

CORPORATE GOVERNANCE REPORT

STOCK CODE : 2674
COMPANY NAME : ALCOM GROUP 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 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 responsibilities of the Board of Directors of Alcom Group Berhad ("AGB" or "the Company") ("Board") are set out in the Board Charter. Further details of the roles and responsibilities of the Board are set out in the Corporate Governance Overview Statement ("CG Overview Statement") in the Annual Report 2024.</p> <p>For the effective functioning of the Board, the Board is assisted by the Board Committees namely, the Audit and Risk Management Committee ("ARMC"), Remuneration Committee ("RC") and Nomination Committee ("NC"). The Board Committees' roles, duties and responsibilities in discharging their functions are defined in their respective Terms of Reference ("TOR").</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	The responsibilities of the Chairman of the Board which include among others, instilling good Corporate Governance practices, leadership and effectiveness of the Board, are set out 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 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Board, Dato' Seri Subahan Bin Kamal is an Independent Non-Executive Director, while Heon Chee Shyong is the President cum Chief Executive Officer ("CEO"). There is a clear and distinct division of responsibilities between the Chairman and the President cum CEO to ensure that there is an appropriate balance of power and role, responsibility and accountability at Board level. Their respective responsibilities are set out in the Board Charter.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board, Dato' Seri Subahan Bin Kamal does not hold any position in the Board Committees, and neither does he participate in any or all of these Committees' meetings.</p> <p>The Board Charter and TOR of the ARMC, RC and NC stipulates that the Chairman of the Board shall not be a member of the ARMC, RC, NC or any other Board Committee.</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 1.5

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

Application	:	Applied
Explanation on application of the practice	:	The Board is supported by 2 qualified Company Secretaries, Lydia Tong Yiu Shyian-Shyian and Teh Yi Ting who are members of the Bar Council and The Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") respectively. The Company Secretaries' responsibilities are set out in the Board Charter.
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>Prior to Board meetings, all Directors receive notices of meetings together with the full set of Board papers containing information relevant to the businesses prior to the scheduled Board and Board Committee meetings. Reports include key result areas, operational profitability and performance review statements, human resource developments, environment, occupational health and safety, business plans, successions, strategies, as well as proposed announcements and releases comprising quarterly and period-end financial results to Bursa Malaysia Securities Berhad ("Bursa Securities"). Meeting materials are circulated to the Board and Board Committees' members, at least 5 working days prior to their respective meetings.</p> <p>The minutes of the said meetings are circulated and confirmed as a correct record of the proceedings by the Board and Board Committees at their subsequent respective meetings.</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 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 respective roles and responsibilities of the Board, Board Committees, Chairperson, Managing Director/Chief Executive Officer, Executive Director, Non-Executive Directors, Independent Non-Executive Directors, Senior Independent Non-Executive Directors and Company Secretaries are set out in the Board Charter. There is also a Schedule of Matters Reserved for Collective Decision of the Board in the Board Charter.</p> <p>The Board Charter will be subjected to periodical review cum updates by the Board whenever deemed necessary. This is to ensure its relevance for good corporate governance practices within the Group.</p> <p>The Board Charter is made available for reference in the Company's website at www.alcom.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 is guided by the Code of Conduct and Code of Ethics of the Group. The Code of Conduct and the Code of Ethics complement each other, forming the foundation of the Group's ethical framework. While the Code of Conduct provides specific guidelines on behaviour and practices within the Group, the Code of Ethics establishes the core values and principles — integrity, respect, accountability, and transparency — that guide decision-making and actions, ensuring compliance with regulations and alignment with these values from the boardroom to the front lines.</p> <p>Both the Code of Conduct and Code of Ethics are available on the Company’s website at www.alcom.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 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Group has in place a Whistle Blower Protection Code which is available on the Company’s website at www.alcom.com.my .	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied				
Explanation on application of the practice	:	<p>At the heart of the Group’s commitment to sustainability is the ESG Working Group, a dynamic force to promote environmental, social and governance (“ESG”) principles across the organisation and its stakeholders.</p> <p>With a focus on responsible corporate, the Board actively shapes policies, practices, and strategic decisions that not only mitigate environmental impact but also enhance social well-being and uphold the highest standards of governance.</p> <p>The ESG Working Group operates as a collaborative and multidisciplinary force, strategically led by key stakeholders at various levels of the organisation. This structured approach ensures a comprehensive and integrated focus on ESG principles. The following table shows the collaborative efforts of the ESG Working Group:</p> <table><tr><th>Position</th><th>Roles and Responsibilities</th></tr><tr><td>Board</td><td><ul style="list-style-type: none">Examines and accepts plans and policies for sustainability.Supports the suggested renewable energy projects.Covers issues related to material sustainability.</td></tr></table>	Position	Roles and Responsibilities	Board	<ul style="list-style-type: none">Examines and accepts plans and policies for sustainability.Supports the suggested renewable energy projects.Covers issues related to material sustainability.
Position	Roles and Responsibilities					
Board	<ul style="list-style-type: none">Examines and accepts plans and policies for sustainability.Supports the suggested renewable energy projects.Covers issues related to material sustainability.					

	<table border="1"> <tr> <th>Position</th> <th>Roles and Responsibilities</th> </tr> <tr> <td>ARMC</td> <td> <ul style="list-style-type: none"> Evaluates the Group's sustainability performance to make sure that compliance and development obligations have been fulfilled. Examines the draft Sustainability Report and suggests approval to the Board. Review the strategies, policies, management, initiatives, targets and performance of the Group as a whole, as appropriate, in areas such as Health and Safety, Environment, Community Relations, Security, and Governance to ensure AGB's business is conducted in a responsible manner. </td> </tr> <tr> <td>President cum CEO</td> <td> <ul style="list-style-type: none"> Provides strategic oversight and support for the ESG Working Group. Ensures alignment of sustainability efforts with overall business strategy and objectives. </td> </tr> <tr> <td>Sustainability Manager</td> <td> <ul style="list-style-type: none"> Acts as the central coordinator and leader of the working group. Oversees sustainability initiatives, collaborates with departmental representatives, and reports to the CEO and senior management. </td> </tr> <tr> <td>Sustainability Working Committee</td> <td> <ul style="list-style-type: none"> Incorporate sustainability strategies and execute sustainability initiatives and programmes. Provide regular updates on the performance of individual subsidiaries to both the Sustainability Officer and the ARMC. </td> </tr> </table>		Position	Roles and Responsibilities	ARMC	<ul style="list-style-type: none"> Evaluates the Group's sustainability performance to make sure that compliance and development obligations have been fulfilled. Examines the draft Sustainability Report and suggests approval to the Board. Review the strategies, policies, management, initiatives, targets and performance of the Group as a whole, as appropriate, in areas such as Health and Safety, Environment, Community Relations, Security, and Governance to ensure AGB's business is conducted in a responsible manner. 	President cum CEO	<ul style="list-style-type: none"> Provides strategic oversight and support for the ESG Working Group. Ensures alignment of sustainability efforts with overall business strategy and objectives. 	Sustainability Manager	<ul style="list-style-type: none"> Acts as the central coordinator and leader of the working group. Oversees sustainability initiatives, collaborates with departmental representatives, and reports to the CEO and senior management. 	Sustainability Working Committee	<ul style="list-style-type: none"> Incorporate sustainability strategies and execute sustainability initiatives and programmes. Provide regular updates on the performance of individual subsidiaries to both the Sustainability Officer and the ARMC.
	Position	Roles and Responsibilities										
	ARMC	<ul style="list-style-type: none"> Evaluates the Group's sustainability performance to make sure that compliance and development obligations have been fulfilled. Examines the draft Sustainability Report and suggests approval to the Board. Review the strategies, policies, management, initiatives, targets and performance of the Group as a whole, as appropriate, in areas such as Health and Safety, Environment, Community Relations, Security, and Governance to ensure AGB's business is conducted in a responsible manner. 										
	President cum CEO	<ul style="list-style-type: none"> Provides strategic oversight and support for the ESG Working Group. Ensures alignment of sustainability efforts with overall business strategy and objectives. 										
	Sustainability Manager	<ul style="list-style-type: none"> Acts as the central coordinator and leader of the working group. Oversees sustainability initiatives, collaborates with departmental representatives, and reports to the CEO and senior management. 										
Sustainability Working Committee	<ul style="list-style-type: none"> Incorporate sustainability strategies and execute sustainability initiatives and programmes. Provide regular updates on the performance of individual subsidiaries to both the Sustainability Officer and the ARMC. 											
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>Meaningful stakeholder engagement is essential to identifying and prioritising material issues that impact the Group's business and sustainability commitments. By engaging with key stakeholders, valuable insights are gained into emerging risks, opportunities, and expectations, which allow for the refinement of strategic approaches and the drive for long-term value creation.</p> <p>In FY2024, engagement efforts were significantly expanded compared to FY2023, particularly in encouraging stronger collaboration with suppliers and vendors. Through structured engagement sessions, supplier audits, and industry conferences, a deeper understanding of supply chain sustainability was achieved while reinforcing responsible business practices. This proactive approach ensures that all stakeholders, from employees to regulatory bodies, are actively involved in shaping material priorities and strategic direction.</p> <p>The Group's engagement efforts focused on:</p> <ul style="list-style-type: none">• Enhancing awareness and participation in sustainability initiatives across all stakeholder groups.• Strengthening governance and compliance through structured training and engagement programs.• Improving supply chain sustainability by increasing collaboration with vendors and suppliers.• Expanding community engagement efforts to drive meaningful social impact. <p>For a comprehensive description of the Group's stakeholders and their key concerns as well as the Group's response actions, please refer to AGB's standalone Sustainability Report which can be found on the Company's website at www.alcom.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 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 individual Directors participated in various programs/ webinars/ dialogues in 2024 to ensure that they keep abreast with and understand the latest development and issues relating to sustainability that is relevant to the Company and its business.</p> <p>The individual Directors are assessed annually by the NC on whether they have sufficient understanding and knowledge of sustainability issues that are relevant to the Company and its business to discharge his/her role effectively. The Board is also assessed annually on whether it has the required capacity and competency in its ability to tackle questions and deliberate on sustainability, as well as evaluate the sustainability risks and opportunities, and make informed decisions on the matter.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	The NC had in November 2024, used the Directors'/ Key Officers' Evaluation Form and Board & Board Committee Evaluation Form that include a review of the performance of the board and senior management in addressing the Company's material sustainability risks and opportunities, to conduct the evaluation on the Board and Directors/ Key Officers for year 2024.	
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	:	Adopted
Explanation on adoption of the practice	:	Suhaimi Sukiran is the Sustainability Officer of the Group. Each business segment will report to the Sustainability Officer.

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 responsibilities of the NC include among others, to evaluate the effectiveness of the Board and the Board Committees (including its size and composition), contribution and performance of each individual Director and the independence of the Independent Directors of the Company, on an annual basis.</p> <p>The Independent Directors were assessed via the Independent Directors' Self-Assessment Checklist, while individual Directors and the composition of the Board/Board Committees were assessed using the Directors'/ Key Officers' Evaluation Form, Board & Board Committee Evaluation Form, ARMC Evaluation Form and Performance Evaluation Sheet – Board Committees.</p> <p>The NC, after having conducted the abovementioned evaluation and assessment on 26 November 2024, concluded that each Director has the requisite competence, calibre to serve on the Board and Board Committees and had demonstrated his/her commitment to the Group in terms of time, participation and dialogue during the current year under review.</p> <p>The NC had endorsed the re-election of Directors, Heon Chee Shyong, Yeoh Jin Hoe and Wong Choon Shein who are due to retire by rotation at the conclusion of the Seventh AGM of the Company to be held on 26 June 2025 pursuant to Clause 82 of the Company's Constitution.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>As at 31 December 2024, at least half of the Board comprises Independent Directors, as follows:</p> <ul style="list-style-type: none">➤ 1 Independent Non-Executive Chairman;➤ 4 Independent Non-Executive Directors;➤ 1 President cum CEO;➤ 2 Executive Directors; and➤ 1 Alternate Director. <p>The Directors with their differing backgrounds and specialisations collectively bring with them a wide range of experience and expertise in areas such as accounting and audit, corporate finance, investment banking, legal, civil engineering, manufacturing, trading, property development and investment, building and construction. The profiles of all Board members are disclosed in the Profile of Directors section of the Annual Report 2024 on pages 5 to 9.</p> <p>At least half of the Board comprises Independent Directors which reflects a good measure of objectivity and impartiality. Collectively, they ensure that plans and strategies proposed by the Management are fully discussed and examined, taking into account the long-term interests of all shareholders and stakeholders of the company including employees, customers, suppliers and the local community in which the Group conducts its business.</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 5.3

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	:	Not applicable - Step Up 5.4 adopted	
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

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.

<i>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.</i>	
Application	: Adopted
Explanation on adoption of the practice	: The Board Charter has adopted Step Up Practice 5.4 of the Malaysian Code on Corporate Governance ("MCCG") where the tenure of Independent Directors is limit to 9 years without further extension. After 9 years, such independent director may continue to serve on the Board subject to his re-designation as a Non-Independent Director.

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>In the process of identifying and recommending candidates for new appointments to the Board, the NC takes into cognisance, the following criteria:</p> <ul style="list-style-type: none">(i) Size, balance, composition, mix of skills , qualification, experience, age, cultural background, gender, competencies and other qualities of the existing Board, level of commitment, resources and time that the recommended candidate can contribute to the existing Board and the Group.(ii) The candidate's skills, knowledge, expertise and experience, character, professionalism, integrity and, in the case of a candidate for the position of Independent Non-Executive Director, the independence as defined in the Main Market Listing Requirements ("MMLR") of Bursa Securities to bring about independence and objectivity in judgement on issues considered and hence, the ability to discharge responsibilities as expected from an Independent Non-Executive Director.(iii) The candidate's understanding of the Group's businesses and activities; and factors that promote boardroom diversity, including gender diversity and other qualities of the Board. <p>All the Directors of the Company hold not more than 5 directorships in public listed companies.</p>

	The meeting attendance of the Board and Board Committees members in financial year ended 31 December 2024 (“FY 2024”), is as set out in the table below:																																																
		<table><tr><th>Director</th><th>Board Meeting</th><th>ARMC Meeting</th><th>NC Meeting</th><th>RC Meeting</th></tr><tr><td>Dato’ Seri Subahan Bin Kamal</td><td>4/4 (100%)</td><td>N/A</td><td>N/A</td><td>N/A</td></tr><tr><td>Heon Chee Shyong</td><td>4/4 (100%)</td><td>N/A</td><td>N/A</td><td>N/A</td></tr><tr><td>Yeoh Jin Hoe</td><td>4/4 (100%)</td><td>N/A</td><td>N/A</td><td>N/A</td></tr><tr><td>Goh Teck Hong</td><td>3/4 (75%)</td><td>N/A</td><td>N/A</td><td>N/A</td></tr><tr><td>Wong Choon Shein</td><td>4/4 (100%)</td><td>N/A</td><td>1/1 (100%)</td><td>3/3 (100%)</td></tr><tr><td>Lam Voon Kean</td><td>4/4 (100%)</td><td>4/4 (100%)</td><td>1/1 (100%)</td><td>3/3 (100%)</td></tr><tr><td>Datin Shelina Binti Razaly Wahi</td><td>4/4 (100%)</td><td>4/4 (100%)</td><td>1/1 (100%)</td><td>N/A</td></tr><tr><td>Gong Wooi Teik</td><td>4/4 (100%)</td><td>4/4 (100%)</td><td>N/A</td><td>3/3 (100%)</td></tr></table>	Director	Board Meeting	ARMC Meeting	NC Meeting	RC Meeting	Dato’ Seri Subahan Bin Kamal	4/4 (100%)	N/A	N/A	N/A	Heon Chee Shyong	4/4 (100%)	N/A	N/A	N/A	Yeoh Jin Hoe	4/4 (100%)	N/A	N/A	N/A	Goh Teck Hong	3/4 (75%)	N/A	N/A	N/A	Wong Choon Shein	4/4 (100%)	N/A	1/1 (100%)	3/3 (100%)	Lam Voon Kean	4/4 (100%)	4/4 (100%)	1/1 (100%)	3/3 (100%)	Datin Shelina Binti Razaly Wahi	4/4 (100%)	4/4 (100%)	1/1 (100%)	N/A	Gong Wooi Teik	4/4 (100%)	4/4 (100%)	N/A	3/3 (100%)		
Director	Board Meeting	ARMC Meeting	NC Meeting	RC Meeting																																													
Dato’ Seri Subahan Bin Kamal	4/4 (100%)	N/A	N/A	N/A																																													
Heon Chee Shyong	4/4 (100%)	N/A	N/A	N/A																																													
Yeoh Jin Hoe	4/4 (100%)	N/A	N/A	N/A																																													
Goh Teck Hong	3/4 (75%)	N/A	N/A	N/A																																													
Wong Choon Shein	4/4 (100%)	N/A	1/1 (100%)	3/3 (100%)																																													
Lam Voon Kean	4/4 (100%)	4/4 (100%)	1/1 (100%)	3/3 (100%)																																													
Datin Shelina Binti Razaly Wahi	4/4 (100%)	4/4 (100%)	1/1 (100%)	N/A																																													
Gong Wooi Teik	4/4 (100%)	4/4 (100%)	N/A	3/3 (100%)																																													
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 has in place a Policy on Nomination and Assessment Process of Board members which sets out the process and criteria for selection and assessment of potential candidates for election to the Board of the Company. It is specified in the said Policy that in identifying candidates for appointment as Director, the following approaches will be deployed in sourcing for Board candidates: <ul style="list-style-type: none">➤ Referrals from Board members, management and major shareholders➤ Directors' registry (e.g. Institute of Corporate Directors Malaysia)➤ Industry and professional associations➤ Independent search firms The aforesaid Policy is to be practiced in conjunction with the Board Diversity Policy 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

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 profiles of the retiring Directors are set out in the Profiles of Directors on pages 5 to 7 of the Company's Annual Report 2024 which include their age, gender, date of appointment, qualification, directorships in other public companies and listed issuers, working experience and occupation, any family relationship with any director and/or major shareholder of AGB and any conflict of interest with the Company.</p> <p>The Board has also provided a statement and the reasons in the Explanatory Notes to Notice of the Seventh Annual General Meeting ("AGM") of the Company dated 25 April 2025, to support the re-election of those Directors who are due to retire at the said AGM.</p> <p>For the purpose of determining the eligibility of the Directors, Heon Chee Shyong, Yeoh Jin Hoe and Wong Choon Shein who are standing for re-election at the Seventh AGM, the Board through its NC had assessed them using the Independent Directors' Self-Assessment Checklist, Directors'/Key Officers' Evaluation Form, Board & Board Committee Evaluation Form, Performance Evaluation Sheet and Conflict of Interest Assessment Form in order to assess each of their calibre and ability to understand the requirements, risk and management of the Group's business; contribution and performance; character, integrity and professional conduct in dealing with conflict of interest situations; ability to critically challenge and ask the right questions; commitment and due diligence, confidence to stand up for a point of view; interaction at meetings and training records for FY 2024.</p> <p>Based on the evaluation results, the aforesaid retiring Directors, Heon Chee Shyong, Yeoh Jin Hoe and Wong Choon Shein met the performance criteria required of an effective member of the Board.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The NC is chaired by Independent Non-Executive Director, Wong Choon Shein.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board acknowledges the importance of Board diversity, including gender diversity, for the effective functioning of the Board.	
		The Board Diversity Policy of the Company stipulates, among other things, that the NC will consider the benefit of all aspects of diversity in order to maintain an appropriate range and balance of skills, experience and background on the Board. In identifying suitable candidates for appointment to the Board, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity of the Board.	
		The Company therefore aims to appoint and/or maintain at least 30% woman participation on the Board. Currently, the Board has 2 female directors which comprises 25% of the Board members.	
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	:	The Board has disclosed in its Annual Report 2024 the Gender Diversity Policy on page 34.	
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.

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	:	<p>In November 2024, the NC undertook the evaluation to assess the Board, Board Committees and each individual Directors. The evaluation was conducted using the Independent Directors' Self-Assessment Checklist, Directors'/Key Officers' Evaluation Form, Board & Board Committee Evaluation Form, ARMC Evaluation Form, Performance Evaluation Sheet and Conflict of Interest Assessment Form. Thereafter, the results of the valuation and recommendations were tabled to the Board.</p> <p>The NC, after having conducted the abovementioned evaluation and assessment in November 2024, concluded that:</p> <ul style="list-style-type: none">(i) the Independent Directors of the Company, viz., Dato' Seri Subahan Bin Kamal, Wong Choon Shein, Lam Voon Kean, Datin Shelina Binti Razaly Wahi and Gong Wooi Teik continued to demonstrate conduct and behaviour that are essential indicators of their independence and each of them continues to fulfil the definition and criteria of independence as set out in the MMLR of Bursa Securities.(ii) each Director has the requisite competence, calibre to serve on the Board and Board Committees and had demonstrated his/her commitment to the Group in terms of time, participation and dialogue during the current year under review. The NC endorsed the re-election of Directors, Heon Chee Shyong, Yeoh Jin Hoe and Wong Choon Shein who will be retiring at the Seventh AGM in 2025.(iii) none of the Directors of the Company had improperly used his or her position in the Company to gain a benefit or advantage for himself or herself or any other person, or to cause detriment to the Company and/or the Group.

	<p>(iv) the Board and the Board Committees' respective responsibilities were well defined and set out in the Board Charter. The criteria in the MMLR of Bursa Securities that at least 1 of the members of the ARMC must be a member of the Malaysian Institute of Accountants or a person approved under the MMLR of Bursa Securities is met. The Practices set out in the MCCG pertaining to the composition of the ARMC have also been adopted.</p> <p>The Board members unanimously concurred with the above conclusions of the NC.</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	:	The Company has in place a Remuneration Policy for Directors and Senior Management aimed to create a strong performance-oriented environment, and to attract, develop and retain talent. The Remuneration Policy for Directors and Senior Management is available on the Company’s website at www.alcom.com.my .	
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	:	The Board has a RC and the RC’s Terms of Reference is available on the Company’s website at www.alcom.com.my .	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The remuneration of the Directors of AGB (comprising remuneration received and/or receivable from AGB and its subsidiaries) during FY 2024 are categorised in the table at the following page, and the footnotes thereto are set out herein below:</p> <p>Notes:</p> <p>(1) Salaries comprised basic salary, EPF, SOCSO and EIS.</p> <p>(2) Benefits-in-kind comprised provision of company motor vehicle, petrol expenses, driver, medical reimbursement, insurance and phone bill.</p> <p>(3) Marc Francis Yeoh Min Chang is the Alternate Director to Executive Director, Yeoh Jin Hoe and Director of subsidiary company, Alcom Nikkei Specialty Coatings Sdn. Bhd.</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Heon Chee Shyong	Executive Director	-	-	-	-	-	-	-	-	-	1,299	93	28	-	1,420
2	Yeoh Jin Hoe	Executive Director	-	-	-	-	-	-	-	-	-	301	424	-	-	725
3	Goh Teck Hong	Executive Director	-	-	506	37	-	-	543	-	-	506	37	-	--	543
4	Marc Francis Yeoh Min Chang	Choose an item.	-	-	-	-	-	-	-	-	-	384	28	-	-	412
5	Dato' Seri Subahan Bin Kamal	Independent Director	96	8	-	-	-	-	104	96	8	-	-	-	-	104
6	Wong Choon Shein	Independent Director	81	28	-	-	-	-	109	81	28	-	-	-	-	109
7	Lam Voon Kean	Independent Director	107	31	-	-	-	-	138	107	31	-	-	-	-	138
8	Datin Shelina Binti Razaly Wahi	Independent Director	100	28	-	-	-	-	128	100	28	-	-	-	-	128
9	Gong Wooi Teik	Independent Director	100	28	-	-	-	-	128	100	28	-	-	-	-	128
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board considered the information of the remuneration of the top 5 Senior Management personnel to be sensitive and proprietary in view of the competitive nature of the human resource market and such confidentiality supports the Company's efforts to attract and retain executive talent.</p> <p>The transparency and accountability aspects of corporate governance applicable to the remuneration of these staff are deemed appropriately served by the disclosures of their remuneration in categories and bands of RM50,000 as disclosed in page 31 of the Annual Report 2024 under the CG Overview Statement.</p> <p>The Board ensures that the remuneration of the Senior Management commensurate with the overall performance of the Group and the general economic situation, with due consideration to attract, retain and motivate Senior Management to lead and run the Group successfully.</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.

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 Chairperson of the ARMC is Lam Voon Kean while the Chairman of the Board is Dato' Seri Subahan Bin Kamal.	
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	:	The policy that requires a former partner of the external audit firm of the Company to observe a cooling-off period of at least 3 years before being appointed as a member of the Audit Committee is stipulated in the TOR of the ARMC.	
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	:	The Company has in place the External Auditors' Assessment Policy and had carried out an annual assessment on the performance, suitability and independence of the external auditors based on the following 6 key areas: (a) competence and quality of audit service; (b) sufficiency of resources; (c) ability to meet deadlines and responding to issues in a timely manner; (d) communication and interaction with the Management; (e) independence, objectivity and professionalism; and (f) whether there are any reprimand or sanction imposed by Audit Oversight 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

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The ARMC of the Company wholly consists of Independent Directors. They are:</p> <ol style="list-style-type: none">1. Lam Voon Kean (Chairperson)2. Datin Shelina Binti Razaly Wahi (Member)3. Gong Wooi Teik (Member)

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The members of the ARMC possess the necessary skills to discharge their duties and are financially literate. The profile of the ARMC Chairperson, Lam Voon Kean is set out in page 7 of the Annual Report 2024 while the profiles of the members, Datin Shelina Binti Razaly Wahi and Gong Wooi Teik are provided in page 8 of the Annual Report 2024.</p> <p>The training programs/webinars/dialogues that the ARMC members have participated during the FY 2024 are disclosed in pages 35 and 36 of the Annual Report 2024.</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 10.1

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 thereafter, to implement and monitor appropriate internal controls to manage and mitigate those risks. The details of the framework are disclosed in the Directors’ Statement on Risk Management and Internal Control in pages 44 to 45 of 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 make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The key elements of the Risk Management Framework are set out in the Statement on Risk Management and Internal Control, as follows:</p> <ul style="list-style-type: none">• various Board Committees are chaired by the Independent Non-Executive Directors to oversee, monitor and review the Group's and Management's performances;• an organisational structure with clearly defined roles and responsibilities with a hierarchical structure of reporting lines and accountability;• setting annual plans that are in line with the Group's strategic direction;• weekly and monthly meetings consisting of departmental meetings, various cross functional meetings and head of departments' meetings for review and resolution of issues as well as to measure and monitor performance achievements;• annual performance appraisals which are linked to the annual agreed performance targets with both quantitative and qualitative criteria to raise individual performance;• structured training program for employees to maintain high standards on safety, code of conduct and to upgrade the competency levels of their respective professions;• terms of reference and delegation of responsibilities to committees of the Board and business operating units, including proper authorisation for all aspects and levels of the business within the Group;• quarterly board meetings to set the Group's goals and objectives, review business operations, to approve significant transactions as well as to approve releases of quarterly and annual financial results;• documentation and update of risk management and internal controls' policies and procedures as set out in the standard operating policies and procedural manuals. These manuals include credit, quality, safety, health and environment;• internal quarterly certification for the manufacturing segment by various employees and representation letters by the Management to the Board on assurances of risk management, internal controls and compliance; and

	<ul style="list-style-type: none"> a Whistle Blower Protection Code is in place to provide an avenue for employees/public to report/complain of any wrongdoing by any employee of the Group, or any breach or suspected breach of any laws or standards in a safe and confidential manner. 	
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 10.3 - 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 is outsourced to a competent third party service provider and is independent from the management of the Company. The Internal Auditors have direct access to both the ARMC and Chairperson of the ARMC, and reports to the ARMC on all matters of internal control and audit.</p> <p>Prior to each financial year, the annual Internal Audit Plan is reviewed and approved by the ARMC.</p> <p>Details of the Internal Audit function are set out in the ARMC Report on page 42 and Directors' Statement on Risk Management and Internal Control on pages 45 to 47 of the Annual Report 2024.</p> <p>The ARMC evaluates the efficiency and effectiveness of the Internal Audit function on an annual basis.</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>During FY 2024, the internal audit function was outsourced to an independent service provider, Finfield Corporate Services Sdn. Bhd. (“Finfield”).</p> <p>The internal audit team of Finfield is headed by its Director, Tan Yen Yeow. He is a Chartered Accountant registered with the Malaysian Institute of Accountants. He is also a member of The Institute of Internal Auditors Malaysia and a Certified Internal Auditor. The internal audit team are free from any relationships or conflicts of interest, which could impair their objectivity and independence.</p> <p>The internal audit adopts a risk-based approach in developing its audit plan and addresses core auditable areas of the Group based on their risk profile.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied	
Explanation on application of the practice	:	Information is made available to the shareholders and investors through the Annual Reports, the various disclosures and announcements made to Bursa Securities and the Company’s corporate website at www.alcom.com.my . The AGM provides the principal platform for dialogue and interactions with the shareholders.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	At least 28 days’ notice period was given in respect of the Company’s Sixth AGM which was held on 19 June 2024. The notice convening the said AGM was dated 26 April 2024. Likewise, at least 28 days’ notice period will be given for the forthcoming Seventh AGM which will be held in June 2025.	
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	:	At the Company’s Sixth AGM held on 19 June 2024, all the Directors of the Company attended the said AGM virtually.	
		Barring any unforeseen circumstances, all the Directors have confirmed their attendance and participation for the forthcoming Seventh AGM on 26 June 2025.	
		The Board members who are also Chairperson of the Board Committees have always been present at the AGM to respond to questions raised by the shareholders if addressed to them.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Sixth AGM of the Company held on 19 June 2024 was conducted fully virtual and live-streamed from the broadcast venue. This had allowed shareholders to attend, ask questions to the Board via real time submission of typed texts and vote remotely via the Remote Participation and Voting (“RPV”) facilities provided by KPMG Management & Risk Consulting Sdn. Bhd. (“KPMG MRC”) through its ConveneAGM Meeting Platform at https://conveneagm.my.</p> <p>The virtual AGM is in compliance with the Company’s Constitution, Companies Act 2016 and other legal requirements.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.4

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 Company's Sixth AGM on 19 June 2024 was conducted fully virtual and the Company had made available the Administrative Details in the Annual Report 2023 and/or its website, which includes steps to submit questions for the Board before and during the said AGM via https://conveneagm.my.</p> <p>During the Sixth AGM, the Chairman of the Board had also informed the shareholders that they could raise questions in real time by transmitting their questions via the RPV facilities provided by KPMG MRC through its ConveneAGM Meeting Platform at https://conveneagm.my.</p> <p>All the questions from shareholders were addressed by the Chairman of the Board, President cum CEO, Finance Director and/or the Executive Directors, after the conclusion of the agendas of the AGM.</p> <p>In view that the shareholders were allowed to submit questions commencing from the date of notice of the general meetings, they were given sufficient opportunity to pose their questions before and during the said AGM. The Company had ensured that all the questions were answered.</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 Sixth AGM of the Company was conducted fully virtual on the Online Meeting Platform provided by our Poll Administrator, KPMG MRC.</p> <p>The Poll Administrator, KPMG MRC had verified the eligibility of shareholders/corporate representatives/proxies to attend the Sixth AGM of the Company based on the General Meeting Record of Depositors as at 11 June 2024, and upon the cut-off date and time for proxy form submission. This online platform was secured exclusively for the members with approved registration for the RPV at the Sixth AGM.</p> <p>Each questions received from shareholders before and during the said AGM were broadcasted to all participants during the Question and Answer Session, as and when the Chairman of the Board, President cum CEO, Finance Director and/or the Executive Directors provided their responses to the respective questions accordingly in an orderly manner. Additional questions from shareholders received during the 20 minutes Polling Session were addressed before the announcement of results.</p> <p>The poll results of the Sixth AGM were verified by the Scrutineers, Quantegic Services Sdn. Bhd. and the results of the poll were displayed on the screen when the Chairman declared that all the resolutions were carried.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	The Minutes of the Sixth AGM held on 19 June 2024 were posted on the Company's website on 31 July 2024 upon confirmation of its proceedings by the Board on even date.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

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

Click or tap here to enter text.

