

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 2097  
**COMPANY NAME** : Meta Bright Group Berhad  
**FINANCIAL YEAR** : June 30, 2023

## OUTLINE:

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established clear roles and responsibilities for its fiduciary and leadership functions of the Board, its Chairman, Managing Director, Executive Directors and Independent Directors in its Board Charter. The Board has also defined its schedule of matters covering the significant investment and disinvestment, corporate exercise, business strategy and sustainability issues, shareholders' communication, board policies and governance, related party transaction, declaration of dividend, as well as the performance review, remuneration, succession, and appointment of Directors and key senior executives, to be retained for the Board decision.</p> <p>The Board has established the Audit and Risk Management Committee ("ARMC"), Nominating Committee and Remuneration Committee to provide greater attention and objectivity in the deliberation of specific Board agendas. The Board has defined the terms of reference for each Committee. The Chairmen of the respective Board Committees report and recommend significant matters and actions deliberated in the Committees to the Board for approval.</p> <p>To ensure the business is being adequately managed, the Board performed periodic reviews of the financial results of the Group. These periodic reviews cover, among others, the business operations performance, financial position, and business proposals of the Group. The Board performs these reviews with the management in every board meeting and deliberates on the progress and the resource needs to meet the objectives of these subject matters thereof.</p> <p>The Board has defined its Code of Conduct and Ethics. This Code of Conduct and Ethics serves as a guide to stakeholders on the ethical behaviours to be expected from the Group and enables the Board to convey and instil its values into the organisation.</p>

	<p>The Board has further strengthened its governance, risk management and internal control framework by defining and implementing its Groupwide Oversight Framework in accordance with Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries issued by the Securities Commission. In this framework, the Board has defined its responsibilities with respect to the oversight of business strategy, risk management, financial and non-financial performances, and the application of governance policies and procedures at the subsidiary level. The management of the respective subsidiaries supports the Board in carrying out its oversight responsibility by furnishing the Board with relevant and timely information.</p> <p>The Group has also defined and implemented the Anti-Bribery and Corruption Framework and Policy. The objective of this framework and policy is to guide staff members, employees and business associates in taking appropriate measures and steps to prevent involvement in bribery activities.</p> <p>The Company has defined and implemented the Fit and Proper Policy. This Policy describes the requirements of a Director’s character, experience, qualification, integrity and competence, and time to discharge their roles effectively. Accordingly, the appointment and re-appointment of Directors to the Board will be assessed based on provisions in this Policy.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board appoints a chairperson amongst the Directors. Encik Mohamed Akwal Bin Sultan Mohamad is the current Non-Executive Chairman of the Board.</p> <p>The Chairman is responsible for instilling good governance practices, leadership and effectiveness of the Board through chairing of board meetings, representing the Board to shareholders, and reviewing as well as approving together with the Board members on board matters and policies.</p> <p>The Chairman sets the board agenda in consultation with the Management and Company Secretaries to ensure that the Board members receive complete and accurate information in a timely manner.</p> <p>The Chairman will lead the Board on the conduct of the meeting and the agenda items to be discussed and encourage participation from all Board members during the Board meetings. In addition, the Chairman will ensure the Board committee meetings are not combined with the main Board meeting.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Currently, the roles of the Chairman and Managing Director are held by 2 different individuals.</p> <p>The Chairman of the Board, Encik Mohamed Akwal Bin Sultan Mohamad, is responsible for the effectiveness functions of the Board, whilst the Managing Director, Mr Lee Chee Kiang is responsible for the leadership and management of the Group's operations as well as the implementation of the Board's policies and decisions.</p> <p>The distinct and separate roles and responsibilities of the Board Chairman and the Managing Director are clearly stated in the Board Charter, which is published on the Company's corporate website at <a href="https://www.mbgb.my">https://www.mbgb.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b>	: Departure
<b>Explanation on application of the practice</b>	:
<b>Explanation for departure</b>	: The Board Chairman, Encik Mohamed Akwal Bin Sultan Mohamad is also a member of the Audit and Risk Management Committee, Nominating Committee and Remuneration Committee.  Please provide an alternative practice and explain how the alternative practice meets the intended outcome.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: The Board is mindful of the possibility of impairment of Board Chairman's objectivity when deliberating issues reported by these Committees to the Board.  The Nominating Committee also deliberated this issue and took the stance that the Board shall adopt this practice in due course.
<b>Timeframe</b>	: Within 2 years

## Intended Outcome

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

## Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Ms Tai Yit Chan, the Company Secretary, is a qualified member of the Malaysian Institute of Chartered Secretaries and Administrators. She supports the Board in discharging the Board fiduciary duties and stewardship role and advise the Board with regards to regulatory compliance, guidelines, legislations and the governance practices.</p> <p>All Directors have unrestricted access to the advice and services of Ms Tai Yit Chan. The decisions for appointment and removal of the Company Secretary rest with the Board.</p> <p>The key responsibilities of the Company Secretary are:</p> <ul style="list-style-type: none"><li>● Co-ordinating with the Management and the Board on the meeting agenda items and schedule;</li><li>● Co-ordinating all Board and Board committee meetings;</li><li>● Attending and recording minutes of all Board and Board Committee meetings;</li><li>● Advising the Board on the corporate disclosures and compliance with securities regulations, listing requirements and companies act as well as their applications with respect to the agenda discussed in the Board meeting;</li><li>● Assisting the Board and the Management regarding the Annual General Meeting proceedings; and</li><li>● Monitor corporate governance developments and assist the Board in applying governance practices to meet the compliance needs and stakeholders' expectations.</li></ul>
<b>Explanation for departure</b>	:	<p>Please provide an explanation for the departure.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

### Intended Outcome

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

### Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board understands that the supply, timeliness and quality of the information affect the effectiveness of the Board to oversee the conduct of business and to evaluate the Management's performance of the Group. Management ensured that each Director was provided with timely notices and minutes of meeting. Board papers were circulated to the Board members prior to the Board meetings in order to provide the Board members with timely information and, to enable them to deliberate issues more effectively during the Board meetings.</p> <p>During the Board meetings, the Board reviewed and ensured that all the Board agenda items were covered with proper and adequate deliberation based on information furnished by the Management. The Managing Director, Executive Directors and Management were invited to attend the Board and ARMC meetings to provide explanations to the agenda items discussed.</p> <p>Upon conclusion of each meeting, the Company Secretary ensured that the proceedings and resolutions passed during the meeting were properly recorded. The minutes of the meetings were circulated to the Board members before the next meetings.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has defined its Board Charter by setting out the roles, duties and responsibilities of the Board, Chairman, Managing Director, Executive Directors and the Independent Directors as well as the schedule of matter on key matters reserved for the Board's approval. (refer to the details of the schedule of matters in the first paragraph of the Practice 1.1)</p> <p>The roles, duties and responsibilities of the Board Committees, namely the Audit and Risk Management Committee, Nominating Committee and Remuneration Committee are defined clearly in their respective terms of reference.</p> <p>The Board Charter, Code of Conduct and Ethics, Whistle Blowing Policy, Anti Bribery and Anti-Corruption Policy, Fit and Proper Policy for Directors, Diversity Policy as well as the terms of reference of the Board Committees are also posted on the Company's corporate website at <a href="https://www.mbgb.my">https://www.mbgb.my</a> .</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted its Corporate Code of Conduct and Ethics covering Board's values and principles to serve as a guide to stakeholders on the ethical behaviours to be expected from the Group as well as to enable the Board to convey and instil its values into the organisation. In addition, the Board has defined policies on abuse of power, corruption, insider trading, conflicts of interest and money laundering in this Code of Conduct and Ethics.</p> <p>The details of the Code of Conduct and Ethics is published for reference in the Company Corporate website under "Investor Relation" at <a href="https://www.mbgb.my">https://www.mbgb.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established its whistleblowing policy and reporting channel.</p> <p>In order to provide comfort to whistle blowers in relation to the protection of the confidentiality of the information and identity of the whistle blower, the Board has assigned the administration of the whistleblowing reporting channel to the outsourced Internal Audit Function.</p> <p>Stakeholders who know of, or suspects any violation of the Code may report the incidence to the ARMC Chairman by emailing to <a href="mailto:mbgb@whistleblower.com.my">mbgb@whistleblower.com.my</a> or by posting their complaints to PO Box #911, L2- 08, Level 2, Cheras Leisure Mall, Jalan Manis 6, Taman Segar, 56100 Kuala Lumpur.</p> <p>During the financial period, the Board did not receive any complaints of violation from these whistleblowing reporting channels.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.1

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Board Charter provides that the Board is responsible to ensure the Group's strategic plan supports long-term value creation and sustainability. The sustainability issue is also a reserved matter for the Board's decision.  The Group takes into account sustainability considerations when considering new business ventures and opportunities. The management also considers the health and safety issues, energy and water consumptions, procurement practice impact on carbon emission, wellbeing of the community and employees, workplace diversity, heat reduction to the building and asset life cycle analysis in identifying the appropriate actions to address and manage sustainability issues in the operations. (Refer to further details Sustainability Statement in the Annual Report)
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Company’s sustainability core values and initiatives are communicated to all stakeholders through the disclosure in the Annual Report under the Sustainability Statement.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.3**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>All Independent Directors have since attended Environmental, Social and Governance (ESG) related trainings conducted by Malaysian Institute of Accountants.</p> <p>On the other hand, through business discussions, meetings, participation in trade events and reading literature on sustainability issues, the Executive Directors enhance their knowledge and stay abreast with the latest developments relating to sustainability matters.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.4

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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Group has conducted a sustainability materiality assessment in identifying and prioritising its material sustainability matters. Nonetheless, the sustainability performance evaluation criteria have not been defined in the Board and senior management performance appraisal.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Going forward, the Group will set the sustainability target and timeline, and the Board and management's actions and responsibilities for achieving these targets. Upon completing this, the sustainability performance evaluation criteria will be defined for the Board and Senior Management appraisal.	
<b>Timeframe</b>	:	Within 2 years	

**Intended Outcome**

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

**Practice 4.5- Step Up**

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

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

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	This Step-Up practice does not apply to the Company who is not a Large Company i.e. companies on the FTSE Bursa Malaysia Top 100 Index; or companies with market capitalisation of RM2 billion and above.

**Intended Outcome**

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

**Practice 5.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Annually, the Nominating Committee reviews the Board, Board Committees, and individual Director evaluation and uses the result of the assessment as a reference for the consideration of their re-election.</p> <p>Based on the performance assessment, it was concluded that all Directors possess the relevant qualification, knowledge, experience, and ability to understand the technical requirements, risks, and management of the Group’s business. The Directors have also discharged their duties and responsibilities in a commendable manner and have demonstrated their devotion of time and effort to the affair of the Group. Accordingly, the retiring Directors (based on their tenure of service) were recommended for reappointment.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.2

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	Presently, 3 out of 7 of the Board members are Independent Non-Executive Directors. Hence, the Board composition of the independent directors is slightly below half of the Board size but the Board composition is in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad that requires a minimum of two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be Independent Directors.	
		Nevertheless, the Chairman of the Board is an Independent Non-Executive Director and under the Constitution of the Company, the Chairman is conferred with the right of a casting vote.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Within 2 years	

### 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.

<b>Application</b>	:	Applied		
<b>Explanation on application of the practice</b>	:	Presently, none of the current Independent Directors have served more than nine (9) years in the Board. Accordingly, no shareholders' approval is needed to be sought for maintaining the independent directorship of these Directors in the AGM. The tenure of office of the respective Independent Directors are as follows:		
		<b>Independent Director</b>	<b>Date of Appointment</b>	<b>Years of Service up to the coming AGM in December 2023</b>
		Mohamed Akwal Bin Sultan Mohamad	20 August 2015	8 years
		Masleena Binti Zaid	15 July 2019	4 years
		Ong Lu Yuan	17 September 2020	3 years
<b>Explanation for departure</b>	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
<b>Measure</b>	:			
<b>Timeframe</b>	:			

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

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

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

## Intended Outcome

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

## Practice 5.5

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

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

<b>Application</b>	:	Applied				
<b>Explanation on application of the practice</b>	:	The composition of the Board and Senior Management, comprising Executive, Non-Executive and Independent Directors and Financial Controller, reflects the diversity in skills, experience, age, cultural background and gender.				
		<b>Age Group</b>	<b>30- &lt;45 years</b>	<b>45- &lt;55 years</b>	<b>55- &lt;65 years</b>	<b>65- 75 years</b>
		<b>Number of Directors</b>	1	5		1
		<b>Number of Senior Management</b>		1		
		<b>Independent Non-Executive Directors</b>	<b>Knowledge</b>			
		<b>Mohamed Akwal Bin Sultan Mohamad</b>	<ul style="list-style-type: none"> <li>• General Management/Business</li> <li>• Economic and Policy</li> <li>• Banking and Finance</li> <li>• Marketing and Sales</li> </ul>			
		<b>Masleena Binti Zaid</b>	<ul style="list-style-type: none"> <li>• Legal and Regulatory</li> <li>• General Management/Business</li> <li>• Human Resource / Talent Management</li> <li>• Sustainability/Environmental, Social and Governance</li> <li>• Main Market Listing Requirements of Bursa Malaysia Securities</li> </ul>			

<p><b>Ong Lu Yuan</b></p>	<ul style="list-style-type: none"> <li>• Accounting/Auditing</li> <li>• General Management/Business</li> <li>• Taxation</li> <li>• Banking and Finance</li> <li>• Economic and Policy</li> <li>• Sustainability/Environmental, Social and Governance</li> <li>• Project Management/Engineering</li> </ul>
<p><b>Executive Directors</b></p>	<p><b>Knowledge</b></p>
<p>Lee Chee Kiang</p>	<ul style="list-style-type: none"> <li>• Legal and Regulatory</li> <li>• General Management/Business</li> <li>• Banking and Finance</li> <li>• Economic and Policy</li> <li>• Sustainability/Environmental, Social and Governance</li> <li>• Marketing and Sales</li> </ul>
<p>Dato' Lee Wai Mun, DIMP., JMK., JP.</p>	<ul style="list-style-type: none"> <li>• Accounting/Auditing</li> <li>• General Management/Business</li> <li>• Banking and Finance</li> <li>• Marketing and Sales</li> <li>• Project Management / Engineering</li> <li>• Sustainability/Environmental, Social and Governance</li> </ul>
<p>Tan Chin Hong</p>	<ul style="list-style-type: none"> <li>• Accounting / Auditing</li> <li>• General Management/Business</li> <li>• Taxation</li> <li>• Human Resources / Talent Management</li> <li>• Banking and Finance</li> <li>• Economic and Policy</li> <li>• Main Market Listing Requirements of Bursa Malaysia Securities</li> </ul>
<p>Derek Phang Kiew Lim</p>	<ul style="list-style-type: none"> <li>• Legal and Regulatory</li> <li>• Accounting/Auditing</li> <li>• General Management/Business</li> <li>• Taxation</li> <li>• Banking and Finance</li> <li>• Economic and Policy</li> <li>• Main Market Listing Requirements of Bursa Malaysia Securities</li> <li>• Sustainability/Environmental, Social and Governance</li> </ul>

		<ul style="list-style-type: none"> <li>Fundraising, Restructuring, Mergers and Acquisitions, Business Development</li> </ul>				
		<table border="1"> <thead> <tr> <th>Senior Management</th> <th>Knowledge</th> </tr> </thead> <tbody> <tr> <td>San Tuck Hoe</td> <td> <ul style="list-style-type: none"> <li>Accounting/Auditing</li> <li>Information Technology / Digital Strategy</li> <li>General Management/Business</li> <li>Taxation</li> <li>Banking and Finance</li> <li>Economic and Policy</li> </ul> </td> </tr> </tbody> </table> <p>Further details of each individual Director and Senior Management can be found in their respective profiles in the Annual Report.</p> <p>The Board had adopted the Director Fit and Proper Policy. This policy defines the character, experience, integrity, competence and time commitment criteria for directors and is being used in the evaluation of directors before their appointment and re-election to the Board. This Fit and Proper Policy for Directors has been published onto the Company's corporate website.</p>	Senior Management	Knowledge	San Tuck Hoe	<ul style="list-style-type: none"> <li>Accounting/Auditing</li> <li>Information Technology / Digital Strategy</li> <li>General Management/Business</li> <li>Taxation</li> <li>Banking and Finance</li> <li>Economic and Policy</li> </ul>
Senior Management	Knowledge					
San Tuck Hoe	<ul style="list-style-type: none"> <li>Accounting/Auditing</li> <li>Information Technology / Digital Strategy</li> <li>General Management/Business</li> <li>Taxation</li> <li>Banking and Finance</li> <li>Economic and Policy</li> </ul>					
<b>Explanation for departure</b>	:					
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>						
<b>Measure</b>	:					
<b>Timeframe</b>	:					

**Intended Outcome**

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

**Practice 5.6**

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>In accordance with the Board Charter, when identifying the candidates for the Board and Senior Management, the Board will consider the recommendations from its existing Board members, management or major shareholders as well as independent sources to identify suitably qualified candidates for appointment of Directors and Senior Management positions. The identification of candidates for directorship will be based on their skills, knowledge, professionalism, character and experience in line with the needs of the Group.</p> <p>As mentioned in Practice 5.1, all Directors' performance are commendable based on the annual director performance evaluation .</p> <p>There was no new director being appointed during the financial year.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The profiles of each Director are disclosed in the Annual Report for shareholders' reference. The details in the Directors profiles include their age, experience, skill sets, educational background, directorships in other listed companies as well as the family relationship with other board members.</p> <p>In addition, shareholders could also ascertain other important information about their independence in terms of the controlling share interest of the Directors in the Company, any related party transactions involving their interest, their remuneration, meeting attendance, position and roles in board committees and the activities undertaken before casting their vote for the appointment and reappointment of the Directors.</p> <p>The Board has provided its reasons supporting the re-appointment of the retiring Directors under the explanatory notes of the Notice of AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Nominating Committee is chaired by Puan Masleena Binti Zaid who is an Independent Non-Executive Director.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	Presently, the Board comprises a women Director, Puan Masleena Binti Zaid, Non-Executive Director. Her presence satisfies the Main Market Listing Requirements which mandates the presence of at least one (1) female Director on board.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	The Board will ensure at least two female directors are appointed	
<b>Timeframe</b>	:	Within 2 years	

**Intended Outcome**

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

**Practice 5.10**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The gender diversity principle is provided in the Board Diversity Policy.</p> <p>To promote an inclusive workplace culture that embraces and supports cultural, ethnic, gender, and age diversity across the Group. The Board and Management shall:</p> <ul style="list-style-type: none"> <li>▪ Embed diversity in the directors' and employees' appointment and employment processes;</li> <li>▪ Lead by example in embracing diversity in their decision makings;</li> <li>▪ Provide equal career advancement opportunity to employees regardless of age, gender and ethnicity; and</li> <li>▪ Review and improve employee diversity profile.</li> </ul>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The annual board evaluations covering the Board, the Board Committees and individual directors are done through self-assessment. This evaluation is reviewed and overseen by the Nominating Committee. Following are the key criteria applied in these assessments: <ol style="list-style-type: none"><li>1. Board and Board Committee Evaluation- covers evaluation on board mix and composition, quality of information and decision making, boardroom activities, and board's relationship with management;</li><li>2. Character, experience, integrity, competence and time commitment- cover fit and proper, contribution and performance, calibre and personality of each director</li><li>3. Assessment on Mix of skill and experience;</li><li>4. Evaluation of Level of Independence of a Director;</li><li>5. Audit and Risk Management Committee ("ARMC") Evaluation – covers quality and composition of ARMC, skills and competencies and meeting administration and conduct; and</li><li>6. ARMC Members' Self and Peer Evaluation.</li></ol> <p>Based on the assessments, it was concluded that:</p> <ol style="list-style-type: none"><li>i) The skill mix, composition, size, diversity, performance and effectiveness of the Board and Board Committee are satisfactory;</li><li>ii) Independent Non-Executive Directors, Managing Director, Executive Directors and Chief Financial Officer possess the relevant qualifications, knowledge, experience and ability to understand the technical requirements, risks and management of the Group's business and have discharged their duties and responsibilities in a commendable manner and have</li></ol>

	<p>demonstrated their commitment and contribution to the affairs of the Company and Group; and</p> <p>iii) All Independent Directors met the independence criteria set out in the MMLR of the Bursa Securities and carry out their duties and responsibilities independently and objectively.</p> <p>iv) ARMC and its members' performance were satisfactory, and they have carried out their duties in accordance with their terms of reference.</p> <p>For current financial year under review, all Directors have also completed the fit and proper self-declaration form in terms of probity, personal integrity and reputation, and financial integrity.</p>	
<p><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a Remuneration Policy. This Policy is incorporated in the Board Charter and published on the corporate website.</p> <p>Broadly, the remuneration policy of the Board provides that when evaluating the remunerations of the Executive Directors and senior management, the Remuneration Committee shall review the result of the performance appraisal conducted and reported by the Nominating Committee vis-à-vis the following factors of consideration:</p> <ul style="list-style-type: none"><li>• the complexity of the Group's businesses;</li><li>• the business strategy and long-term objectives of the Group;</li><li>• their performance in managing material sustainability risks and opportunities; and</li><li>• the Group's operating results and comparable remuneration from the similar industry.</li></ul> <p>In contrast, the remuneration and incentives for Independent Directors shall not be subject to the financial performance of the Group or entitle them to any bonus or equity schemes to prevent potential conflict with their obligation to bring objectivity and independent judgment on matters discussed at board meetings.</p> <p>Under Section 230(1) of the Companies Act, 2016, the Directors' fees and any benefits payable to the Directors of a listed company and its subsidiaries will be presented for shareholders' approval in the annual general meeting.</p>

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

### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established its Remuneration Committee. The present members of the Remuneration Committee comprising all Independent Directors as follow to assist the Board in implementing Directors' remuneration policies and procedures:</p> <p><b><u>Chairman:</u></b> Mohamed Akwal Bin Sultan Mohamad</p> <p><b><u>Members:</u></b> Masleena Binti Zaid Ong Lu Yuan</p> <p>The terms of reference of the Remuneration Committee and Board remuneration policy and procedure are defined and disclosed in the Company's website. The remuneration of the Executive Directors and Non-Executive Directors were reviewed and recommended by the Remuneration Committee to the Board for approval. All Directors shall abstain from discussions and decisions on their own remuneration.</p> <p>Under Section 230(1) of the Companies Act, 2016, the Directors' fees and other benefits payable to Non-Executive and Independent Directors are to be approved by shareholders at the Annual General Meeting based on the Board's recommendations.</p> <p>The details of the Board members' remunerations are presented in the next practice.</p>
<b>Explanation for departure</b>	:	

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

**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	All remuneration received as at 30 June 2023 by Directors are paid from the Company. None of the Board members received remuneration from subsidiaries of the Company.

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	Lee Chee Kiang	Executive Director	Input info here	Input info here	420.0	Input info here	Input info here	51.5	471.5	Input info here	Input info here	420.0	Input info here	Input info here	51.5	471.5
2	Dato' Lee Wai Mun, DIMP., JMK., JP.	Executive Director	Input info here	Input info here	240.0	Input info here	Input info here	29.9	269.9	Input info here	Input info here	240.0	Input info here	Input info here	29.9	269.9
3	Tan Chin Hong	Executive Director	Input info here	Input info here	216.0	Input info here	8.8	27.0	251.8	Input info here	Input info here	216.0	Input info here	8.8	27.0	251.8
4	Phang Kiew Lim	Executive Director	Input info here	30.0	235.8	Input info here	Input info here	33.0	298.8	Input info here	30.0	235.8	Input info here	Input info here	33.0	298.8
5	Masleena Binti Zaid	Independent Director	72.0	10.8	Input info here	Input info here	Input info here	Input info here	82.8	72.0	10.8	Input info here	Input info here	Input info here	Input info here	82.8
6	Mohamed Akwal Bin Sultan Mohamad	Independent Director	112.0	10.8	Input info here	Input info here	Input info here	Input info here	122.8	112.0	10.8	Input info here	Input info here	Input info here	Input info here	122.8
7	Ong Lu Yuan	Independent Director	82.0	10.8	Input info here	Input info here	Input info here	Input info here	92.8	82.0	10.8	Input info here	Input info here	Input info here	Input info here	92.8
8	Input info here	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here				
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here				
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				
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				
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				
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				
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				
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				

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Applied – the company discloses the remuneration of members senior management who are not members of the board	
<b>Explanation on application of the practice</b>	:	Mr. San Tuck Hoe, the Financial Controller is the only senior management, who reports to the Managing Director and Executive Directors. His annual remuneration is between RM200,000 and RM250,000.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	San Tuck Hoe	Financial Controller	150,001-200,000	Choose an item.	Choose an item.	0-50,000	0-50,000	200,001-250,000
2	Input info here	Input info here	Choose an item.	Choose an item.				
3	Input info here	Input info here	Choose an item.	Choose an item.				
4	Input info here	Input info here	Choose an item.	Choose an item.				
5	Input info here	Input info here	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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	Refer to explanation in Practice 8.2.

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of the Audit and Risk Management Committee ("ARMC"), Mr Ong Lu Yuan who is not the Chairman of the Board.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The ARMC Terms of Reference provide that a former key audit partner shall observe a cooling-off period of at least three years before being appointed as a member of the ARMC. Nonetheless, none of the members of the ARMC is a former partner of the audit firm of the Group.</p> <p>The terms of reference of the ARMC is published on the Company's corporate website.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The present External Auditors of the Company has been engaged since 2008. The External Auditors continue to practise and observe the 7 years engagement partner rotation policy.</p> <p>The ARMC has defined a policy on assessment of External Auditors. The policy covers the qualification criteria, annual performance evaluation, tenure of service and engagement of non-audit services.</p> <p>As part of the ARMC review processes, the ARMC obtains the 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 the relevant professional and regulatory requirements. The ARMC had also conducted meetings with the External Auditors without the presence of the Executive Directors and employees of the Group.</p> <p>Annually, in assessing the suitability and independence of the External Auditors, the ARMC has considered:</p> <ul style="list-style-type: none"><li>i. The External Auditors' ability in meeting deadlines in the course of their audit;</li><li>ii. Adequacy and appropriateness of the audit scope, planning, materiality, sampling and work methods used;</li><li>iii. Competency of the engagement team members; and</li><li>iv. Clarity of presentations and quality of reports produced.</li></ul> <p>Upon review, the ARMC will recommend to the Board for proposing a resolution to Shareholders for the appointment of External Auditors.</p> <p>The ARMC also consider the information presented in the Annual Transparency Report of the current audit firm when evaluating the suitability, objectivity and independence.</p>

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Board has established an effective and independent ARMC. The members of ARMC comprising fully Independent Non-Executive Directors and the Chairman of the ARMC is not the Chairman of the Board.

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 9.5

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

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

<b>Application</b>	:	Applied												
<b>Explanation on application of the practice</b>	:	<p>Collectively, the ARMC members are financially literate and they are able to understand matters under the purview of the Audit Committee including the financial reporting process.</p> <p>The training attended by the members of ARMC during the financial year are as follows:</p> <table border="1"> <thead> <tr> <th>Name of Directors</th> <th>Trainings</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Mohamed Akwal Bin Sultan Mohamad</td> <td> <ul style="list-style-type: none"> <li>Integrating Environmental, Social and Governance (ESG) Into Organisational Financial Reporting</li> </ul> </td> <td>09/05/2023</td> </tr> <tr> <td>Masleena Binti Zaid</td> <td> <ul style="list-style-type: none"> <li>ESG Reporting : A Key to Value Creation Today</li> <li>Stepping up your AMLA Compliance: Best Practice &amp; Challenges in identifying the beneficial owner</li> </ul> </td> <td>20/6/2023 26/6/2023</td> </tr> <tr> <td>Ong Lu Yuan</td> <td> <ul style="list-style-type: none"> <li>Financial Reporting on Impact of Climate Change Effects</li> </ul> </td> <td>05/04/2023</td> </tr> </tbody> </table> <p>Based on the annual Board Committee assessment, the Board is satisfied with the performance of the ARMC and its individual members in discharging their duties in accordance with its terms of reference.</p>	Name of Directors	Trainings	Date	Mohamed Akwal Bin Sultan Mohamad	<ul style="list-style-type: none"> <li>Integrating Environmental, Social and Governance (ESG) Into Organisational Financial Reporting</li> </ul>	09/05/2023	Masleena Binti Zaid	<ul style="list-style-type: none"> <li>ESG Reporting : A Key to Value Creation Today</li> <li>Stepping up your AMLA Compliance: Best Practice &amp; Challenges in identifying the beneficial owner</li> </ul>	20/6/2023 26/6/2023	Ong Lu Yuan	<ul style="list-style-type: none"> <li>Financial Reporting on Impact of Climate Change Effects</li> </ul>	05/04/2023
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Mohamed Akwal Bin Sultan Mohamad	<ul style="list-style-type: none"> <li>Integrating Environmental, Social and Governance (ESG) Into Organisational Financial Reporting</li> </ul>	09/05/2023												
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Ong Lu Yuan	<ul style="list-style-type: none"> <li>Financial Reporting on Impact of Climate Change Effects</li> </ul>	05/04/2023												
<b>Explanation for departure</b>	:													

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

### Intended Outcome

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has defined the Group Risk Policy which outlined the principles of risk management; the Board's and management's risk management responsibilities; and the risk management objectives. The responsibilities for the execution of business plan and control, and monitoring of risks are led by all Executive Directors and the Financial Controller.</p> <p>When deliberating the business agenda during the Board and ARMC meetings, both the Board and senior management members will jointly evaluate the risks and impacts involved in the agenda as well as the effectiveness and adequacy of action plans to manage the identified risks.</p> <p>The Statement on Risk Management and Internal Control is set out on pages 49 to 51 of the company's Annual Report detailing the state and fundamentals of the risk management and internal control systems in the Group as well as the review mechanism of the Board.</p> <p>The Board is satisfied with the effectiveness and adequacy of the existing level of systems of risk management and internal control and has received assurance from the Managing Director, Executive Director and Financial Controller that the Group's risk management and internal control systems to the best of their knowledge are adequate and effective, in all material aspects.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has put in place a Group Risk Policy which covers the risk management responsibilities of the Board and management. Other features of the Group's risk management and internal control framework, the review process by the Board and ARMC, the key internal controls and new updates thereof are presented in the Statement on Risk Management and Internal Control of the Annual Report.</p> <p>The Board has established the following mechanism to obtain the relevant and key information in deriving its comfort on the state of internal control and risk management of the Group:</p> <ul style="list-style-type: none"><li>• Board discussions with management during the board meetings on the business and operational issues, the measures taken by management to mitigate and manage the business and operational risks, and the financial performance based on the quarterly financial results;</li><li>• The ARMC reviews and consults with management on the integrity of the financial results, annual reports and audited financial statements;</li><li>• The External Auditors report to the ARMC on the key audit matters, accounting standards compliance, related party transactions and feedback on risk and control issues noted in their statutory audit;</li><li>• The Internal Auditors perform periodic reviews on the system of internal controls and report their findings and management actions for improvement to the ARMC;</li><li>• Reviews of the related party transactions and the control procedure thereof;</li><li>• Management's assurance that the Group's risk management and internal control systems are adequate and effective in all material respects; and</li></ul>

	<ul style="list-style-type: none"> <li>The implementation of the Group-wide Oversight Framework by the <i>Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries</i> issued by the Securities Commission. This framework facilitates the application of governance policies and procedures of the Board at the subsidiary level. It requires the subsidiaries' management to support the Board in gaining insight into the subsidiaries for Board oversight purposes.</li> </ul> <p>Detailed explanations of the risk, internal control framework and the Board review of the adequacy and effectiveness of the framework are presented in the Statement on Risk Management and Internal Control of the Annual Report.</p> <p>The Board has also commented in the said statement that they are satisfied with the effectiveness and adequacy of the current level of risk management and internal control systems and to these effects also received assurance from the Managing Director, Executive Director and the Financial Controller.</p> <p>The Board wishes to advise that systems of risk management and internal control are designed to manage risks to a reasonable level rather than to eliminate the risk of failure to achieve the Group's business objectives. Therefore, these systems could only provide reasonable and not absolute assurance against material misstatement or financial losses or fraud.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The ARMC is entrusted by the Board to oversee the risk management framework in the Group. This Committee comprises fully Independent Non-Executive Directors

### Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company had outsourced its internal audit function to IA Essential Sdn. Bhd..</p> <p>The Internal Auditors have conducted their work based on the broad principles of the International Professional Practice Framework of the Institute of Internal Auditors covering the audit planning, execution, documentation, communication of findings and consultation with key stakeholders.</p> <p>Functionally, the Internal Auditors reports to the ARMC directly and is responsible for conducting periodic reviews and assessment on governance, risk management and internal controls of the Group.</p> <p>The ARMC reviewed and approved the scope of work of the Internal Auditors to ensure that the audit direction is appropriate and remains relevant according to changes in the present Group's operating environment.</p> <p>When reviewing the Internal Audit reports, the ARMC will consider the impact of the audit issues and assess whether management has provided their comments appropriately and their commitment to the audit recommendations.</p> <p>Private session with the Internal Auditors will be held without the presence of management by the ARMC, if needed to allow the Internal Auditors to exchange their views freely with the ARMC. The ARMC also reviews and approves the Internal Audit Engagement and fees to ensure the independence and objectivity of the Internal Auditors.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

## Intended Outcome

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

## Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Internal Audit Function is outsourced to IA Essential Sdn. Bhd., an internal audit consulting firm.</p> <p>This internal function is managed by Ms Lee Jiann Lin, the project team leader who is an Associate Members of the Institute of Internal Auditors Malaysia and assisted by an associate audit executive. Both are accounting graduates.</p> <p>In discharging her responsibilities, Jiann Lin reports to and is guided by Mr Chong Kian Soon who is the Director of the firm overseeing the engagement. Kian Soon is a member of Chartered Accountants Australia and New Zealand, the Malaysian Institute of Certified Public Accountants and the Institute of Internal Auditors Malaysia.</p> <p>The Internal Auditors have performed their work with reference to the principles of the International Professional Practice Framework of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders.</p> <p>In order to ensure the objectivity, independence and no conflict of interest in the work of the Internal Auditors, the ARMC reviews the conduct and work performed by the Internal Auditors including their participation in the preparation of the statements disclosed in the Company Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Information and communication are important for keeping shareholders and investors informed of the Group's business and corporate developments. At Meta Bright, the corporate development and financial performance information of the Group is communicated to the investors via the Company's annual reports and through various periodic and on-going disclosures made to Bursa Securities.</p> <p>Following are the various ways of the Board communicating with stakeholders:</p> <ul style="list-style-type: none"><li>• Results of the Group are published quarterly via the website of Bursa Securities at <a href="https://announcements.bursamalaysia.com">https://announcements.bursamalaysia.com</a>;</li><li>• Corporate information is provided in its corporate website at <a href="https://www.mbgb.my">https://www.mbgb.my</a></li><li>• under "Investor Relations" link for the interest of the general public;</li><li>• The information disclosed in the Annual Report complies with the disclosure requirements in accordance with the listing requirement and the approved accounting standards; and</li><li>• Shareholders and investors are also encouraged to interact and provide feedbacks to the Chairman or Managing Director accordingly for their concerns during the general meetings.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

**Intended Outcome**

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

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

**Practice 12.2**

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

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

**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>In order to promote shareholders' participation and engagement with the Board and senior management effectively in the Annual General Meeting ("AGM"), the Board would ensure that the Notice of the AGM is sent to shareholders at least 28 days ahead of the date of general meeting. In addition, the Board would also ensure that this Notice contains details of resolutions proposed along with background information and explanatory notes that are relevant.</p> <p>The Notice of 22<sup>nd</sup> AGM dated 26 October 2022 was issued to the shareholders 28 days prior to the 22<sup>nd</sup> AGM held on 24 November 2022.</p> <p>By doing so, shareholders will have sufficient time to prepare and consider the resolutions that will be discussed and decided at the AGM and will be able to make informed decision when exercising their voting rights.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>General meetings empower shareholders to exercise their rights. In the general meeting, shareholders are provided with the opportunity to participate in the question-and-answer session where they can raise questions regarding the proposed resolutions and matters relating to the Group's businesses and affairs.</p> <p>All Board members attended the last AGM which was held at Merbok Room, Level 6, The Grand Renai Hotel, Kota Sri Mutiara, Jalan Sultan Yahya Petra, 15150 Kota Bharu, Kelantan, Malaysia on Thursday, 24 November 2022 at 10.00 a.m. Summary of the matters discussed in the AGM was announced to the Bursa Securities and published in the Company's corporate website on the same day.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Shareholders who were unable to attend the last AGM have appointed proxies to attend and vote on their behalf.  The resolutions were approved by way of poll voting. The results of the poll were validated by GovernAce Advisory & Solutions Sdn. Bhd., an Independent Scrutineer appointed by the Company. The outcome of the AGM was announced to Bursa Securities on the same meeting day.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Board welcome shareholders to raise their questions and is prepared to engage with the shareholders and provide clarification to them.  A Q&A session was allocated during the AGM for shareholders to raise their questions. Summary of the matters discussed and the polling results in the AGM were announced to the Bursa Securities and published in the Company's corporate website.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

### Intended Outcome

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

### Practice 13.5

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

<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. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b> :	Not applicable – only physical general meetings were conducted in the financial year
<b>Explanation on application of the practice</b> :	
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: Minutes of the last Annual and Extraordinary General Meetings were circulated by publishing on the Company's website at <a href="https://www.mbgb.my">https://www.mbgb.my</a> within 30 days after the meetings.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

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

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

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