covers the assessment of the independency and objectivity, competency, audit scope and planning by the External Auditors in the review of the financial statements of the Group. The External Auditors have also provided written assurance to confirm that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The Audit Committee has also reviewed and noted that the independence of the External Auditors will not be impaired by the provision of non-audit services to the Company.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome
There is an effective and independent Audit Committee.

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome
There is an effective and independent Audit Committee.

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

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

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

Application :	Applied	
Explanation on application of the practice :	The members of the Audit Committee possess the necessary skills and qualifications to discharge their duties effectively. The members are financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process. The Board ensures that all members of the Board including Audit Committee undertake continuous training programme to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as well as the latest development of the industry and/or changes to applicable regulatory requirements.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

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

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

Application	:	Applied
Explanation on application of the practice	:	The Group has in place an effective risk management and internal control framework to identify and assess the risks faced by the Group and implement and monitor appropriate internal controls to manage and mitigate those risks. The Audit Committee has been entrusted by the Board to oversee the effectiveness of the Group's risk management and internal control systems. The activities of the outsourced Internal Auditors are reported to and subject to review by the Audit Committee every quarter which provides the Board with the required assurance in relation to the adequacy and integrity of the Group's system of internal controls to ensure it meets the Group's objectives. Details of the Group's risk management and internal control is presented in the Statement on Risk Management and Internal Control set out in the Annual Report 2024 of the Company.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

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

Practice 10.2
The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	The Board acknowledges its overall responsibility for the Group's risk management and internal control systems, and has delegated its oversight function to the Audit Committee to ensure their effectiveness. The Audit Committee is supported by the Risk Management Working Group comprising senior management team from the operating subsidiaries ("RMWG"). The RMWG at management level is chaired by an Executive Director, with its members comprise managerial and senior staffs from each operating subsidiary. The RMWG has adopted a charter that outlines its purpose and functions, authorities and responsibilities in the discharge of its oversight duties. The RMWG held four (4) meetings during the financial year on 7 February 2024, 14 May 2024, 13 August 2024 and 12 November 2024 respectively to review and discuss the identified key risks and the effectiveness and adequacy of risk mitigation actions. Members of the Audit Committee and Internal Auditors were also invited to observe the discussions and share their views and insight on the issues being tabled and discussed. As an integral component of the Group's corporate governance practice, the Audit Committee and RMWG have, in their ongoing risk assessment and management efforts, assume, amongst others, the following duties and responsibilities: • Review and discuss with Management the risk governance structure, risk assessment and risk management practices and the guidelines, policies and processes for risk assessment and risk management; • Review and discuss with management the risk appetite and strategy relating to key risks, including credit risk, liquidity and funding risk, market risk, product risk and reputation risk, as well as the guidelines, policies and processes for monitoring and mitigation of such risks; • Receive, as and when appropriate, reports from the Internal Auditors on the outcome of risk management reviews and assessments and recommendations for improvements;

	• Review the disclosure regarding risk management and internal control statement of the Group; • Review the reports on risk topics presented by the Internal Auditors; • Have unrestricted access to the Management for information pertaining to the Group; and • Discharge any other duties or responsibilities delegated to the Audit Committee by the Board. The risk assessment approach is summarised as follows: • Identify relevant business objectives; • Identify events that could affect the achievement of objectives; • Determine risk tolerance; • Assess inherent likelihood and impact of the risks; • Evaluate the portfolio of risks and determine risk responses; and • Assess residual likelihood and impact of risks. The internal audit function within the Group provides assessment as to whether identified key risks, which may hinder the Company from achieving its objectives, are being adequately evaluated, managed and controlled. It further evaluates the effectiveness of the governance, risk management and internal control framework and facilitates enhancement, where appropriate.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

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

Practice 10.3 - Step Up
The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	The internal audit function of the Company is outsourced to IA Essential Sdn Bhd ("IAE"), a professional consulting firm specialising in providing governance, sustainability, risk and internal controls consultancy services. The following measures are in place to ensure that the Internal Audit Function is effective and able to function independently: i. Functionally, the Internal Auditors reports to the Audit Committee in conducting periodic reviews and assessment on governance, risk management and internal controls of the Group; ii. The Audit Committee reviews and approves the scope of work of the Internal Auditors to ensure that the audit direction is appropriate based on the Group's operating environment; iii. When reviewing the Internal Audit reports, the Audit Committee assesses and considers the impact of the audit issues and management's commitment to the improvement action plan; iv. The Audit Committee met with the Internal Auditors in the absence of the Management every quarter during its scheduled meetings to get feedback from the Internal Auditors and issues that they encountered during the performance of audit reviews which may impact their effectiveness and ability to function independently; and v. The Internal Auditor is subject to internal quality review once every five years. Further details of the internal audit function of the Group and its activities for the financial year under review are set out in the Statement of Risk Management and Internal Control in the Annual Report 2024.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	The internal audit function of the Group is outsourced to IAE. IAE is responsible for conducting internal control reviews and facilitating management in risk assessment. The Internal Auditors do not have other engagements with the Group that may impair their objectivity and independence. Mr. Chong Kian Soon, the Chief Executive Officer of IAE is a member of Certified Public Accountant of the Malaysian Institute of Certified Public Accountants (MICPA), the Chartered Accountants Australia and New Zealand (CAANZ), a Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA) and Certified QAR Assessor of the Institute of Internal Auditors ("IIA"). Mr Chong is assisted by his audit team, comprising Managers and Executives who are accounting graduates and with audit experience. The Internal Auditors carried out their internal audit work with reference to the principles of the International Professional Practice Framework ("IPPF") of the IIA. These principles include the conduct of the audit planning, execution, documentation, communication of findings and consultation with key stakeholders.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	The Investors Relation Policy of the Company outlines the principles for communication with shareholders of the Company as well as other stakeholders and the engagement and dissemination of information of the Group to investors, analysts and other stakeholders through its website, announcements released to Bursa Securities and press/media releases. The general meeting of shareholders remains the principal forum for dialogue and interaction with the shareholders of the Company and provide an avenue for shareholders to raise concerns and engage directly with members of the Board and senior management on the business direction and operations of the Group and opportunities for the shareholders to communicate their feedback to the Board and Management. The Company's website also provides a platform where the public can access to the Company's information including its products and services, share prices, financial results and prospect, media releases as well as the Company's announcements made to Bursa Securities, amongst others.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

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

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

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

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

Practice 13.1
Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	The notice convening the 17th AGM was given to the shareholders on 30 April 2024, more than 28 days prior to the AGM held on 13 June 2024.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:	Choose an item.	

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	:	The Board views the general meeting of shareholders as an important platform for direct interaction between the Company and its shareholders, as this provides an effective way for the Management and Board to reach out to the shareholders and stakeholders and to communicate the Group's business plans and strategies, allowing the shareholders to voice concerns, seek clarification and gain insights into the strategic direction, business and financial performance of the Group as well as the proposed resolutions tabled at the general meeting. All the Directors including the Chairman of the Board and Board Committees and members of senior management attended the 17th AGM of the Company.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 13.3
Listed companies should leverage technology to facilitate–

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

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The 17th AGM of the Company was held physically at Tropicana Golf & Country Resort, Petaling Jaya, Selangor on 13 June 2024. The Board agrees that the holding of physical general meeting in Klang Valley at the location easily accessible by its shareholders allows physical attendance and support effective face-to-face engagement between the Board and senior management with the shareholders of the Company, with interactive participation by the shareholders present at the Meeting. Questions posted by the shareholders were responded accordingly. Shareholders who are unable to attend are entitled to appoint proxy/proxies to speak and vote on their behalf at the general meetings.	
		While the Board is cognisance of leveraging technology for the conduct of general meetings, the Board and Management will consider the pros and cons of conducting physical or virtual shareholders meeting with remote shareholders' participation and voting including voting in absentia, having due regard to the potential challenges due to, inter-alia, lack of technological understanding on the shareholders part besides to have in place the required infrastructure and equipment to support a smooth broadcast of the general meeting and effective participation by the shareholders.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 13.4

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

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.		
Application	:	Applied
Explanation on application of the practice	:	The Executive Director and Chief Financial Officer presented to the shareholders an overview of the industry outlook and strategies, financial performance of the Group and highlights together with the key operational updates of the business of the Group including the progress of the pipe manufacturing activities at the 17th AGM of the Company. Questions related to the business activities and operations of the Group and the proposed resolutions tabled for shareholders' approval at the AGM were posted by the shareholders during the meetings alongside the comments of the shareholders' were handled appropriately and responded to by the Chairman and Executive Director.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

Practice 13.5
The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.			
Application	:	Not applicable – only physical general meetings were conducted in the financial year	
Explanation on application of the practice	:		
Explanation for departure	:	Please provide an explanation for the departure.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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

Practice 13.6
Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.			
Application	:	Applied	
Explanation on application of the practice	:	The Minutes of the 17th AGM was uploaded to the Company's website no later than 30 business days after the AGM.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

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

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