

CORPORATE GOVERNANCE REPORT

STOCK CODE : 2097
COMPANY NAME : Meta Bright Group Berhad
FINANCIAL YEAR : June 30, 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 Board has established clear roles and responsibilities for its fiduciary and leadership functions of the Board, its Chairman, Managing Director 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. 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 Directors' 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>	
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	:	<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>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>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 https://www.mbgb.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

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: 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>	
Measure	: 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.
Timeframe	: Others

Intended Outcome

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

Practice 1.5

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

Application	: Applied
Explanation on application of the practice	<p>The Board is well-supported by a qualified Company Secretary under Section 235 of the Companies Act 2016. She supports the Board in discharging the board fiduciary duties and stewardship role and advises the Board regarding regulatory compliance, guidelines, legislations and the governance practices.</p> <p>All Directors have unrestricted access to the advice and services of the Company Secretary. The decision to appoint and remove the Company Secretary rests with the Board.</p> <p>The key responsibilities of the Company Secretary are:</p> <ul style="list-style-type: none"> ● Co-ordinating with the Management and Board on the meeting agenda items and schedule; ● Co-ordinating all Board and Board committee meetings; ● Attending and recording minutes of all Board and Board Committee meetings; ● Advising the Board on the corporate disclosures and compliance with securities regulations, listing requirements and Companies Act 2016 as well as their applications with respect to the agenda discussed in the Board meeting; ● Assisting the Board and Management regarding the Annual General Meeting proceedings; and ● Monitor corporate governance developments and assist the Board in applying governance practices to meet the compliance needs and stakeholders' expectations.
Explanation for departure	: 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></p>	

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

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board 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 Corruption Policy, Directors' Fit and Proper Policy , Diversity Policy as well as the terms of reference of the Board Committees are also posted on the Company's corporate website at https://www.mbgb.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has 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 https://www.mbgb.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	:	<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 mbgb@whistleblower.com.my 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>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	Board Charter provides that the Board is responsible for ensuring the Group's strategic plan supports long-term value creation and sustainability. The sustainability issue is also a matter that is reserved for the Board's decision. The Group takes sustainability into account when considering new business ventures and opportunities. Senior Management also considers the health and safety issues, data protection & privacy awareness, energy and water consumption, procurement practice impact on carbon emission, the wellbeing of the community and employees, workplace diversity, employee training, 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 on the Sustainability Statement in the Annual Report)
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	:	The Group is committed to the sustainability goals and maintains effective communication and understanding with all employees and stakeholders to meet the goals. In the Sustainability Statement, the Group has disclosed the key sustainability approaches and initiatives covering stakeholder engagement, sustainability initiative and performance and , environmental, social, and governance.	
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	:	All Directors have attended the “High Impact ESG Awareness Training”. 4 out of 7 Directors have attended the Managing and Implementing Materiality Assessment and Disclosure course conducted by MyESG Sdn. Bhd. In addition, through business discussions, meetings and participation in trade events, the Executive Directors continue to enhance their knowledge and stay abreast with the latest developments relating to sustainability matters.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

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

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	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.

Application	:	Applied
Explanation on application of the practice	:	<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>The annual performance assessment concluded that all Directors and the Financial Controller possess the relevant qualifications, 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.</p> <p>The retiring Directors (based on their tenure of service) have completed a self-declaration form confirming their probity, personal integrity and reputation, and financial integrity. Accordingly, the retiring Directors were recommended for re-appointment at the Annual General Meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	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. Nevertheless, the Board composition is in compliance with Para 15.02 of 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.	
		In addition, 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 in the case of an equality of votes.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Others	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	The tenure of office of the respective Independent Directors are as follows:	
		Independent Director	Date of Appointment
		Years of Service up to the coming AGM in December 2024	
		Mohamed Akwal Bin Sultan Mohamad	25 August 2015
		Masleena Binti Zaid	15 July 2019
		Ong Lu Yuan	17 September 2020
			4 years
		The Board will seek approval from shareholders through a two-tier voting process at the upcoming Annual General Meeting to retain Encik Mohamed Akwal Bin Sultan Mohamad as an independent director who has served on the board for a cumulative term of more than nine years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied				
Explanation on application of the practice	:	The composition of the Board, comprising Executive, Non-Executive and Independent Directors, reflects the diversity in skills, experience, age, cultural background and gender in the Board.				
		Age Group	30- <45 years	45- <55 years	55- <65 years	65- 75 years
		Number of Directors	1	5		1
		Number of Senior Management			1	
		Independent Non-Executive Directors	Knowledge			
		Mohamed Akwal Bin Sultan Mohamad	<ul style="list-style-type: none"> • General Management/Business • Economics and Policy • Banking and Finance • Marketing and Sales • Human Resource / Talent Management • Sustainability/Environmental, Social and Governance 			
		Masleena Binti Zaid	<ul style="list-style-type: none"> • Legal and Regulatory • General Management/Business • Human Resource / Talent Management 			
		Ong Lu Yuan	<ul style="list-style-type: none"> • Accounting/Auditing 			

	<ul style="list-style-type: none"> • General Management/Business • Taxation • Banking and Finance • Sustainability/Environmental, Social and Governance
Executive Directors	Knowledge
Lee Chee Kiang	<ul style="list-style-type: none"> • Legal and Regulatory • Accounting / Auditing • General Management/Business • Taxation • Banking and Finance • Economics and Policy • Sustainability/Environmental, Social and Governance • Main Market Listing Requirements of Bursa Malaysia Securities
Dato' Lee Wai Mun DIMP., JMK., JP.	<ul style="list-style-type: none"> • Legal and Regulatory • Accounting/Auditing • General Management/Business • Taxation • Banking and Finance • Economics and Policy • Sustainability/Environmental, Social and Governance • Main Market Listing Requirements of Bursa Malaysia Securities
Tan Chin Hong	<ul style="list-style-type: none"> • Legal and Regulatory • Accounting / Auditing • General Management/Business • Banking and Finance • Economics and Policy
Phang Kiew Lim	<ul style="list-style-type: none"> • Legal and Regulatory • Accounting/Auditing • General Management/Business • Taxation • Banking and Finance • Economics and Policy • Main Market Listing Requirements of Bursa Malaysia Securities • Sustainability/Environmental, Social and Governance

	Senior Management	Knowledge
	San Tuck Hoe	<ul style="list-style-type: none"> • Accounting/Auditing • Information Technology / Digital Strategy • General Management/Business • Taxation • Banking and Finance • Economics and Policy
<p>Further details of each individual director can be found in their respective Directors' profiles in the Annual Report.</p> <p>The Board had adopted the Directors' Fit and Proper Policy. This policy defines the character, experience, integrity, competence, and time commitment criteria for directors and is used in evaluating directors before their appointment and re-election to the Board. This Directors' Fit and Proper Policy for Directors has been published onto the Company's corporate website.</p>		
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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	:	<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 which are in line with the needs of the Group.</p> <p>As mentioned in Practice 5.1, all Directors' performances are commendable based on the annual director performance evaluation.</p> <p>No new director was appointed during the financial year.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The profiles of each Director are disclosed in the Annual Report for shareholders' reference. The details in the Directors profiles include their age, experience, skillsets, educational background, directorships in other listed and non-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>
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 Nominating Committee is chaired by Puan Masleena Binti Zaid who is an Independent Non-Executive Director.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	Presently, the Board comprises a woman Director, Puan Masleena Binti Zaid, Non-Executive and Independent Director. Her presence satisfies Paragraph 15.02 of 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>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Others	

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	<p>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"> ▪ Embed diversity in the directors' and employees' appointment and employment processes; ▪ Lead by example in embracing diversity in their decision-makings; ▪ Provide equal career advancement opportunities to employees regardless of age, gender and ethnicity; and ▪ Review and improve employee diversity profile. 	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: 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">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 and stakeholders, Environmental, Social and Governance;2. Character, experience, integrity, competence and time commitment- cover fit and proper, contribution and performance, caliber and personality of each director3. Assessment on mix of skill and experience;4. Evaluation of Level of Independence of a Director;5. Audit and Risk Management Committee ("ARMC") Evaluation – covers quality and composition of ARMC, skills and competencies and meeting administration and conduct; and6. ARMC Members' Self and Peer Evaluation <p>Based on the assessments, it was concluded that:</p> <ol style="list-style-type: none">i) The skill mix, composition, size, diversity, performance and effectiveness of the Board and Board Committee are satisfactory;ii) Independent Non-Executive Directors, Managing Director, Executive Directors and Financial Controller 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 demonstrated their

	<p>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>During the current financial year under review, all Directors have completed the Directors' Fit and Proper self-declaration form, covering aspects of probity, personal integrity, reputation, and financial integrity.</p>	
<p>Explanation for departure</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>Measure</p>	<p>:</p>	
<p>Timeframe</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.

Application	:	Applied
Explanation on application of the practice	:	<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">• the complexity of the Group's business;• the business strategy and long-term objectives of the Group;• their performance in managing material sustainability risks and opportunities; and• the Group's operating results and comparable remuneration from the similar industry <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>

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

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 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><u>Chairman:</u> Mohamed Akwal Bin Sultan Mohamad</p> <p><u>Members:</u> 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 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>As Under Section 230(1) of the Companies Act, 2016, the Directors' fees and other benefits payable to 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>
Explanation for departure	:	

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

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	All remuneration received as at 30 June 2024 by Directors are disclosed in the following page.

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	17.5	Input info here	53.7	491.2	50.0	Input info here	420.0	17.5	Input info here	53.7	541.2
2	Dato' Lee Wai Mun	Executive Director	Input info here	Input info here	240.0	10.0	4.6	31.2	285.8	Input info here	Input info here	240.0	10.0	4.6	31.2	285.8
3	Tan Chin Hong	Executive Director	Input info here	Input info here	216.0	9.0	8.8	28.2	262.0	Input info here	Input info here	216.0	9.0	8.8	28.2	262.0
4	Phang Kiew Lim	Executive Director	Input info here	60.0	235.8	9.8	Input info here	34.2	339.8	50.0	60.0	235.8	9.8	Input info here	34.2	389.8
5	Masleena Binti Zaid	Independent Director	72.0	6.0	Input info here	Input info here	Input info here	Input info here	78.0	72.0	6.0	Input info here	Input info here	Input info here	Input info here	78.0
6	Mohamed Akwal Bin Sultan Mohamad	Independent Director	120.0	6.0	Input info here	Input info here	Input info here	Input info here	126.0	120.0	6.0	Input info here	Input info here	Input info here	Input info here	126.0
7	Ong Lu Yuan	Independent Director	84.0	6.0	Input info here	Input info here	Input info here	Input info here	90.0	84.0	6.0	Input info here	Input info here	Input info here	Input info here	90.0
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				

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	:	Applied – the company discloses the remuneration of members senior management who are not members of the board	
Explanation on application of the practice	:	Mr. San Tuck Hoe, the Financial Controller is the only top senior management, who reports to the Managing Director and Executive Directors. His annual remuneration is between RM200,001 and RM250,000.	
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	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	San Tuck Hoe	Financial Controller	200,001-250,000	Choose an item.	0-50,000	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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	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.

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The 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 are former partners of the audit firm of the Group.</p> <p>The terms of reference of the ARMC are published on the Company's corporate website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 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">i. The External Auditors' ability in meeting deadlines in the course of their audit;ii. Adequacy and appropriateness of the audit scope, planning, materiality, sampling and work methods used;iii. Competency of the engagement team members; andiv. Clarity of presentations and quality of reports produced. <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>

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	:	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.

Application	:	Applied																								
Explanation on application of the practice	:	<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>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Mohamed Akwal Bin Sultan Mohamad</td> <td>• Driving Sustainable Growth - ESG Strategies for Malaysian Businesses</td> <td>4 Apr 2024</td> </tr> <tr> <td>• High Impact ESG Awareness Training</td> <td>21 Nov 2023</td> </tr> <tr> <td>• Baker Tilly Malaysia Tax and Budget Webinar</td> <td>1 Nov 2023</td> </tr> <tr> <td rowspan="4">Masleena Binti Zaid</td> <td>• Driving Sustainable Growth - ESG Strategies for Malaysian Businesses</td> <td>4 Apr 2024</td> </tr> <tr> <td>• Case Study-Based MFRS Webinar: MFRS 13 Fair Value Measurements Practical Revision Course with Illustrative Examples</td> <td>18 Mar 2024</td> </tr> <tr> <td>• High Impact ESG Awareness Training</td> <td>21 Nov 2023</td> </tr> <tr> <td>• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</td> <td>11-12 Dec 2023</td> </tr> <tr> <td></td> <td>• What amounts to a Conflict of Interest by Directors</td> <td>6 Oct 2023</td> </tr> </tbody> </table>			Name of Directors	Training	Date	Mohamed Akwal Bin Sultan Mohamad	• Driving Sustainable Growth - ESG Strategies for Malaysian Businesses	4 Apr 2024	• High Impact ESG Awareness Training	21 Nov 2023	• Baker Tilly Malaysia Tax and Budget Webinar	1 Nov 2023	Masleena Binti Zaid	• Driving Sustainable Growth - ESG Strategies for Malaysian Businesses	4 Apr 2024	• Case Study-Based MFRS Webinar: MFRS 13 Fair Value Measurements Practical Revision Course with Illustrative Examples	18 Mar 2024	• High Impact ESG Awareness Training	21 Nov 2023	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	11-12 Dec 2023		• What amounts to a Conflict of Interest by Directors	6 Oct 2023
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	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.		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established the Group Risk Policy, which sets out the guiding principles of risk management, outlines the responsibilities of both the Board and management and defines the risk objectives of risk management framework.</p> <p>Management periodically evaluates the business and operational risks, refining the existing ones and identifying new mitigation action plans to address emerging risks. Identified risks are assessed based on the likelihood of occurrence and potential impact.</p> <p>In addition, during the Board and ARMC meetings, the Board and Senior Management members review and discuss the risks and implications related to the agenda, along with the adequacy and effectiveness of the associated risk management action plan.</p> <p>The Statement on Risk Management and Internal Control is set out on pages 61 - 63 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>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
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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 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">• 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;• The ARMC reviews and consults with management on the integrity of the financial results, annual reports and audited financial statements;• 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;• The Internal Auditors perform periodic reviews on the system of internal controls and report their findings and management actions for improvement to the ARMC;• Reviews of the related party transactions and the control procedure thereof;• Management's assurance that the Group's risk management and internal control systems are adequate and effective in all material respects; and

	<ul style="list-style-type: none"> The implementation of the Group-wide Oversight Framework as per <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 enables the Board to gain oversight through insight provided by the subsidiaries' management. <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 statement that they are satisfied with the effectiveness and adequacy of the current level of risk management and internal control systems and also received assurance from the Managing Director, Executive Director and the Financial Controller to these effect.</p> <p>The Board wishes to advise that risk management and internal control systems 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, financial losses or fraud.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 10.3 - 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	:	Adopted
Explanation on adoption of the practice	:	The Board entrusts the ARMC 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group 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 report to the ARMC directly and is responsible for conducting periodic reviews and assessment on the Group's governance, risk management and internal controls.</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 sessions 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>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Internal Audit Function is outsourced to IA Essential Sdn. Bhd., an internal audit consulting firm.</p> <p>This function is led by Ms Lee Kar Ying, the project team leader, with support from an associate audit executive. Both are accounting graduates.</p> <p>In discharging her responsibilities, Kar Ying reports to and is guided by Mr Chong Kian Soon, the firm’s Director overseeing the engagement. Kian Soon is a member of Chartered Accountants Australia and New Zealand, the Malaysia 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 the Institute of Internal Auditors covering the conduct of the audit planning, execution, documentation, communication of findings and consultation with key stakeholders.</p> <p>In order to ensure 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>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Information and communication are important for keeping shareholders and investors informed of the Group's business and corporate developments. At Meta Bright Group Berhad, 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">• Results of the Group are published quarterly via the website of Bursa Securities at http://announcements.bursamalaysia.com;• Corporate information is provided in its corporate website at https://www.mbgb.my under "Investor Relations" and "News & Press" for the interest of the general public;• The information disclosed in the Annual Reports complies with the disclosure requirements in accordance to the listing requirement and the approved accounting standards; and• 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.
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 12.2

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	:	<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 23rd AGM, dated 31 October 2023, was issued to the shareholders 28 days before the AGM held on 15 December 2023.</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>	
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 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>All 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 Friday, 15 December 2023, at 9.30 a.m.</p> <p>General meetings empower shareholders to exercise their rights. At the general meeting, shareholders have 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>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied	
Explanation on application of the practice	:	Shareholders who were unable to attend the 23 rd AGM have appointed 20 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.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Board welcome shareholders to raise their questions and is prepared to engage with the shareholders and provide clarification to them.</p> <p>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 23rd AGM were announced to the Bursa Securities and published in the Company's corporate website.</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.

<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>	
Application :	Not applicable – only physical general meetings were conducted in the financial year
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 13.6

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	: Minutes of the last Annual and Extraordinary General Meetings were circulated by publishing on the Company's website at https://mbgb.my within 30 days after the meetings.
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.

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