

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0188
COMPANY NAME : HLT GLOBAL BERHAD (“HLT” or “the Company”)
FINANCIAL YEAR : December 31, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("the Board") collectively leads and is responsible for the performance and affairs of the Company and its subsidiaries ("Group"), including practicing a high level of good governance. All Board members have shown good stewardship and acted in a professional manner as well as upheld the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.</p> <p>The Board has the responsibility of leading and directing the Group towards realising long-term corporate objectives and increasing shareholders' value. The Board retains full and effective control of the Group's strategic plans, implements an appropriate system of risk management and ensures the adequacy and integrity of the Group's system of internal control.</p> <p>The Board assumes, among others, the following responsibilities:</p> <ul style="list-style-type: none">(i) Overseeing and evaluating the conduct, governance and sustainability of the businesses of the Group.(ii) Reviewing and adopting the overall strategic direction, business plans and annual budgets of the Group, including major capital commitments.(iii) Establishing key performance indicators and ensuring that senior management has the necessary skills and experience for the orderly succession of the board and senior management.(iv) Reviewing and approving new ventures, major acquisitions and disposal of undertakings and properties.(v) Identifying principal risks and ensuring implementation of

	<p>appropriate systems to manage and monitor significant financial and non-financial risks.</p> <p>(vi) Reviewing the adequacy and integrity of the Group's internal control systems, risk management and management information systems.</p> <p>(vii) Overseeing the development and implementation of the shareholder communications policy for the Company.</p>			
Explanation for departure	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:			
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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 Independent Non-Executive Chairperson of the Board, Madam Wong Wai Tzing is primarily responsible for the leadership, effectiveness, conduct and governance of the Board. The roles and responsibilities of the Chairperson of the Board have been clearly specified in the Board Charter.</p> <p>The responsibilities of the Chairperson, among others, are as follows:</p> <ul style="list-style-type: none">(i) To provide leadership to the Board.(ii) To oversee the effective discharge of the Board's supervisory role.(iii) To facilitate the effective contribution of all Directors.(iv) To ensure that quality information to facilitate decision-making is delivered to the Board in a timely manner.(v) To ensure Board Meetings and General Meetings comply with good conduct and best practices.(vi) To ensure adequate time is allocated during Board Meetings for discussion of issues tabled to the Board.(vii) To promote constructive and respectful relations among the Board members and between the Board and the Management.(viii) To conduct and chair Board Meetings and General Meetings of the Company.(ix) To brief all the Directors in relation to issues arising at the Meetings.(x) Together with the Executive Director/ Chief Executive Officer ("CEO"), represents the Company and / or Group to external groups such as shareholders, creditors, consumer groups, local communities and federal, state, and local governments.

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

Intended Outcome

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

Practice 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Chairperson - Madam Wong Wai Tzing Chief Executive Officer (“CEO”) - Madam Chan Yoke Chun</p> <p>The respective roles and responsibilities of the Chairperson and the CEO are governed by the Company’s Board Charter.</p> <p>The roles and responsibilities of the Chairperson and CEO are distinct and separate to ensure there is a balance of power and authority.</p> <p>The Chairperson is responsible for the leadership, effectiveness, conduct and governance of the Board, whereas the CEO has the overall responsibility for the day-to-day management of the business and implementation of the Board’s policies and decisions. The CEO is also accountable to the Board for the overall organisation, management and staffing of the Group as well as the procedures in financial and other matters, including conduct and discipline.</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

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Chairperson of the Board, Madam Wong Wai Tzing is also a member of the Audit and Risk Committee ("ARMC"), and Nomination and Remuneration Committee ("NRC").</p> <p>With 3 Non-Executive Board members in the Committee and taking into account the fact that matters within the NRC's purview are matters reserved for the unanimous decision of the Board, the NRC is of the view that there is adequate check and balance despite having the Board Chairman as a member of the NRC during the year in review. The Board Chairman did not dominate any of the discussions at the NRC level. Decisions made by these committees are tabled as recommendations to the Board and such matters are further discussed at the Board level before decisions are made</p> <p>Nevertheless, Madam Wong does not chair these Board Committees. All matters before recommending to the Board are thoroughly deliberated at the Board Committees' levels which involved the participation of the other two Committee members. All recommendations by the Board Committees to the Board have been arrived at unanimously and this would have eliminated the risk of self- review.</p> <p>The NRC will continue to monitor and evaluate the need to increase the Board size.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by the Company Secretary who is qualified to act pursuant to the Companies Act, 2016 ("Act").</p> <p>The Company Secretary has supported the Board and played an important role to facilitate the overall compliance with Companies Act 2016, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), Malaysian Code on Corporate Governance ("MCCG"), Company's Constitution and Board Charter and other relevant laws and regulations. All Directors have access to the advice and services of the Company Secretary to enable her to discharge her duties effectively. The Company Secretary together with the Directors is responsible for the proper conduct of the meetings according to applicable rules and regulations. The Company Secretary regularly update and advise the Board on new statutes, regulations and directives issued by regulatory authorities.</p> <p>The Company Secretary has constantly kept herself abreast of the regulatory changes and corporate governance developments through attending the necessary training programmes, conferences, seminars and/or forums organised by the Companies Commission of Malaysia, Bursa Malaysia, etc.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>To facilitate the Directors' time planning, the Board and Board Committees' meeting calendar was prepared in advance for each new year by the Company Secretary. The calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the Annual General Meeting ("AGM"). The closed periods for dealings in securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of the Group's quarterly results were also provided therein.</p> <p>The Board will meet at least four (4) times in each financial year with additional meetings convened as and when required. In FY2022, a total of four (4) Board meetings were held with full attendance from the Board. Prior to each scheduled Board or Board Committees' meeting, all the Board members are provided with the requisite notice, agenda and Board Papers containing information relevant to the business of the meeting, which are distributed in sufficient time prior to the meetings to enable them to have time to peruse the papers to assess all aspects of the Group's performance. The meeting papers are disseminated electronically to enable the Directors and committee members to access meeting documents and company information in a timely and more efficient manner, thus improving Board performance and overall effectiveness or decision-making. The Directors can request for further information or clarification from the Management to ensure effectiveness of the proceedings at the meeting, if necessary. The management and other advisers are invited to attend the meeting to report and brief on their respective areas of responsibility.</p> <p>The Chairperson ensures that adequate time is allocated for discussion of the agenda tabled during the meeting to ensure adequate and thorough discussion.</p> <p>The deliberations and decisions of matters discussed in the Board or Board Committees meetings are duly recorded in the minutes of meetings. The draft minutes of which are circulated to the Board's or Committee Chairman's review within a reasonable timeframe after the meeting. The meeting minutes accurately captured the deliberations and decisions of the Board and/or the Board</p>

	Committees, including whether any Director abstains from voting or deliberating on a particular matter.	
	All the records of proceedings and resolutions passed are kept at the registered office of the Company.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is guided by the Board Charter which is an authoritative policy documents that sets out the Board's strategic intent, authority and terms of reference.</p> <p>The Board Charter is intended to identify the role, structure and processes related to the key governance activities of the Board. It also serves as a reference point for Board activities. It is designed to provide guidance and clarity to Directors and senior management with regards to the roles of the Boards and its Committees, the role of the Chairperson and Executive Directors, the requirements of Directors in carrying out their roles and in discharging their duties towards the Company as well as the Board's operating practices.</p> <p>The Board Charter will be reviewed and updated as and when necessary to ensure it remains consistent with the Board's objectives and responsibilities and reflect the latest compliance requirements as a result of changes in the regulatory framework.</p> <p>The Board Charter is available on the Company's corporate website at www.hltglobal.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established and adopted a Code of Ethics and Conduct for all Directors and employees of the Group, which is incorporated in the Board Charter of the Company.</p> <p>The core areas of conduct include the following:-</p> <ul style="list-style-type: none">• Compliance at all times with the Code of Ethics and Conduct and the Board Charter.• Observe high standards of corporate governance at all times.• Observe high standards of business, professional and ethical conduct and refrain themselves from the offering, giving to or receiving any gifts and any other form of benefits (in kind, cash, advantages and/or favour and etc) from persons or entities who deal with the Company where such gift or benefit would reasonably be expected to influence the performance of their duties in any aspect.• Adhere to the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership, including fair dealing and the ethical handling of conflicts of interest.• Not misuse information gained in the course of duties for personal gain or for political purposes.• Uphold accountability and act in good faith and in the best interests of the Company and the Group.• Ensure the protection of the Company's legitimate business interests including corporate opportunities, assets and confidential information.• Ensure full, fair, accurate, timely and understandable disclosure.• Declaration of any personal, professional or business interests that may conflict with responsibilities. <p>The Board will review the Code of Ethics and Conduct as and when the needs arise to ensure that it continues to remain relevant and appropriate.</p>

	The above Code of Ethics and Conduct is incorporated in the Board Charter of the Company and available on the Company's corporate website at www.hltglobal.com.my . The Code of Ethics and Conduct is to be observed by all Directors and employees of the Group.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The 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>The Group has implemented Whistle Blowing Policy which is available on the Company's corporate website at www.hltglobal.com.my.</p> <p>The Board reviewed and approved the revision to the Whistle Blowing Policy to include the relevant amendments in relation to anti-corruption measures.</p> <p>The Whistle Blowing Policy aims to achieve the following:</p> <ul style="list-style-type: none">• To provide avenues for employees to raise genuine concerns or allegations through the appropriate channels upon discovery of possible misconduct.• To encourage and develop a culture of openness, accountability and integrity.• To enable Management to be informed at an early stage about acts of misconduct.• To ensure the protection of the individual who reports the concern or allegation in good faith in accordance with the procedures. <p>The Company did not receive any such report during the financial year ended 31 December 2022 ("FYE 2022").</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The sustainability initiatives are led by the Executive Directors, who report directly to the Board and provide stewardship towards incorporating sustainability into the Group's business strategies with participation from the management team.</p> <p>The Board acknowledges the importance of embedding sustainability considerations into the Group's operations when developing the business strategies in achieving its short-term and long term objectives.</p> <p>As part of the efforts in promoting and building sustainability momentum within the Group, the Group had undertaken the following measures:</p> <p>a) Environmental – ensure the operations are environmentally responsible and that adequate steps are taken to protect and effectively manage risks that may adversely impact the surrounding environment.</p> <p>b) Economic – committed in maintaining the highest standard of integrity and corporate governance in order to maintain excellence across the businesses.</p> <p>c) Social – be a responsible corporate citizen by constantly reassessing the Group's activities and business model to ensure a positive impact at the workplace and in the community.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is cognisant of the fact that the Company's internal and external stakeholders should receive an unfiltered and complete view of the Company's sustainability strategies, priorities, targets and overall performance. This information should be comprehensive and include information on which stakeholders would be able to assess the Company's sustainability risks and opportunities.</p> <p>As with preceding years, the Company has produced a Sustainability Statement that forms part of the Annual Report. The report aims to provide stakeholders with a tangible appreciation of the economic, environmental and social determinants that are being embedded within the Company's operations.</p> <p>The Board also recognised the importance of maintaining a good degree of communication and understanding with all the internal and external stakeholders. The Company is committed to ensure high standards of good corporate governance throughout all levels of organisation. The Company adopts and adheres to the ethical standards of business conduct in dealing with our stakeholders.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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, through the NRC, assesses the training programmes attended by each of the Directors during the financial year to ensure that they keep abreast with the relevant developments in the business environment as well as the relevant regulatory requirements. This includes the sustainability issues relevant to the Group, including factors that are driving climate change, sustainable finance and achieving a sustainable business model.</p> <p>The training programmes attended by each of the Directors during the FYE 2022 is set out in the Corporate Governance Overview Statements of the Annual Report for the FYE 2022 ("Annual Report 2022").</p> <p>The Company Secretary regularly updates the Board on the changes of the Listing Requirements and/or other regulatory requirements upon receiving the circulars from Bursa Securities and/or other regulators, which are relevant to the Company and provides advice on corporate disclosures and compliances issues.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.4

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 and the Senior Management have performed their respective roles in addressing material sustainability risks and opportunities.</p> <p>The performance evaluation of the Board in addressing the Group's strategic and business plans which promote sustainability materials matters was evaluated through the annual Board's effectiveness evaluation for the FYE 2022.</p> <p>Whereas for the Senior Management team, it is part of their key performance indicators which are reviewed annually.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board acknowledges the importance of reviewing its composition periodically to ensure that the Board comprises the right talent in terms of skills and experience to effectively discharge the Board’s roles and responsibilities.</p> <p>The NRC appraise each individual Director in terms of their experience, knowledge, credibility and credentials, independence (for Independent Directors) and assess their effectiveness and contribution in carrying out their obligations and duties as a Board member of the Company annually. All assessments and evaluations carried out by the Committee in the discharge of all its functions are properly documented.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.2

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	:	<p>Currently, the Board has six (6) members, comprising the following:-</p> <ul style="list-style-type: none">• one (1) Independent Non-Executive Chairperson;• one (1) Deputy Chairman/Executive Director;• one (1) Executive Director/Chief Executive Officer;• one (1) Executive Director/Chief Financial Officer;• one (1) Independent Non-Executive Director; and• one (1) Non-Independent Non-Executive Director. <p>The Board composition complies with Rule 15.02 of the ACE Market Listing Requirements of Bursa Securities which requires at least one-third (1/3) of the Board comprises Independent Directors.</p> <p>Although less than half of the Board comprises Independent Non-Executive Directors, the Board views the number of its Independent Non-Executive Directors as adequate to provide the necessary check and balance to the Board's decision-making process.</p> <p>The Board and the NRC will continue to identify suitable candidates for appointment to the Board as Independent Directors based on merit, competence and contribution that each potential candidate can bring to further strengthen the Board.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 5.3

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	:	There are no Independent Directors serving the Board beyond 9 years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC is tasked with the delegated authority of the Board to evaluate candidates and recommend new appointments to the Board. In this respect, the role of the NRC is detailed in its Term of Reference, which is accessible on the Company's corporate website at www.hltglobal.com.my.</p> <p>The Board, through its NRC, believes that candidature to the Board should be based on the following:-</p> <ul style="list-style-type: none">• qualification, skills, knowledge, expertise and experience;• professionalism;• integrity;• in the case of candidates for the position of Independent Non-Executive Directors, the ability to discharge such responsibilities/ functions as expected from Independent Non-Executive Directors; and• time commitment to the Company based on the number of directorships held. <p>The profiles of directors and senior management are set out in the Annual Report 2022 with the details of skills, experience, age, cultural background and gender.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The primary responsibility of screening, evaluating and nominating new Board member(s) for appointment is delegated to the NRC.</p> <p>The members of the Board are to be appointed in a formal and transparent practice as endorsed by the MCCG. The NRC will scrutinise the candidates and recommend the same for the Board's approval. In discharging this duty, the NRC will assess the suitability of an individual by taking into account the individual's mix of skill, functional knowledge, expertise, experience, professionalism, integrity and/or other commitments that the candidate can bring to complement the Board.</p> <p>In searching for suitable candidates, the NRC may receive suggestions from existing board members, management and major shareholders. The NRC is also open to referrals from external sources available, such as industry and professional associations, as well as independent search firms.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The information of the Board of Directors and their respective profiles, position or relationship are included in the Board of Directors' Profile in the Annual Report 2022 whereas their interests in the Company are included in the Analysis of Shareholdings.</p> <p>All Directors, including the Executive Directors, shall retire from the office by rotation at the AGM at least once every three (3) years under Clause 85 of the Company's Constitution and shall be eligible for re-election.</p> <p>On 27 February 2023, the Board through the NRC, had undertaken an annual assessment on the Directors who would be seeking re-election pursuant to Clause 85 of the Company's Constitution at the forthcoming 8th AGM of the Company. The Board and NRC are satisfied with the performance assessment of retiring directors i.e. meeting attendances, participating actively and contributing positively during deliberations or discussions at Board Meetings, competency and capability, understanding of their roles and responsibilities. Thus, the Board recommended that the approval of the shareholders be sought for the re-election of the said Directors at the 8th AGM of the Company.</p> <p>A statement by the Board and NRC being satisfied with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the forthcoming 8th AGM was provided in the notes accompanying the Notice of the 8th AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied
Explanation on application of the practice	:	<p>The existing Nomination of Remuneration Committee ("NRC") is a merged function of the Nomination and Remuneration and is chaired by Mr. Wong Koon Wai, an Independent Non- Executive Director.</p> <p>The other members of the NRC are Madam Wong Wai Tzing, Independent Non-Executive Director and Mr Yau Ming Teck, Non-Independent Non-Executive Director.</p> <p>The details/profile of the NRC Chairman is disclosed in the Profile of Directors of the Annual Report 2022.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	Currently, the Company has three (3) women Directors, namely, Madam Wong Wai Tzing, Madam Chan Yoke Chun and Ms Chui Mee Chuen, who are acting as board members of the Company, representing 50% female representation in the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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	:	<p>In view of the gained attention of boardroom diversity as an important element of a well functioned organisation, the Board has established a Gender Diversity Policy which provides a framework for the Company to improve its gender diversity at the Board level.</p> <p>The policy was last reviewed and updated by the Board on 30 May 2021 to improve its gender diversity at Board and senior management level.</p> <p>The Company acknowledges the importance to promote gender diversity at the Board level and senior management level and will work towards having more female Directors on the Board and senior management. Though the Company does not set any specific target for female Directors and senior management in the Gender Diversity Policy, the Board had always been in support of a policy of non-discrimination on the basis of race, religion and gender.</p> <p>Currently, the Board consists of six (6) Directors and three (3) of them are female Directors, representing 50% of the Board members.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>						
Application	:	Applied				
Explanation on application of the practice	:	<p>The Nomination and Remuneration Committee assessed and evaluated the performance and effectiveness of the Board and Board Committees as a whole and the contribution of each individual Director.</p> <p>The annual assessment criteria of the Board and Board Committees and individual Directors were reviewed and updated to align with the best practices recommended under the MCCG. The areas covered in the aforesaid annual assessment criteria are as follows:-</p> <table><tr><th>Evaluation</th><th>Assessment Criteria</th></tr><tr><td>Board and Board Committees as a whole</td><td><ul style="list-style-type: none">• Role of the Chairman and GCEO• Board balance, size and composition• Board structure and procedures• Relationship of the Board to Management• Quality and supply of information to the Board/Board’s Committees• Access to information & advice• Accountability for financial reporting, internal control and sustainability risk and opportunities• Relation with Auditors /</td></tr></table>	Evaluation	Assessment Criteria	Board and Board Committees as a whole	<ul style="list-style-type: none">• Role of the Chairman and GCEO• Board balance, size and composition• Board structure and procedures• Relationship of the Board to Management• Quality and supply of information to the Board/Board’s Committees• Access to information & advice• Accountability for financial reporting, internal control and sustainability risk and opportunities• Relation with Auditors /
Evaluation	Assessment Criteria					
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		Shareholders / Investors <ul style="list-style-type: none"> • Use of Board Committees • Directors' training
	AC	<ul style="list-style-type: none"> • Composition and quality • Oversight of the financial reporting process, including internal controls • Understanding the business, including risk and control environment • Access to information & advice • Oversight of audit functions • Compliance with corporate governance • External Auditors • Staying abreast on issues • Report and recommendations
	Executive Directors	<ul style="list-style-type: none"> • Financial • Strategic and sustainability • Conformance & compliance • Business acumen/ increasing shareholders' wealth • Succession planning • Personal input to the role
	Non-Executive Director/ Chairperson	<ul style="list-style-type: none"> • Attendance at Board and Board Committees' meetings • Adequate preparation for Board and/or Board Committees' meetings/Key responsibilities of the Chairperson • Regular contribution to Board/Board Committee meetings Personal input to the role
<p>The evaluations undertaken by the NRC during the FYE 2022 are as summarised below:</p> <p>(a) Evaluated the balance of skills, knowledge and experience of the Board. Carried out the assessment and rating of each Director's performances against the criteria as set out in the annual assessment form. The performance of Non-Executive</p>		

	<p>Directors was also carefully considered, including whether he could devote sufficient time to the role.</p> <p>(b) Undertaken an effectiveness evaluation exercise of the Board and its Committees as a whole with the objective of assessing its effectiveness.</p> <p>(c) Reviewed and assessed the independence of the Independent Directors of the Company.</p> <p>(d) Reviewed and assessed the performance of ARMC.</p> <p>(e) Assessed and recommended the re-election of Directors who were due to retire at the AGM pursuant to the Company's Constitution, to the Board for recommendation to the shareholders for approval.</p> <p>In respect of the annual performance evaluation for the FYE 2022, it was concluded that:-</p> <p>(a) the Board and Board Committees had discharged their duties and responsibilities effectively; and</p> <p>(b) each Director continued to perform effectively and demonstrated commitment to his/her role.</p> <p>The NRC is satisfied with the current Board size and composition remains appropriate, taking into account the Group's businesses and the size of its business operations.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had, through the NRC, established a formal and transparent Remuneration Policy to attract and retain Directors and Senior Management of the Company.</p> <p>The Remuneration Policy is available on the Company's corporate website at www.hltglobal.com.my.</p> <p>The remuneration of the Executive Directors and Senior Management is made up of basic salaries, bonuses/incentives and other benefits-in-kind, while the remuneration of Non-Executive Directors consists of Directors' fees and other benefits.</p> <p>The Remuneration Policy is guided by the following key principles in remunerating the Directors of the Company:</p> <ul style="list-style-type: none">(a) fees payable to Directors who hold non-executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;(b) fees and/or benefits (including meeting allowance) payable to Non-Executive Directors are subject to annual shareholders' approval at a general meeting, where notice of the proposed fees and/or benefits has been given in the notice convening the meeting;(c) fees payable to an alternate Director (if any) shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter; and <p>salaries and other emoluments payable to Directors who hold</p>

	<p>an executive office in the Company pursuant to a contract of service need not be determined by the Company in the general meeting but such salaries and emoluments may not include a commission on or percentage of turnover.</p> <p>The Remuneration Policy will be reviewed by the Board from time to time and the Board may make any necessary amendments to the policy to ensure it remains consistent and relevant with the Board's objectives, current laws and practices.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied								
Explanation on application of the practice	:	<p>The composition of the NRC is as follows:</p> <table><tr><td></td><td></td></tr><tr><td>Wong Koon Wai, Chairman</td><td>Independent Non-Executive Director</td></tr><tr><td>Wong Wai Tzing, Member</td><td>Independent Non-Executive Chairperson</td></tr><tr><td>Yau Ming Teck, Member</td><td>Non-Independent Non-Executive Director</td></tr></table> <p>The Terms of Reference of the NRC is available on the Company's corporate website at www.hltglobal.com.my.</p> <p>The NRC is principally responsible for assessing and reviewing the remuneration policy and remuneration packages for the Directors of the Company. The NRC also seeks to ensure that the remuneration packages are commensurate with the expected responsibility and contribution by the Directors and link to the strategic objectives of the Company.</p> <p>Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.</p> <p>During the FYE 2022, the NRC carried out an annual review of the Directors' remuneration, whereupon recommendations were submitted to the Board for approval. Such annual review is to ensure that the remuneration package of the Directors remains sufficiently attractive to retain the Directors of such calibre to provide the necessary skills and experience and commensurate with their responsibilities to ensure the effective management and operations of the Group to achieve the Group's long-term objectives.</p>			Wong Koon Wai, Chairman	Independent Non-Executive Director	Wong Wai Tzing, Member	Independent Non-Executive Chairperson	Yau Ming Teck, Member	Non-Independent Non-Executive Director
Wong Koon Wai, Chairman	Independent Non-Executive Director									
Wong Wai Tzing, Member	Independent Non-Executive Chairperson									
Yau Ming Teck, Member	Non-Independent Non-Executive Director									

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

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is aware of the best governance practice to disclose the Directors' remuneration details on a named basis.</p> <p>However, the Board is of the opinion that the detailed disclosure of remuneration of Executive Directors on a named basis would not be in the best interest of the Group given the industry's competitiveness.</p> <p>The remuneration of Directors commensurate with their experience, contribution and commitment in discharging their responsibilities, taking into consideration the Group's performance. Their remuneration packages are reviewed by the NRC and endorsed by the Board. Furthermore, all fees, allowances and benefits payable to Non- Executive Directors are subject to shareholders' approval at the AGM.</p> <p>Alternatively, the Board is of the view that the disclosure of Executive Directors' remuneration in bands of RM50,000 on an unnamed basis included under the remuneration of key senior management as disclosed in the CG Overview Statement of the Annual Report 2022 is sufficient and has appropriately met the objective of transparency.</p> <p>The detailed disclosure of the Non-Executive Directors' remuneration received during the FYE 2022 on a named basis is as follows:</p>

Intended Outcome

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

Practice 8.2

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

Application	:	Departure											
Explanation on application of the practice	:												
Explanation for departure	:	The Board has considered the matter and is of the view that such disclosure would not be in the best interest of the Company given the competitive conditions for talent in the industry.											
		As an alternative, the Company disclosed the remuneration of key senior management on an unnamed basis in the bands of RM50,000 as follows: <table border="1" data-bbox="557 1155 1407 1382"><thead><tr><th rowspan="2">Range of Remuneration</th><th>Group</th></tr><tr><th>No. of Senior Management</th></tr></thead><tbody><tr><td>RM100,001 to RM150,000</td><td>2</td></tr><tr><td>RM150,001 to RM200,000</td><td>2</td></tr><tr><td>RM350,001 to RM400,000</td><td>1</td></tr><tr><td>RM750,001 to RM800,000</td><td>2</td></tr></tbody></table>		Range of Remuneration	Group	No. of Senior Management	RM100,001 to RM150,000	2	RM150,001 to RM200,000	2	RM350,001 to RM400,000	1	RM750,001 to RM800,000
Range of Remuneration	Group												
	No. of Senior Management												
RM100,001 to RM150,000	2												
RM150,001 to RM200,000	2												
RM350,001 to RM400,000	1												
RM750,001 to RM800,000	2												
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>													
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.											
Timeframe	:	Choose an item.											

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	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	:	Chairperson of the Board - Madam Wong Wai Tzing, Independent Non- Executive Chairman of the ARMC - Mr. Wong Koon Wai, Independent Non- Executive The positions of the Chairperson of the Board and the ARMC Chairman are being held by two different individuals. This ensures that the Board's review of the ARMC's findings and recommendations are not impaired.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group recognises the importance of the independence of its External Auditors and that no possible conflict of interest whatsoever should arise.</p> <p>The Terms of Reference of the ARMC was updated on 31 May 2021 which requires a former partner of the external audit firm of the Company to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.</p> <p>No former partner of the Company's external audit firm has been appointed to the Board/ARMC.</p> <p>The Terms of Reference of the ARMC is available at the Company's corporate website at www.hltglobal.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had established the External Auditors Assessment Policy ("EA Assessment Policy") together with an annual assessment form. The EA Assessment Policy is to outlines the guidelines and procedures for the AC to review, assess and monitor the performance, suitability and independence of the External Auditors.</p> <p>The External Auditors are precluded from providing any services that may impair their independence or conflict with their role as External Auditors.</p> <p>The ARMC had obtained assurance from the External Auditors confirming 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.</p> <p>During the year under review, the ARMC had carried out an annual performance assessment of the External Auditors and requested the Executive Directors and Chief Financial Officer to join the assessment.</p> <p>The annual evaluation form provides a checklist for the ARMC to carry out a formal review of the independence, effectiveness and efficiency of the External Auditors of the Company that consider, among others, the following criteria:-</p> <ul style="list-style-type: none">• Adequacy of resources and experience of the audit firm;• Quality processes of the audit firm;• Competency of audit engagement team;• Audit governance and independence;• Audit fee, scope and planning; and• Audit communications <p>The External Auditors, Messrs. Crowe Malaysia PLT, represented to the ARMC, their independence in accordance with their firm's requirements and with the provisions of the By-Laws on Professional Independence of the Malaysian Institute of Accountants and that they have reviewed their non-audit services provided in accordance with</p>

	the independence requirements and they were not aware not any non-audit services that might have compromised their independence as External Auditors of the Group.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	<p>All members of the ARMC have the necessary skills to discharge their duties and are able to understand matters under the purview of the ARMC. The profiles of the ARMC members are provided in the Annual Report 2022.</p> <p>All ARMC members had kept themselves abreast of relevant development in accounting and auditing standards, practices and rules.</p> <p>During the ARMC Meetings, the members were briefed by the External Auditors, Crowe Malaysia PLT on the development or changes in applicable Malaysian Financial Reporting Standards, International Financing Reporting Standards and relevant accounting requirements under the Companies Act 2016.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board acknowledges its overall responsibility of maintaining a sound system of risk management and internal control, and for reviewing its adequacy and effectiveness.</p> <p>The Board had delegated the responsibility for reviewing the adequacy and effectiveness of the risk management and internal control systems to the ARMC.</p> <p>The information on risk management and internal control is set out in the Statement on Risk Management and Internal Control in the Annual Report 2022.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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 features of the risk management and internal control framework and the adequacy and effectiveness of this framework are disclosed in the Statement on Risk Management and Internal Control in the Annual Report 2022.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	<p>The internal audit function of the Group is carried out by an outsourced external service provider, Sterling Business Alignment Consulting Sdn. Bhd. The outsourced internal auditors report directly to the ARMC. Internal audit reports are presented, together with audit findings and recommendations as well as Management's response and proposed action plans, to ARMC. In performing their duties, the Internal Auditors have free and unfettered access to information and to meet with any of the department heads or persons in charge.</p> <p>The Internal Auditors are precluded from providing any services that may impair their independence or conflict with their role as Internal Auditors.</p> <p>The ARMC obtained assurance from the Internal Auditors confirming 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.</p> <p>On 27 February 2023, the ARMC completed its annual assessment of the Internal Auditors and was satisfied with the overall performance of the Internal Auditors in FYE2022.</p> <p>The details of the internal audit function and activities are set out in the ARMC Report in Annual Report 2022.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose—

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group in its efforts to provide an adequate and effective internal control system had appointed an independent internal audit service provider, namely Sterling Business Alignment Consulting Sdn. Bhd (“Sterling”). Sterling acts as the internal auditors and reports directly to the ARMC of the Company.</p> <p>Dr So Hsien Ying of Sterling is the Engagement Director responsible for the internal audit of the Group. She has more than 29 years of experience in corporate planning, business process improvement, risk management, internal audit and internal control review. She is a Doctor in Business Administration (Wales), Certified Internal Control Professional from the Internal Control Institute (US), an associate member of The Institute of Internal Auditors Malaysia (“IIAM”) and a member of the Malaysian Alliance of Corporate Directors.</p> <p>The number of staff deployed for the internal audit reviews ranged from 3 to 4 per visit. Sterling engagement team personnel had affirmed to the ARMC that in relation to the Group, they were free from any relationships or conflicts of interest, which could impair their objectivity and independence. Sterling does not have any direct operational responsibility or authority over any of the activities audited.</p> <p>Sterling is a corporate member of the IIAM. Sterling uses the Committee of Sponsoring Organisations of the Treadway Commission (“COSO”) Internal Control-Integrated Framework as a basis for evaluating the effectiveness of the internal control systems.</p> <p>Upon the evaluation of the performance of the Internal Auditors for the FYE 2022 the ARMC concluded it was of the view that:</p> <ul style="list-style-type: none">• The Internal Auditors have sufficient experience and resources to satisfy their terms of reference; and• The Internal Auditors have sufficient resources to

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

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's ongoing engagement and regular communication with its stakeholders were established through its investor relations function, quarterly results announcements, other announcements on material corporate exercises, general meetings and electronic communications, i.e. website.</p> <p>A Corporate Disclosure Policy was formalised to promote comprehensive, accurate and timely disclosure pertaining to the Company and the Group's matters to regulators, shareholders and stakeholders.</p> <p>The Company's corporate website at www.hltglobal.com.my provides easy access to corporate and financial information of the Group. The Company's Investor Relations updates and information on financial results are uploaded on the website immediately once the announcements are made to Bursa Securities where shareholders and the public can access the latest corporate information of the Group including annual reports, quarterly reports, corporate governance information, such as Board Charter, Whistle Blowing Policy, Remuneration Policy, Terms of Reference of ARMC and NRC.</p> <p>Besides, the AGM also serves as the principal forum for direct interaction and dialogue between the shareholders, the Board and the management. The AGM provides an opportunity for the shareholders to seek and clarify any issues and to have a better understanding of the Group's performance and other matters of concern.</p> <p>Shareholders are encouraged to actively participate in the question and answer session. The Board, senior management and the external auditors will be present to answer and provide appropriate clarifications at the meeting.</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 continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Notice of the 8 th AGM of the Company to be held on 12 June 2023 was sent to the shareholders on 28 April 2023, which is more than 28 days before the date of the 8 th AGM.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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 directors attended the 7th AGM of the Company held on 30 May 2022.</p> <p>During the proceedings of the 7th AGM, the Chairperson invited shareholders to raise questions pertaining to the Company’s audited financial statements and other agendas tabled for approval at the meeting. Questions raised by the shareholders were answered and addressed accordingly.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's 7th AGM held on 30 May 2022 was held on a fully virtual basis and entirely via remote participation and voting ("RPV").</p> <p><u>Remote shareholders' participation in General Meetings</u></p> <p>Shareholders are able to attend, participate, speak (including posing questions to the Company/Board of Directors) and vote remotely at the AGM without being physically present at the meeting venue.</p> <p>Shareholders may also appoint proxies to participate on his/her behalf by submitting the duly executed proxy form to the Company's share registrar in hard copy or by electronic means.</p> <p><u>Voting in absentia</u></p> <p>For shareholders who are unable to attend the meetings remotely, they may exercise their voting rights by appointing the Chairman of the meeting as his/her proxy with a pre-determined proxy form.</p> <p>Shareholders will be allowed to cast their vote via an online platform at the time of the meeting until a time when the Chairman of the meeting announces the completion of the voting session.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman ensures that the general meetings cater an important opportunity for effective communication with, and constructive feedback from the shareholders.</p> <p>The Remote Participation and Voting ("RPV") facilities were provided by SS E Solution Sdn. Bhd. via Securities Services ePortal's platform at https://sshbsb.net.my/ allowed the shareholders to pose questions to the Board and Chairperson of the 7th AGM via typed text in the query box.</p> <p>The Company facilitates and encourages shareholder participation at its general meetings. The Securities Services ePortal's platform has the facilities to live broadcast the questions/remarks and answers; and the shareholders had experienced real time interaction with the Board during the AGM.</p> <p>All the Directors, Senior Management and External Auditors also attended the 7th AGM to respond to questions posted by shareholders.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.5

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

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has engaged SS E Solution Sdn. Bhd. to provide the RPV facilities to conduct its 7th AGM.</p> <p>Shareholders were provided with the Administrative Notes which sets out the guidelines for shareholders and proxies on the conduct and voting procedures using RPV prior to the 7th AGM.</p> <p>SS E Solution Sdn. Bhd. has in place a meeting platform that allows shareholders to participate online, using a smartphone, tablet or computer as well as viewing live webcast of the meeting. Real time submission of typed texts is also available to encourage interactive participation from the shareholders.</p> <p>The Company has closely monitored the RPV during the 7th AGM to ensure a seamless execution of the 7th AGM and also a smooth interaction between the Company and its shareholders.</p> <p>The Company's virtual engagements with its shareholders have risen throughout the year via various digital platforms and this reflected its focus on continuous engagement with its shareholders.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The minutes of the 7 th AGM were not circulated to the shareholders, however, the Summary of Key Matters Discussed at the 7 th AGM is made available to the shareholders on the Company's corporate website at www.hltglobal.com .
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

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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